



metalicity

ABN 92 086 839 992

Consolidated Condensed Financial Report for the
half-year ended 31 December 2023

**Consolidated Condensed Financial Report for the half-year
ended 31 December 2023**

Contents

Directors

Justin Barton – Managing Director and Acting Chairperson
Roger Steinepreis – Non-Executive Director
Steven Wood – Independent Non-Executive Director

Company Secretary

Kate Breadmore – Company Secretary

Auditors

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12-14 The Esplanade
PERTH WA 6000

Solicitors

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Share Registry

Link Market Services
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Level 12, 250 St Georges Terrace
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Investor Enquiries: 1300 554 474
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Stock Exchange Listing

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

Web Site: www.metalicity.com.au

**Consolidated Condensed Financial Report for the half-year
ended 31 December 2023**

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This Consolidated Condensed Half-Year Financial Report does not include all the notes of the type normally included in an Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Financial Report for the year ended 30 June 2023 and any public announcements made by Metalicity Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

DIRECTORS' REPORT

The Directors of Metalicity Limited (the “Company”) submit herewith the Consolidated Condensed Half-Year Financial Report of the Company and its subsidiaries (the “Group”) for the half-year ended 31 December 2023. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

Information about the Directors and senior management

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

Name	Particulars
Justin Barton	Managing Director and Acting Chairperson
Roger Steinepreis	Non - Executive Director
Steven Wood	Independent Non-Executive Director

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

Principal activities

The Group’s principal activity as at the date of the Consolidated Condensed Half-Year Financial Report is mineral exploration and development of the Kookynie and Yundamindra Gold Projects, which the Company has an effective 63.7% joint venture (“JV”) interest in through the direct ownership of 51% and ~25.92% indirect interest via Nex Metals Exploration Ltd (“Nex”), and the Queensland based Mt Surprise Project and Georgetown Projects.

On 21 December 2023, the Company announced it had executed formal agreements with Nex regarding the JV and the settlement of all disputes between the parties. On completion of the matters set out in the formal agreements the Company will hold a 80% interest in the JV with Nex retaining the remaining 20%.¹

Operating results

The loss after tax for the half-year ended 31 December 2023 was \$305,919 (2022: \$2,101,782).

Dividends

No dividends were paid during the half-year and the Directors do not recommend the payment of a dividend.

Overview of operations

Exploration activities undertaken in the first half of the reporting year predominantly involved exploration around Metalicity’s Queensland projects of Mt Surprise and Georgetown. The Company undertook a field program to follow up previous significant results and test a number of exploration targets generated by the geophysical survey data review within the large central corridor of interest/prospectivity at the Mt Surprise Project area^{2,3,4}. A significant area of heavily mineralised gossan within EPM28653 was identified 2.5km south along trend from the Copper Cap prospect (Figure 1). Located in the saddle of two prominent hills, this gossanous area over 50m in length and up to 7m wide in places with minor historical excavations present had visual copper minerals (azurite and malachite) similar to Copper Cap.

¹ Please refer to ASX announcement “*Metalicity and Nex Metals Execute Formal Agreements*” dated 21 December 2023

² Please refer ASX announcement “*Multiple New Priority Exploration Targets Identified at Mt Surprise*” dated 15 May 2023

³ Please refer ASX announcement “*Soil Sampling Confirms and Extends Significant Copper and Base Metal Mineralisation*” dated 3 May 2023

⁴ Please refer ASX announcement “*High Grade Copper Results from Outcropping Gossan Rock Chips at Mt Surprise*” dated 14 November 2022

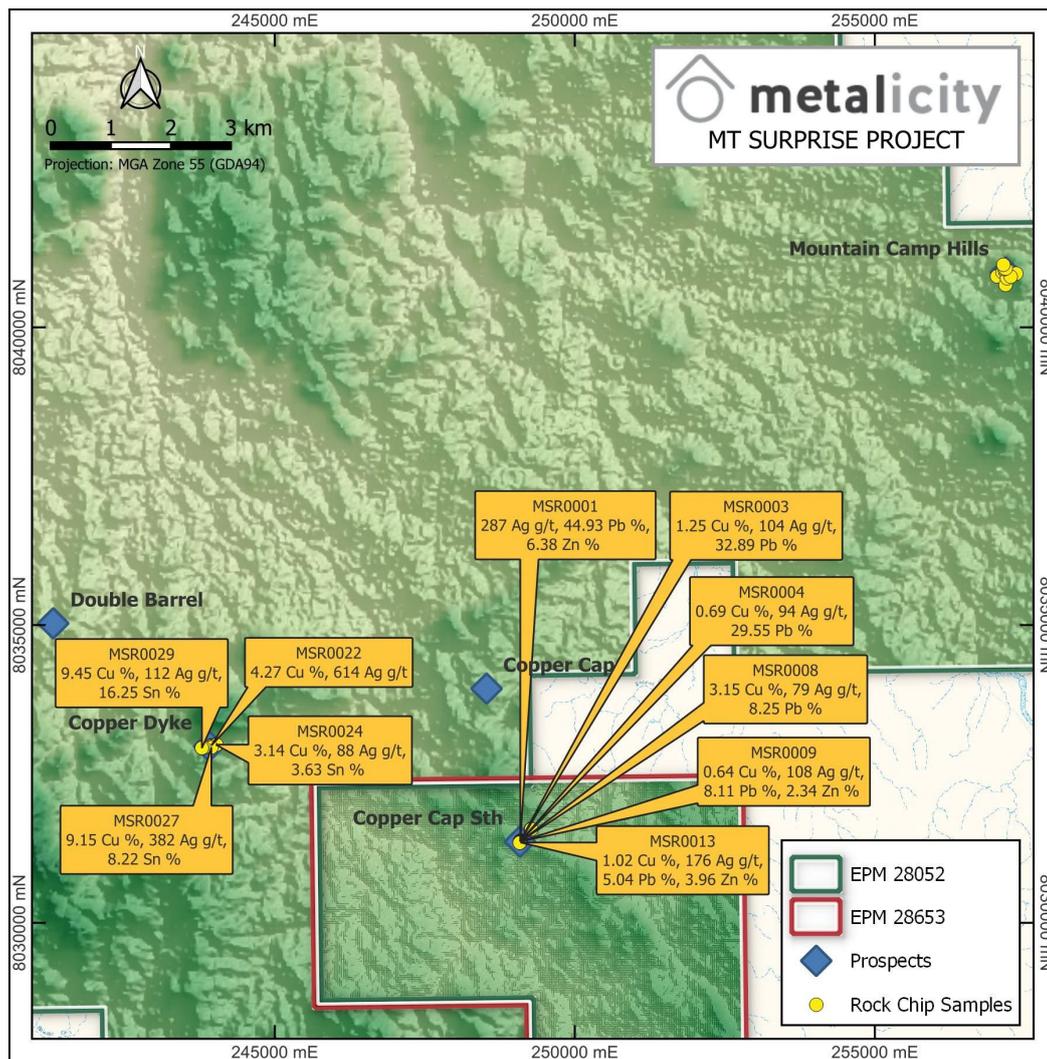


Figure 1. Location of rock chip samples within Mt Surprise Project with details of significant results.

Additional mineralisation and surface oxidation was observed 300m northeast along trend from the main mineralised gossan, supporting a potential north-south oriented mineralised trend up to 3-4km in length.

A second zone of copper mineralisation was identified approximately 5km to the west of the Copper Cap mineralised trend consisting of a highly silicified east-west oriented vein up to 1.5m wide in sections and had a strike length of over 250m with extensive copper mineralisation (azurite and malachite) (Figure 1). Located along the extent of the vein were some minor historical excavations where very high-grade mineralisation was extracted in small trenches and a shaft up to 4m in depth, 2m wide and 3m long.

Significant results returned from two newly identified targets include (but not limited to)⁵:

- 9.45% Cu, 112g/t Ag, 16.25% Sn
- 9.15% Cu, 382g/t Ag, 8.22% Sn
- 4.27% Cu, 614g/t Ag

Metalicity also conducted preliminary reconnaissance exploration over the extensive ground within EPM 28121 of the Georgetown Project located 50km west of Mt Surprise. EPM28121 covers an area over 90km in length from one end to the other with limited access and substantial vegetation cover making on ground exploration challenging. Metalicity identified several previously mapped pegmatites within close proximity to a larger granite body or within the granite itself at the contact with older Einasliegh Metamorphics

⁵ Please refer ASX announcement “*Significant New Mineralisation Identified at Mt Surprise*” dated 20 September 2023

These pegmatites were mapped and sampled, however none returned with any anomalous results for lithium or other associated mineralisation. Further investigation will be undertaken in the south western areas of EPM 28121 closer to the central mining district of the Georgetown/Forsayth area which will become the focus of future exploration activities for Metalicity.

Work undertaken on the Kookynie and Yundamindra Gold Projects focussed on target generation, strategic planning and submission of necessary approvals for future drilling programs pending results from the Yundamindra plant and finalisation of the revised JV agreement with Nex.

Competent Person Statement

This report contains references to Exploration Results and targets which have been previously released by the Company. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcements and that all material assumptions and technical parameters underpinning the Exploration Results in the original announcements continue to apply and have not materially changed. Information in this report that relates to Exploration Results and targets is based on, and fairly reflects, information compiled by Mr. Stephen Guy, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr. Guy is a former employee of the Company. Mr. Guy has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Subsequent events

The Directors are not aware of any matter or circumstance that has arisen since 31 December 2023 which has 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 financial years other than:

- On 9 January 2024, the Company announced that the annual salary of the Company's Managing Director, Justin Barton, has decreased from \$295,000 plus super to \$180,000 plus super, effective 1 December 2023. This reduction continues for a period of 6 months or until the Company completes a capital raising, whichever is earlier and can be extended at the discretion of the Company's Board.
- On 31 January 2024, the Company released its Appendix 5B Cash Flow Report.
- On 31 January 2024, the Company released its Quarterly Activities Report.
- On 1 February 2024, the Company announced it is to commence exploration at the high grade Yundamindra Gold Project following a favourable decision in the Wardens Court.
- On 6 March 2024, the Company announced drilling approvals for the Company's maiden drilling program at Yundamindra had been lodged.

Rounding of amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the Directors' report and in the Consolidated Condensed Half-Year Financial Report have been rounded to the nearest dollar, or in certain cases, to the nearest thousand dollar (where indicated).

Auditor's independence declaration

The auditor's independence declaration is included on page 6 of the half-year report.

Signed in accordance with a resolution of Directors made pursuant to s.306 (3) of the *Corporations Act 2001*.

On behalf of the Directors



Justin Barton
Managing Director
Perth, Western Australia

14 March 2024

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF METALICITY LIMITED**

In relation to the independent auditor's review for the half-year ended 31 December 2023, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

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

PITCHER PARTNERS BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



MICHAEL LIPRINO
Executive Director
Perth, 14 March 2024

METALICITY LIMITED
ABN 92 086 839 992

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

Conclusion

We have reviewed the half-year financial report of Metalicity Limited (the "Company") and its controlled entities (the "Group"), which comprises the consolidated condensed statement of financial position as at 31 December 2023, the consolidated condensed statement of profit or loss and other comprehensive income, consolidated condensed statement of changes in equity and consolidated condensed statement of cash flows for the half-year ended on that date, a summary of material 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:

(a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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 our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 1b to the half-year financial report which indicates that the Group incurred a comprehensive loss of \$348,131 during the half-year ended 31 December 2023 (31 December 2022: loss of \$1,976,194) and had net cash outflows from operating activities of \$694,895 (31 December 2022: \$982,895), and as of that date, the Group had current assets of \$3,660,262 (30 June 2023: \$2,497,716) and net assets of \$10,099,844 (30 June 2023 \$8,935,400). As at the date of this report there is a material uncertainty that the Group can meet its administrative and other committed expenditure for a period of at least the next 12 months. These conditions, along with other matters as set forth in Note 1b to the half-year financial report, indicate that a material uncertainty exists that may cast significant doubt about the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the Group 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

METALICITY LIMITED
ABN 92 086 839 992

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

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 2023 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.

PITCHER PARTNERS BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



Michael Liprino
Executive Director
Perth, 14 March 2024

**Consolidated condensed statement of profit or loss and other comprehensive income
for the half-year ended 31 December 2023**

	Note	31 December 2023 \$	31 December 2022 \$
Revenue and other income from continuing operations	2	21,616	96,885
Fair value movement on financial assets at fair value through profit & loss	5	1,005,023	(313,351)
Expenses		<u>(1,179,655)</u>	<u>(1,694,027)</u>
Loss before income tax expense		(153,016)	(1,910,493)
Income tax expense		<u>-</u>	<u>-</u>
Loss after income tax from continuing operations		<u>(153,016)</u>	<u>(1,910,493)</u>
Discontinued operations			
Net loss from discontinued operations	7	(152,903)	(191,289)
Loss for the half-year		<u>(305,919)</u>	<u>(2,101,782)</u>
Other comprehensive income			
Foreign currency translation gain/(loss)		<u>(42,212)</u>	125,588
Other comprehensive income/(loss) for the half-year, net of tax		<u>(42,212)</u>	125,588
Total comprehensive loss for the half-year		<u><u>(348,131)</u></u>	<u><u>(1,976,194)</u></u>
Loss attributable to:			
Owners of the Company		(284,504)	(2,088,846)
Non-controlling interest		<u>(21,415)</u>	<u>(12,936)</u>
		<u>(305,919)</u>	<u>(2,101,782)</u>
Total comprehensive loss attributable to:			
Owners of the Company		(284,504)	(2,088,846)
Non-controlling interest		<u>(63,627)</u>	112,652
		<u><u>(348,131)</u></u>	<u><u>(1,976,194)</u></u>
Loss per share from continuing operations attributable to the equity holders of the Company:			
Basic and Diluted loss per share (cents)		<u>(0.01)</u>	<u>(0.06)</u>
Loss per share from discontinued operations attributable to the equity holders of the Company:			
Basic and Diluted loss per share (cents)		(0.00)	(0.00)
Loss per share attributable to the equity holders of the Company:			
Basic and Diluted loss per share (cents)		<u>(0.01)</u>	<u>(0.06)</u>

The accompanying notes form part of these Consolidated Condensed Financial Statements.

**Consolidated condensed statement of financial position
as at 31 December 2023**

	31 December 2023	30 June 2023
Note	\$	\$
Current assets		
Cash and cash equivalents	862,030	702,519
Trade and other receivables	3 43,755	48,341
Financial assets at fair value through profit & loss	5 2,740,971	1,735,948
Prepayments	13,506	-
Other financial assets	4 -	10,908
Total current assets	<u>3,660,262</u>	<u>2,497,716</u>
Non-current assets		
Exploration and evaluation expenditure	6 7,246,010	7,012,544
Right of use asset	-	7,769
Plant and equipment	14,668	19,527
Total non-current assets	<u>7,260,678</u>	<u>7,039,840</u>
Total assets	<u>10,920,940</u>	<u>9,537,556</u>
Current liabilities		
Trade and other payables	699,957	440,152
Provisions	121,139	132,475
Borrowing	-	21,966
Lease liability	-	7,563
Total current liabilities	<u>821,096</u>	<u>602,156</u>
Total liabilities	<u>821,096</u>	<u>602,156</u>
Net assets	<u>10,099,844</u>	<u>8,935,400</u>
Equity		
Issued capital	8 66,025,568	64,561,230
Reserves	6,062,583	6,056,558
Accumulated losses	(61,832,269)	(61,547,765)
Equity attributable to owners of the Company	10,255,882	9,070,023
Non-Controlling interest	(156,038)	(134,623)
Total equity	<u>10,099,844</u>	<u>8,935,400</u>

The accompanying notes form part of these Consolidated Condensed Financial Statements.

Consolidated condensed statement of changes in equity for the half-year ended 31 December 2023

	Issued Capital	Share Based Payments Reserve	Other Reserves	Foreign Exchange Reserve	Accumulated losses	Non Controlling Interest	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2023	64,561,230	6,056,558	-	-	(61,547,765)	(134,623)	8,935,400
Loss for the half-year	-	-	-	-	(284,504)	(21,415)	(305,919)
Other comprehensive income for the half-year	-	-	-	(42,212)	-	-	(42,212)
Total comprehensive loss for the half-year	-	-	-	(42,212)	(284,504)	(21,415)	(348,131)
Issue of share capital during the half-year	1,497,936	-	-	-	-	-	1,497,936
Issue of Broker options during the half-year	-	33,598	-	-	-	-	33,598
Expense of performance rights issued in prior periods	-	14,639	-	-	-	-	14,639
Expense relating to issue of share capital during current periods	(33,598)	-	-	-	-	-	(33,598)
Total transactions with owners during the half-year	1,464,338	48,237	-	(42,212)	(284,504)	(21,415)	1,164,444
Balance at 31 December 2023	66,025,568	6,104,795	-	(42,212)	(61,832,269)	(156,038)	10,099,844
Balance at 1 July 2022	63,734,085	5,920,745	-	-	(57,806,147)	(109,537)	11,739,146
Loss for the half-year	-	-	-	-	(2,088,846)	(12,936)	(2,101,782)
Other comprehensive income for the half-year	-	-	-	125,588	-	-	125,588
Total comprehensive loss for the half-year	-	-	-	125,588	(2,088,846)	(12,936)	(1,976,194)
Issue of share capital during the half-year	101,950	-	-	-	-	-	101,950
Issue of performance rights during the half-year	-	132,023	-	-	-	-	132,023
Expense accrual relating to the issue of share during prior periods reversal	17,994	-	-	-	-	-	17,994
Return of capital to shareholders	(8,578)	-	-	-	-	-	(8,578)
Expense relating to issue of share capital during previous periods	(16,358)	-	-	-	-	-	(16,358)
Total transactions with owners during the half-year	95,007	132,023	-	-	-	-	227,031
Balance at 31 December 2022	63,829,092	6,052,768	-	125,588	(59,894,993)	(122,473)	9,989,983

The accompanying notes form part of these Consolidated Condensed Financial Statements.

**Consolidated condensed statement of cash flows
for the half-year ended 31 December 2023**

	Note	31 December 2023 \$	31 December 2022 \$
Cash flows from operating activities			
Payments to suppliers and employees		(697,793)	(922,107)
Payments for exploration and evaluation		-	(65,454)
Interest received		2,898	4,666
Net cash (used in) operating activities		<u>(694,895)</u>	<u>(982,895)</u>
Cash flows from investing activities			
Payments for tenements and exploration expenditure capitalised		(386,369)	(480,859)
Net cash (used in) investing activities		<u>(386,369)</u>	<u>(480,859)</u>
Cash flows from financing activities			
Proceeds from issue of share capital in previous periods		-	3,345
Return of capital to shareholders		-	(8,578)
Proceeds from share issue		1,375,000	-
Expense relating to issue of share capital		(84,295)	(46,482)
Lease payments		(27,964)	(16,905)
Net cash (used in) / provided by financing activities		<u>1,262,741</u>	<u>(68,618)</u>
Net increase/(decrease) in cash and cash equivalents		181,477	(1,532,372)
Cash and cash equivalents at the beginning of the half-year		680,553	3,060,817
Cash and cash equivalents at the end of the half-year		<u>862,030</u>	<u>1,528,445</u>

The accompanying notes form part of these Consolidated Condensed Financial Statements.

Condensed notes to the consolidated financial statements for the half-year ended 31 December 2023

1. Corporate information and accounting policies

The Consolidated Condensed Half-Year Financial Report of Metalicity Limited (the “Company”) and its controlled entities (the “Group”) for the half-year ended 31 December 2023 was authorised for issue on 14 March 2024. Metalicity Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and the principal activities of the Group are described in the Directors’ Report.

This Consolidated Condensed Half-Year Financial Report is intended to provide users with an update on the latest Annual Financial report of the Group. It is recommended that this Consolidated Condensed Half-Year Financial Report be read in conjunction with the Annual Financial Report for the year ended 30 June 2023, together with any public announcements made during the half-year in accordance with the continuous requirements of the *Corporations Act 2001*.

a. Basis of preparation

These general purpose Consolidated Condensed Financial Statements for the half-year ended 31 December 2023 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134 *Interim Financial Reporting* (“AASB 134”). Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The Consolidated Condensed Financial Statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of certain financial assets.

The Consolidated Condensed Financial Statements have been prepared using the same accounting policies and methods of computation as disclosed in the Group’s Annual Financial Report for the financial year ended 30 June 2023 unless otherwise stated in the notes to the Consolidated Condensed Financial Statements.

b. Going Concern

The Consolidated Condensed Half-Year Financial Report has been prepared on the going concern basis, which assumes continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

For the half-year ended 31 December 2023, the Group recorded a total comprehensive loss of \$348,131 (31 December 2022: \$1,976,194) and had net cash outflow from operating activities of \$694,895 (31 December 2022: \$982,895). The Consolidated Condensed Statement of Financial Position shows that the Group current assets of \$3,660,262 (30 June 2023: \$1,895,560) and net assets of \$10,099,844 (30 June 2023: \$8,935,400) as at 31 December 2023.

The Directors are confident that the Group will be able to continue as a going concern and meet its current liabilities as and when they fall due for a period of at least 12 months from the date of signing this Consolidated Condensed Half-Year Financial Report. In arriving at this position, the Directors have taken into consideration the following:

- The Directors have assessed the cashflow requirements for the 12-month period from the date of approval of the Consolidated Condensed Half-Year Financial Report and the impact on the Group and believe there will be sufficient funds to meet the Group’s working capital requirements;
- In the event that the funding of an amount required to meet the future budgeted operational and investing activities of the Group is unavailable, the Directors have the ability to reduce or defer operational and other expenditures to preserve liquidity while still meeting minimum obligations pending successful capital raising; and
- The Directors have a proven track record of the ability to raise capital to fund the Group’s strategy.

The accompanying notes form part of these Consolidated Condensed Financial Statements.

**Condensed notes to the consolidated financial statements for the
half-year ended 31 December 2023**

1. Corporate information and significant accounting policies (continued)

b. Going Concern (continued)

Should the Group not achieve the matters set out above there is significant uncertainty whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of operations and at the amounts stated in the Consolidated Condensed Half-Year Financial Report. The Consolidated Condensed Half-Year Financial Report does not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

c. New or amended Accounting Standards and Interpretations adopted

The Group has considered the implications of new or amended Accounting Standards and Interpretations which have become applicable for the current annual financial reporting period beginning on or after 1 July 2023. It has been determined by the Group that there is no impact, material or otherwise, of the new or amended Accounting Standards and Interpretations and therefore no changes to Group accounting policies.

d. New Accounting Standards and Interpretations not yet mandatory or early adopted

The Australian Accounting Standard Board (the “AASB”) has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of these new and amended pronouncements. The Group is currently in the process of assessing the following new and amended Accounting Standards and Interpretations:

AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

AASB 2020-1 amends AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.

A liability will be classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. Meaning of settlement of a liability is also clarified.

AASB 2020-1 mandatorily applies to annual reporting periods beginning on or after 1 January 2024 (as amended by AASB 2022-6 and AASB 2020-6) and will first be applied by the Group in the financial year commencing 1 July 2024.

2. Revenue from continuing operations

An analysis of the Group’s revenue for the half-year is as follows:

	31 December 2023	31 December 2022
	\$	\$
Interest earned	2,898	4,962
Interest due from Nex on outstanding cash calls	-	68,338
Joint venture management fee	18,718	23,585
	<u>21,616</u>	<u>96,885</u>

The accompanying notes form part of these Consolidated Condensed Financial Statements.

**Condensed notes to the consolidated financial statements for the
half-year ended 31 December 2023**

3. Trade and other receivables

	31 December 2023	30 June 2023
	\$	\$
GST Receivable	43,755	48,341
	<u>43,755</u>	<u>48,341</u>

4. Other financial assets

	31 December 2023	30 June 2023
	\$	\$
Nex receivable ¹	-	-
Rental security bond	-	10,908
	<u>-</u>	<u>10,908</u>

¹Nex receivable comprises of \$1,679,314 plus interest of \$175,616 (30 June 2023: \$1,586,629 plus interest of \$127,903) being 49% of joint operation billings raised to Nex under the Joint Venture Agreement less an expected credit loss allowance for the full amount, following a prudent assessment by the Board as to the recoverability of the amount based on publicly available information regarding Nex's financial position.

5. Financial assets at fair value through profit & loss

	31 December 2023	30 June 2023
	\$	\$
Balance at beginning of period	1,735,948	2,049,299
Fair value movement on financial assets at fair value through profit and loss	1,005,023	(313,351)
Shares in listed Corporations ¹	<u>2,740,971</u>	<u>1,735,948</u>

¹The Group held 91,365,685 shares in Nex as at 31 December 2023 (30 June 2023: 91,365,685 shares).

**Condensed notes to the consolidated financial statements for the
half-year ended 31 December 2023**

6. Exploration and evaluation expenditure

	31 December 2023	30 June 2023
	\$	\$
Balance at beginning of period	7,012,544	6,426,763
Acquisition costs		137,500
Exploration and evaluation expenditure capitalised during the period	108,368	127,583
Impairment of exploration and evaluation expenditure capitalised during the period (Note 7)	(108,368)	(127,583)
Exploration and evaluation expenditure capitalised during the period - Mt Surprise and Georgetown Projects	78,484	105,678
Exploration and evaluation expenditure capitalised during the period - Interest in joint operation ¹	194,729	342,603
Tenements written off	(39,747)	-
Balance at end of period	<u>7,246,010</u>	<u>7,012,544</u>
Total expenditure incurred and carried forward in respect of specific projects:		
Kookynie/Yundumindra JV Assets	6,924,347	6,769,365
Mt Surprise and Georgetown Projects	321,663	243,179
	<u>7,246,010</u>	<u>7,012,544</u>

¹The Group's cumulative share of exploration and evaluation expenditure in its joint operation is \$7,246,010 as at 31 December 2023 (30 June 2023: \$7,012,544). The recoverability of the carrying amount of the exploration development expenditure is dependant on successful development and commercial exploitation or, alternatively, sale of the respective areas of interest.

7. Discontinued operations

	31 December 2023	31 December 2022
	\$	\$
Kimberley Mining Limited – Admiral Bay Project ¹	152,903	191,289
	<u>152,903</u>	<u>191,289</u>

¹During the financial year end 30 June 2021, following an extensive process to divest the Admiral Bay Project, which is currently held by the Group's ~80% owned subsidiary, Kimberley Mining Limited, the Board elected to put the Admiral Bay Project on care and maintenance and impair the carrying value of the Admiral Bay Project to \$nil. Expenditure incurred in each period subsequent to the Board electing to put the Admiral Bay Project on care and maintenance is fully impaired at the end of each period.

(i) Financial performance information

	31 December 2023	30 June 2023
	\$	\$
Impairment of capitalised exploration and expenditure	(108,368)	(127,583)
(Loss)/gain on transfer of foreign currency translation reserve	(44,536)	168
	<u>(152,903)</u>	<u>(127,415)</u>
Loss after income tax of discontinued operations	<u>(152,903)</u>	<u>(127,415)</u>

The accompanying notes form part of these Consolidated Condensed Financial Statements.

**Condensed notes to the consolidated financial statements for the
half-year ended 31 December 2023**

(ii) Cash flow information

	31 December 2023 \$	31 December 2022 \$
Net cash used in investing activities	(127,583)	(177,345)
Net cash outflow	(127,583)	(177,345)

8. Contributed equity

(a) Issued share capital

	31 December 2023 \$	30 June 2023 \$
4,485,053,794 (30 June 2023: 3,736,085,806) fully paid ordinary shares	66,025,568	64,561,230
Nil (30 June 2023: Nil) shares to be issued	-	-
	<u>66,025,568</u>	<u>64,561,230</u>

(b) Movement in ordinary share capital

Date	Details	Number of shares	\$
01/07/2023	Balance at the beginning of the half-year	3,736,085,806	64,561,230
26/10/2023	Placement	515,000,000	1,030,000
27/10/2023	Share issue costs – Broker options	-	(33,598)
12/12/2023	Placement - Directors	172,500,000	345,000
12/12/2023	Shares issued in lieu of fees - Directors	61,467,988	122,936
31/12/2023	Balance at the end of the half-year	<u>4,485,053,794</u>	<u>66,025,568</u>

Date	Details	Number of shares	\$
01/07/2022	Balance at the beginning of the half-year	3,460,108,956	63,725,507
Various*	Nex takeover (65,000 Nex shares)	(1,715,600)	(8,578)
01/07/2022	Expense accrual relating to the issue of shares during the prior period reversal	-	17,994
21/07/2022	Shares issued for the acquisition of Nex shares during the half-year	312,650	1,950
21/07/2022	Expenses relating to issue of share capital during previous periods	-	(16,360)
20/10/2022	Issue of shares in relation to the acquisition of Mt Surprise (EPM 28052)	33,333,334	100,000
31/12/2022	Balance at the end of the half-year	<u>3,492,039,340</u>	<u>63,829,091</u>

The accompanying notes form part of these Consolidated Condensed Financial Statements.

**Condensed notes to the consolidated financial statements for the
half-year ended 31 December 2023**

9. Options, Performance rights and Warrants

Options

As at 31 December 2023, there were 889,979,943 unissued ordinary shares under option (30 June 2023: 540,495,949). These options are exercisable as follows:

Details	No of Options	Grant Date	Date of Expiry	Conversion Price \$
Other options	21,000,000	21/06/2021	22/06/2024	0.015
	263,383,617	01/06/2022	01/06/2024	0.01
	110,556,166	23/05/2023	23/05/2026	0.006
	110,556,166	23/05/2023	23/05/2026	0.009
	267,500,000	27/10/2023	26/10/2025	0.003
	116,983,994	12/12/2023	11/12/2025	0.003
	889,979,943			

Movements options under issue:

	31 December 2023	31 December 2022
	No.	No.
Balance at beginning of the period	540,495,949	370,093,084
Granted during the period	384,483,994 ⁶	-
Exercised during the period	-	-
Expired during the period	(35,000,000)	(25,000,000)
Balance at the end of the period	889,979,943	345,093,084

Performance rights

As at 31 December 2023, there were 56,000,000 unissued ordinary shares under performance rights (30 June 2023: 56,000,000). These performance rights are exercisable as follows:

Details	No of Rights	Grant Date	Date of Expiry	Conversion Price \$
Employee Performance Rights	5,000,000	25/11/2022	19/12/2025	0.0150
Employee Performance Rights	5,000,000	25/11/2022	19/12/2025	0.0250
Employee Performance Rights	2,000,000	15/02/2023	15/02/2026	0.0135
Employee Performance Rights	2,000,000	15/02/2023	15/02/2026	0.0180
Employee Performance Rights	1,000,000	15/02/2023	15/02/2026	0.0750
Employee Performance Rights	1,000,000	15/02/2023	15/02/2026	0.0100
Employee Performance Rights	20,000,000	05/05/2023	31/05/2024	0.0100
Employee Performance Rights	20,000,000	05/05/2023	31/05/2025	0.0200
Total	56,000,000			

Movements in performance rights under issue:

	31 December 2023	31 December 2022
	No.	No.
Balance at beginning of the period	56,000,000	98,084,110
Granted during the period	-	40,000,000
Expired during the period	-	(66,434,110)
Balance at the end of the period	56,000,000	71,650,000

⁶ Free attaching to capital raisings.

**Condensed notes to the consolidated financial statements for the
half-year ended 31 December 2023**

9. Options, Performance rights and Warrants (continued)

Kimberly Mining Limited Warrants

As at 31 December 2023, there were 31,128,738 in issued common shares in Kimberly Mining Limited (“KML”) and 8,461,000 under warrants (30 June 2023: 31,128,738 common shares and 8,461,000 under warrants). These warrants are exercisable/convertible as follows:

Details	No of Warrants	Date of Expiry	Conversion Price \$
Special Warrants	5,317,250	None	0.05
Special Warrants – Tranche 2	3,143,250	None	0.05
	8,461,000		

**Movements in Kimberly Mining Limited warrants
under issue:**

	31 December 2023 No.	31 December 2022 No.
Balance at the beginning and end of the period	8,461,000	8,461,000

10. Share based payments

(a) Recognised share-based payment expense

The expense recognised for options, performance rights and shares issued during the half-year or issued in period periods is shown in the table below:

	31 December 2023 \$	31 December 2022 \$
Performance rights issued to employees	14,639	132,023
Broker options	33,598	-
Total	48,237	132,023

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

(b) Types of share-based payment plans

(i) Options

20,000,000 unlisted Broker options were issued during the half-year ended 31 December 2023, for assisting with the placement, with an exercise price of \$0.003 and expiry of 2 years, valued in the accounts using the Black Scholes Option Pricing Model. (31 December 2022: Nil).

**Condensed notes to the consolidated financial statements for the
half-year ended 31 December 2023**

11. Share based payments (continued)

No of Options	20,000,000
Grant date	27/10/2023
Share price	\$0.002
Exercise price	\$0.003
Risk-free interest rate	4.31%
Vesting Conditions and Period	Nil
Expiry date	26/10/2025
Volatility	210%
Fair value at grant date (cents)	\$0.002

(ii) Shares

There were no share based payments relating to shares issued for the half-year ended 31 December 2023 (31 December 2022: Nil).

(iii) Performance rights

There were no performance rights issued in the half-year (31 December 2022: 40,000,000 performance rights issued, valued at \$88,000), however \$14,639 was expensed during the half-year relating to performance rights issued in the 30 June 2023 financial year.

(iv) KML Warrants

There were no share based payments relating to KML warrants were issued for the half-year 31 December 2023 (31 December 2022: Nil).

12. Related Party Transactions

There were related party transactions during the half-year ended 31 December 2023 (31 December 2022: Nil), as set out below:

- Steinepreis Paganin completed \$31,216 in legal work for the Group during the year. Roger Steinepreis is the Executive Chairman of the company.
- Grange Consulting Group Ltd were paid \$15,750 for consulting fees by the Group during the year. Steven Wood was a director and shareholder of the company at the time.

13. Commitments

In order to maintain an interest in the mining and exploration tenements in which the Group is involved, the Group is committed to meet the conditions under which the tenements were granted and the obligations of any joint venture agreements. The timing and amount of exploration expenditure commitments and obligations of the Group are subject to the minimum expenditure commitments required as per the Mining Act, as amended, and may vary significantly from the forecast based upon the results of the work performed which will determine the prospectivity of the relevant area of interest. These obligations are provided for in the Consolidated Condensed Half-Year Financial Report and are payable.

Outstanding exploration commitments, including the Company's 51% direct interest in the Kookynie and Yundamindra Joint Venture tenements, are as follows (other than detailed below, no estimate has been given of expenditure commitments beyond 12 months as this is dependent on the Directors' ongoing assessment of operations and, in certain circumstances, Native Title negotiations):

The accompanying notes form part of these Consolidated Condensed Financial Statements.

**Condensed notes to the consolidated financial statements for the
half-year ended 31 December 2023**

13. Commitments (continued)

	2024	2023
	\$	\$
Not longer than 1 year	578,105	538,587
Longer than 1 year and not longer than 5 years	-	-
Longer than 5 years	-	-
	<u>578,105</u>	<u>538,587</u>

14. Fair Value Measurement

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the assets or liability

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Consolidated – 31 December 2023				
<i>Assets</i>				
Financial assets at fair value through profit or loss	2,740,971	-	-	2,740,971
Total assets	<u>2,740,971</u>	<u>-</u>	<u>-</u>	<u>2,740,971</u>

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Consolidated – 30 June 2023				
<i>Assets</i>				
Financial assets at fair value through profit or loss	1,735,948	-	-	1,735,948
Total assets	<u>1,735,948</u>	<u>-</u>	<u>-</u>	<u>1,735,948</u>

There were no transfers between levels during the half-year.

The carrying amounts of trade and other receivables, trade and other payables, are assumed to approximate their fair value due to their short-term nature.

The accompanying notes form part of these Consolidated Condensed Financial Statements.

Condensed notes to the consolidated financial statements for the half-year ended 31 December 2023

15. Subsequent events

The Directors are not aware of any matter or circumstance that has arisen since 31 December 2023 which has 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 financial years other than:

- On 9 January 2024, the Company announced that the annual salary of the Company's Managing Director, Justin Barton, has decreased from \$295,000 plus super to \$180,000 plus super, effective 1 December 2023. This reduction continues for a period of 6 months or until the Company completes a capital raising, whichever is earlier and can be extended at the discretion of the Company's Board.
- On 31 January 2024, the Company released its Appendix 5B Cash Flow Report.
- On 31 January 2024, the Company released its Quarterly Activities Report.
- On 1 February 2024, the Company announced it is to commence exploration at the high grade Yundamindra Gold Project following a favourable decision in the Wardens Court.
- On 6 March 2024, the Company announced drilling approvals for the Company's maiden drilling program at Yundamindra had been lodged.

16. Segment Information

Identification of reportable segments

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

The Group has two geographic segments being Australia and Canada and operates in one industry being the exploration of minerals. The Canadian operation has been discontinued and is reflected in Note 8.

Directors' declaration

In the opinion of the Directors of Metalicity Limited (the "Company")

- (a) the Consolidated Condensed Half-Year Financial Statements and notes set out on pages 12 to 23 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of the Group as at 31 December 2023 and of its performance for the half-year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.
- (b) as set out in Note 1(b), there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

On behalf of the Directors



Justin Barton
Managing Director
Perth, Western Australia

14 March 2023