TG Metals Limited

A.C.N. 644 621 830

ANNUAL REPORT
For the Year ended 30 June 2023

Contents

Corporate Directory

Directors

Richard Bevan (*Non-Executive Chair*)
Brett Smith (*Non-Executive Director*)
Di (Gloria) Zhang (*Non-Executive Director*)

Company Secretary

Nicki Farley

Principal Place of Business

Ground Floor, Suite 3, 28 Ord Street
WEST PERTH WA 6005

Registered Office

Level 24, 44 St Georges Terrace
PERTH WA 6000
Ph: +61 8 6211 5099

Auditors

BDO Audit (WA) Pty Ltd
Level 9
Mia Yellagonga Tower 2
5 Spring Street
PERTH WA 6000

Stock Exchange Listing

Australian Securities Exchange
Home Exchange: Perth
ASX Code: TG6

Share Registry

Automic Registry Services
Level 5, 191 St Georges Terrace
PERTH WA 6000

Corporate Governance Statement

https://tgmetals.com.au/about-us/corporate-governance/

Chairperson's Letter

Dear Shareholders,

It gives me great pleasure on behalf of the Board of Directors to present the 2023 Annual Report of TG Metals Limited ("**Company**").

The Company's flagship project is the 100% owned Lake Johnston Project in Western Australia. It is located within a highly prospective area of greenstone belt with a history of past nickel production and is prospective for both nickel and lithium. Both of these metals are expected to play a key role in the global transition to cleaner energy production.

It has been a year where significant work has been needed to ensure we have all the requisite regulatory and community approvals to provide a clear runway for management to execute our exploration strategy going forwards.

The positive of this is that there has been opportunity for a considerable amount of work to be done consolidating the data from historical exploration work with additional new data generated by the Company. We expect this to greatly assist the Company in generating, assessing and prioritising our exploration targets. High quality exploration is key to our strategy and success of this will ultimately drive shareholder value.

I would like to thank our CEO David Selfe and his team for their efforts during the year and we look forward to encouraging results from a number of on-ground programs that are underway.

I would like to thank all our stakeholders for their support of the Company. I'd like to acknowledge the Ngadju peoples on whose land we work as a key stakeholder in the Project.

It is an exciting time to be a shareholder in the Company. We have near term discovery opportunities in multiple commodities, all of which are forecast to have high demand for the foreseeable future.

We look forward to a journey that creates value for us all.

Sincerely

Richard Bevan

Directors' Report

Your directors present their report together with the financial statements on TG Metals Limited ('TG Metals Limited' or 'the Company') for the year ended 30 June 2023. The Company was incorporated on 16 October 2020.

Following the Company's successful Initial Public Offering ('IPO'), the Company was admitted to quotation on the Australian Securities Exchange ('ASX') on 24 May 2022.

Directors

The names of the directors in office during the financial year and up to the date of this report, unless otherwise stated, are:

Richard Bevan
Brett Smith
Di (Gloria) Zhang

Information on Directors

Richard Bevan, Non-Executive Chair

Mr Bevan has been involved in business areas as diverse as healthcare, construction and engineering, resources and information services. He has extensive senior management experience having been the Managing Director, CEO and Chairman of several listed and unlisted companies, including being the founding Managing Director of Cassini Resources Limited.

Mr Bevan is a Non-Executive Chairperson of Killi Resources Limited and Narryer Metals Limited.

Directorships held in other ASX-listed companies in the last 3 years:
- Cannon Resources Limited, appointed 21 February 2021, resigned 24 January 2023
- Killi Resources Limited, appointed 18 August 2021
- Narryer Metals Limited, appointed 1 July 2021

Brett Smith, Non-Executive Director

Mr Smith has more than 35 years' experience as a geologist across a wide range of commodities and global jurisdictions. He has over 20 years' experience in investor engagement, corporate management and board responsibilities with private and ASX-listed companies.

Mr Smith is currently the Managing Director of Corazon Mining Limited (ASX: CZN) - a Perth based company focused on nickel sulphide exploration and resource development in Canada and Australia.

Directorships held in other ASX-listed companies in the last 3 years:
- Corazon Mining Limited, appointed 1 July 2010
- Aruma Resources Limited, appointed 1 August 2022

Di (Gloria) Zhang, Non-Executive Director

Ms Zhang has more than 30 years' experience in international business, banking, project management and marketing.

She works as an international business advisor for several ASX-listed companies and companies from Australian critical minerals sector. Ms Zhang is instrumental in capital raising, offtake negotiation, joint venture management and Asian shareholder relations and once held a senior management role in a Chinese mining company's Australian operation. She is a Graduate Member of the Australian Institute of Company Directors and is currently the Chair of the Australian Association of International Business and Managing Director of Intlang Corporate Consulting.

Directorships held in other ASX-listed companies in the last 3 years:
- None

Directors' Report (continued)

Company Secretary

Nicki Farley (BA, LLB)

On 2 March 2022, Ms Farley was appointed as Company Secretary.

Ms Farley has over 15 years' experience working within the legal and corporate advisory sector providing advice in relation to capital raisings, corporate and securities laws, mergers and acquisitions and corporate compliance. Ms Farley has held a number of secretarial roles for ASX listed companies.

Principal Activities

The Company was incorporated as a proprietary company on 16 October 2020, for the purpose of exploring for, discovering and then proceeding to develop mineral deposits.

Operating Results

The loss for the year ended 30 June 2023 after providing for income tax amounted to $1,213,380 (2022: $2,026,597).

Directors' Report (continued)

Review of operations

TG Metals successfully executed its planned exploration programs at the Lake Johnston project, narrowing the drill target selection and progressing with permitting for maiden drilling programs, Figure 1 shows the Lake Johnston Project and prospect locations for nickel sulphide, nickel oxide and lithium.

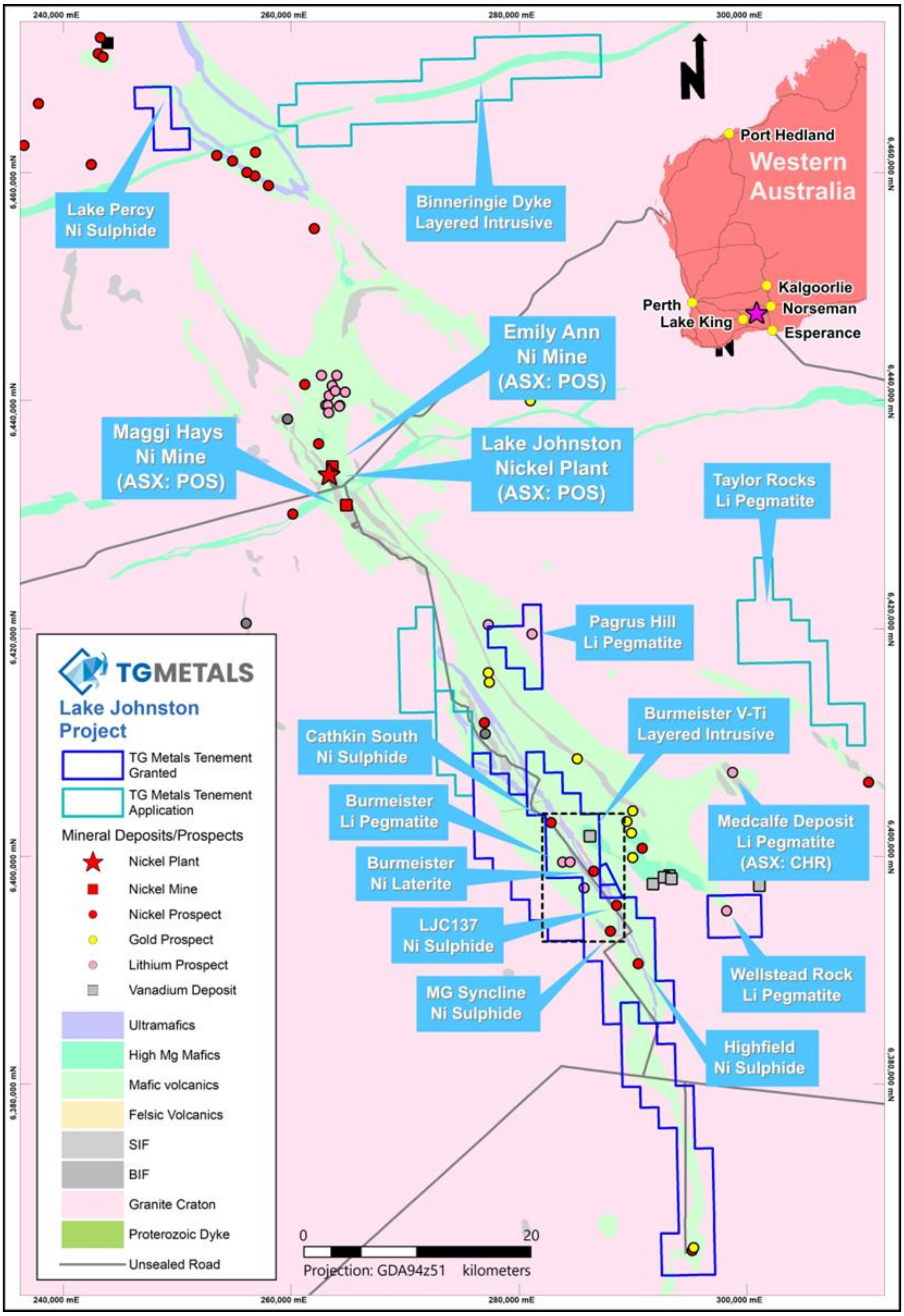

Figure 1 – Simplified Geology with prospect locations and the main area of exploration focus (dashed outline) Datum: AMG Zone 51 (GDA94)

Directors' Report (continued)

Review of operations (continued)

Lake Johnston Project – Nickel Sulphide

During the period the Company conducted surface geophysical surveys consisting of Slingram Moving Loop Transient Electromagnetics (SMLTEM) over priority targets defined by Geopotentials Southern Geoscience consultants after interrogation of historical exploration data. The new SMLTEM survey resulted in the detection of nine (9) conductor plates which provide drilling targets for potential nickel sulphides. These conductor results were further prioritised into three (3) high priority prospect areas for first stage drill testing being Cathkin South, LJC137 and Highfield, See Figure 2.

Aboriginal Heritage surveys and Flora and Fauna surveys were completed during the period to progress permitting for programs of work (POW) to enable reverse circulation and diamond core drilling on these high priority targets.

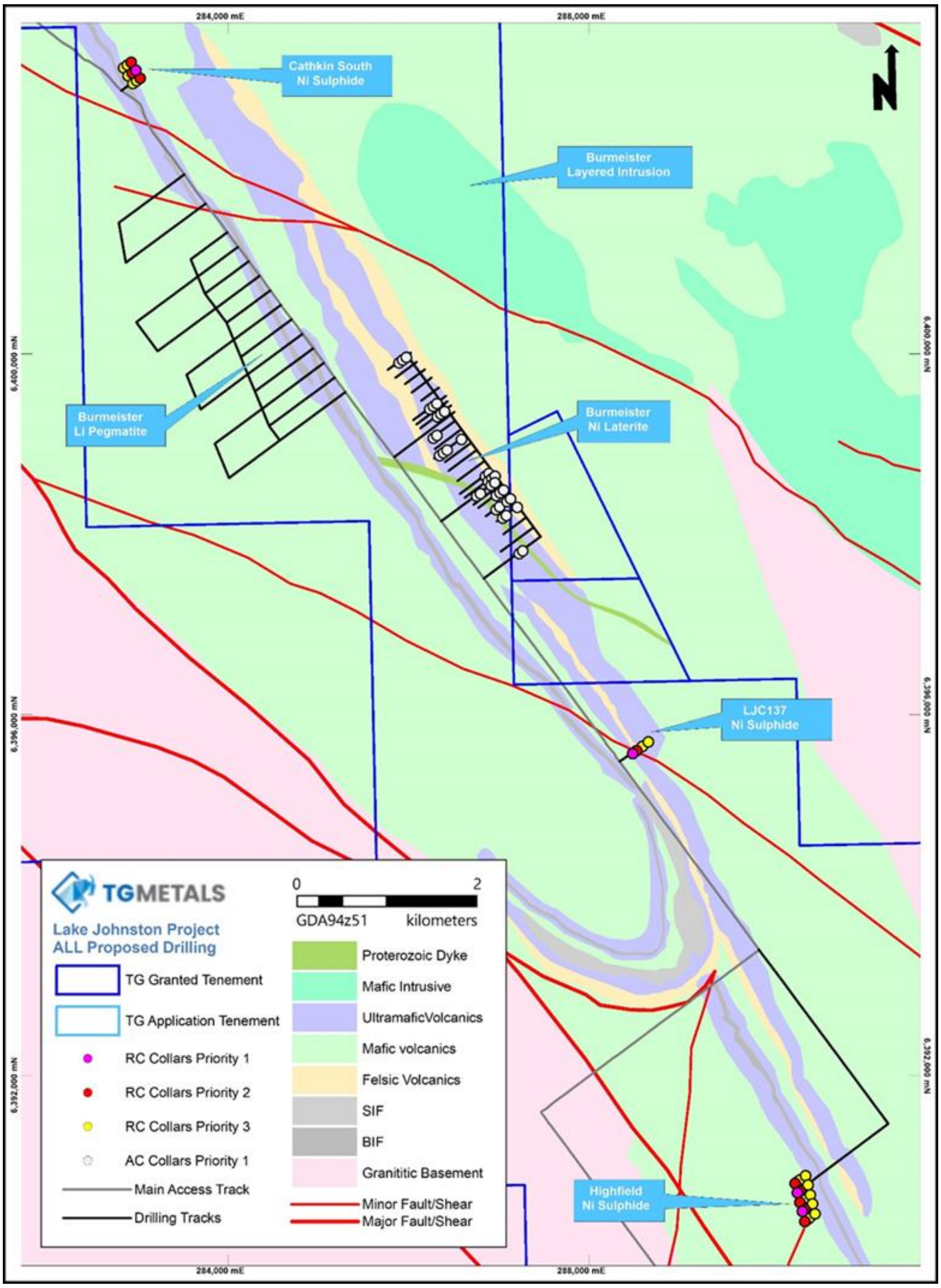

Figure 2 – Planned Nickel Drilling and Lithium Heritage Survey with major structures and simplified geology Datum: AMG Zone 51 (GDA94).

Directors' Report (continued)

Review of operations (continued)

Lake Johnston Project – Nickel Oxide

During the period the Company conducted Aboriginal Heritage surveys and Flora and Fauna surveys in preparation for the submission of a POW for an aircore drilling program on historically defined nickel laterite mineralisation. The company also prepared an Exploration Target Statement on the Bremer Range nickel laterite deposit using historical drilling. The result is shown in Table A below.

Exploration Target Cutoff Grades	Tonnes Range Low	Tonnes Range High	Ni Range Low (%)	Ni Range High (%)	Co Range Low (%)	Co Range High (%)
0.3%Ni Cutoff	28 million	32 million	0.41	0.47	0.029	0.034
0.5%Ni	7 million	8 million	0.55	0.65	0.045	0.053

Table A* – Exploration Target Ranges at 0.3% Ni and 0.5% Ni cutoffs

* The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. The Exploration Target was derived from actual past drilling which is of variable quality and deficient in some analysis for deleterious elements and the compositing of sample data is not conducive to determining a Mineral Resource of sufficient accuracy. Past drilling did however define five (5) zones of nickel laterite mineralisation. These zones were modelled within defined grade envelopes and aggregated to determine the total Exploration Target ranges as per Table A above.

Bremer Range is located approximately 130 kilometres by road from the Ravensthorpe Nickel Operations (RNO) high pressure acid leach (HPAL) and atmospheric leach (AL) Plant; should sufficient grades and ore types be defined at Bremer Range, there may be potential to provide supplementary feed to a HPAL/AL Plant. The POW drill program is aimed at defining high grades within the deposit and provide samples for beneficiation testwork. Figure 3 shows the location of the Exploration Target mineralization areas. The focus of the initial drill testing will be on Area 3.

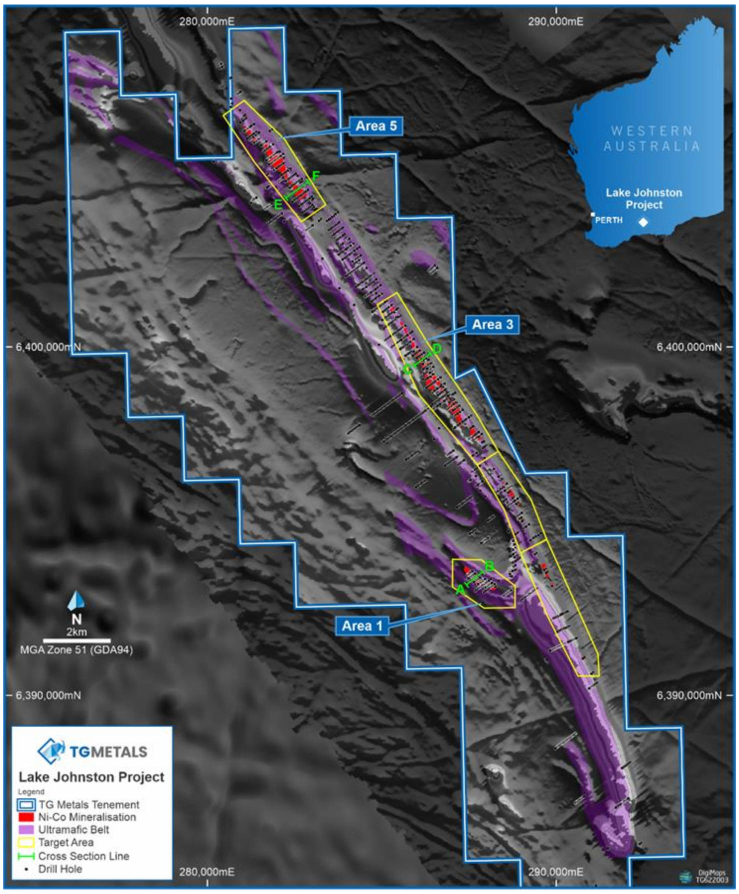

Figure 3 – Bremer Range Deposits over aeromagnetic image Datum: AMG Zone 51 (AGD84)

Directors' Report (continued)

Review of operations (continued)

Lake Johnston Project – Lithium

During the period the Company conducted extensive soil sampling in the Burmeister area to the west of the Bremer Range nickel laterite. This area was selected as having high potential for Lithium-Caesium-Tantalum (LCT) pegmatites to have been emplaced within the mafic-ultramafic – sediments package. The soil sampling identified lithium soil anomalies over a wide area see Figure 4.

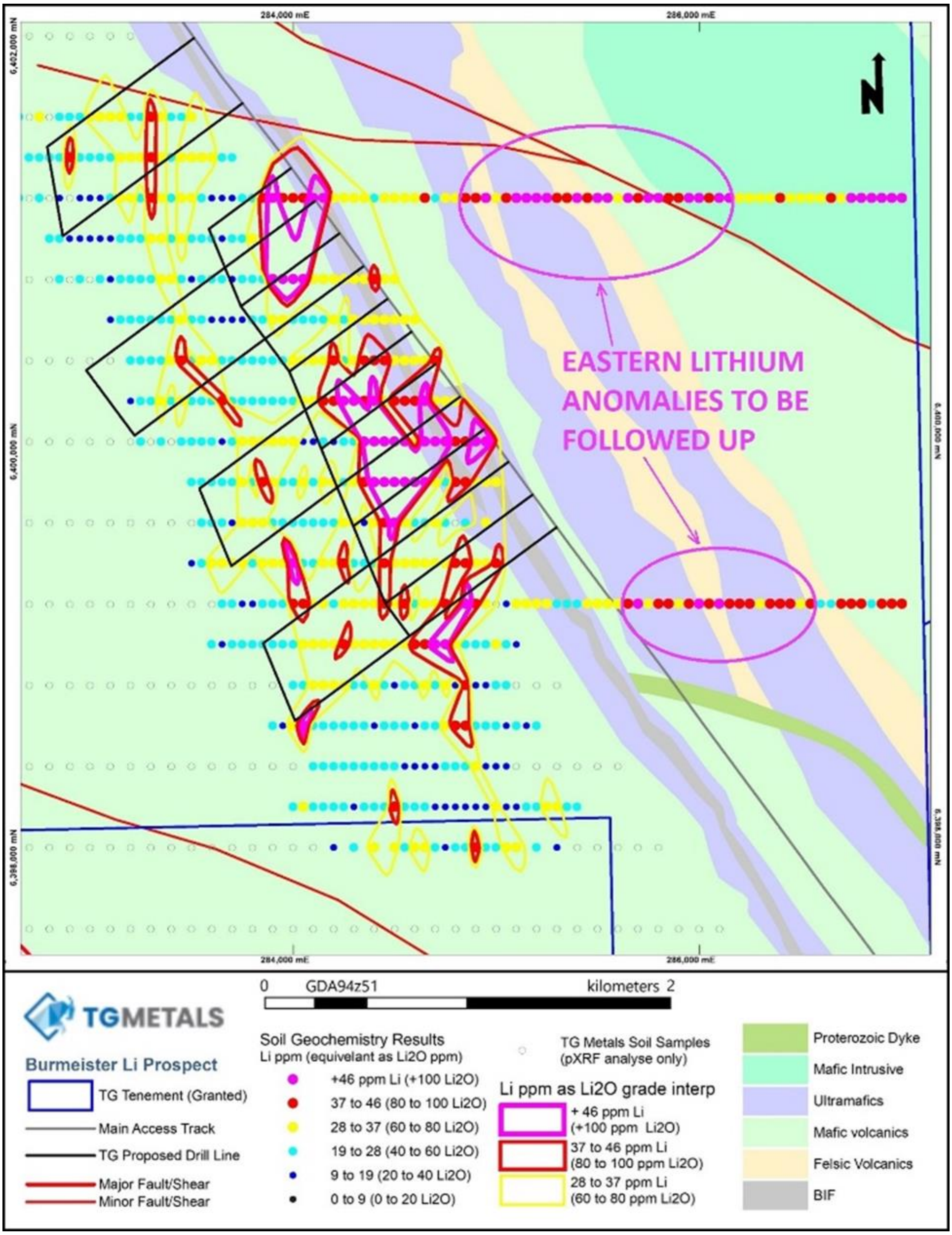

Figure 4 – Burmeister lithium soil sampling showing Li (ppm) and grade contours with planned drilling access lines, major structures and simplified geology Datum: AMG Zone 51 (GDA94).

Directors' Report (continued)

Review of operations (continued)

In addition, a pegmatite dyke was observed in a historic RC drillhole, which was resampled and returned anomalous lithium values over 4m above 72ppm Li. This is very promising for the discovery of further fertile LCT pegmatites in the project area.

The Company conducted Aboriginal Heritage surveys and Flora and Fauna surveys to progress a POW for initial RC drill testing beneath these lithium soil anomalies.

Business Development

During the period the Company applied for four (4) exploration licences totaling 80 graticular blocks in size which is another 73% on the size of the granted tenure held at the end of the period. All applications were progressing to Grant at the end of the period.

These applications are in strategic ground within the Lake Johnston region and are prospective for nickel, lithium and gold. Figure 1 shows the applications named as Binneridgie Dyke, Taylor Rocks and two applications to the west of Pagrus Hill and contiguous with the Lake Hope tenement locality.

Material Business Risk

The Company makes every effort to identify material risks and to manage these effectively. This section does not attempt to provide an exhaustive list of risks faced by the Company or by investors in the Company, nor are they in order of significance. Actual events may be different to those described.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which the Board can effectively manage them is limited.

a) Tenure and access risk

Applications

While the Company does not anticipate there to be any issues with the grant of its Tenement applications, there can be no assurance that the applications (or any future applications) will be granted. While the Company considers the risk to be low, there can also be no assurance that when the relevant tenements are granted, they will be granted in their entirety. Some of the tenement areas applied for may be excluded.

Renewal

Mining and exploration tenements are subject to periodic renewal. The renewal of the term of granted tenements is subject to the discretion of the relevant authority. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

Access

A number of the tenements overlap certain third party interests that may limit the Company's ability to conduct exploration and mining activities, including Crown Reserves, areas on which native title is yet to be determined and other forms of tenure for access roads, pipelines and similar third party interests.

Where the Project overlaps other tenure land, exploration and mining activity on the Project may require authorisation or consent from the owners of that land. The Company is not required to enter into land access agreements to undertake its proposed exploration program on the Tenements. However, the Company intends to carry out heritage clearance surveys before implementing its proposed ground disturbing exploration programs. The Company's current proposed exploration programs are not impacted by the known sites of registered aboriginal heritage significance.

b) Exploration Risk

Potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of the Project, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

Directors' Report (continued)

Material Business Risk (continued)

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its projects and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the Tenements, a reduction in the cash reserves of the Company and possible relinquishment of its projects.

c) Climate Change

The operations and activities of the Company are subject to changes to local or international compliance regulations related to climate change mitigation efforts, specific taxation or penalties for carbon emissions or environmental damage and other possible restraints on industry that may further impact the Company. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences.

Climate change may also cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns, incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

d) Reliance on Key Personnel

The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.

e) Environmental

The operations and proposed activities of the Company are subject to Australian laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all applicable environmental laws.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive. Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

f) Native title

The Native Title Act recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with Native Title in Australia and this may impact on the Company's operations and future plans.

The Company is required to enter into standard regional heritage agreements or negotiated alternative aboriginal heritage agreements for the Grant of its Tenement applications and to undertake its proposed exploration program on the Tenements. The Company intends to carry out heritage clearance surveys before implementing its proposed ground disturbing exploration programs. The Company's current proposed exploration programs are not impacted by the known sites of registered aboriginal heritage significance.

g) Economic

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company, as well as on its ability to fund its operations.

Directors' Report (continued)

Material Business Risk (continued)

h) Additional requirements for capital

The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts currently on its balance sheet. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the Company during the financial year other than disclosed elsewhere in this Annual Report.

Events Subsequent to Reporting Date

On the 10th July 2023 the Company reported the results of soil sampling over its Burmeister lithium prospect. The soil sampling confirmed the previous soil sampling results and expanded the lithium anomaly to over 600m wide and 1300m in strike length. In addition, further soil anomalies to the east of the Burmeister lithium anomaly were discovered, the Eastern Anomalies as shown in Figure 4. The Burmeister lithium soil anomalies are targeted for future drill testing.

On the 6th of September the Company reported the results of its maiden aircore drilling campaign on its nickel laterite prospects, Burmeister nickel laterite (see Figure 2 for location). Drilling intersected high grade nickel up to 3.23%Ni (TGAC0011, 28m to 29m @ 3.23%Ni) and thick high grade nickel intervals up to 13m @ 1.12%Ni (TGAC0027, 18m to 31m @ 1.12%Ni). Figures 5 and 6 below show two cross sections with high grade intercepts.

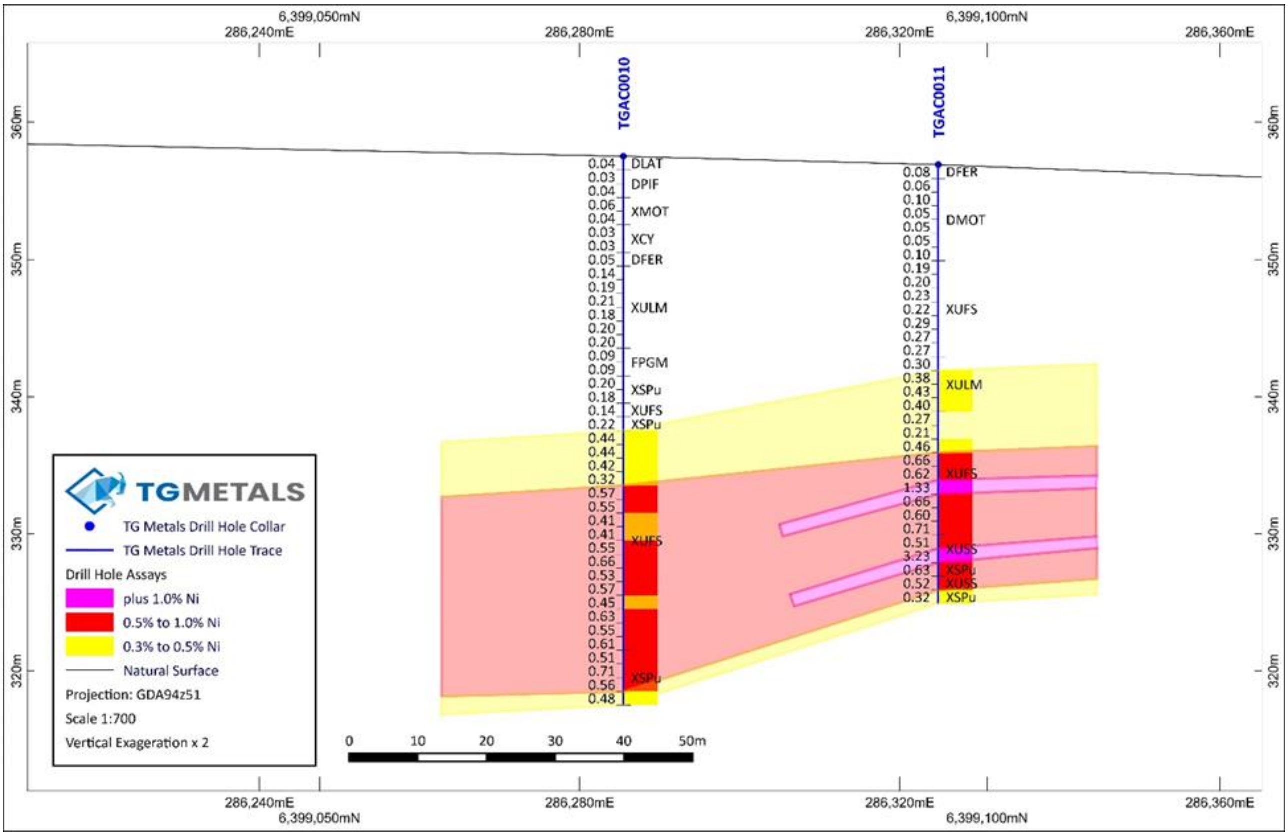

Figure 5 - Central cross section TGAC0010 to TGAC0011

Directors' Report (continued)

Events Subsequent to Reporting Date (continued)

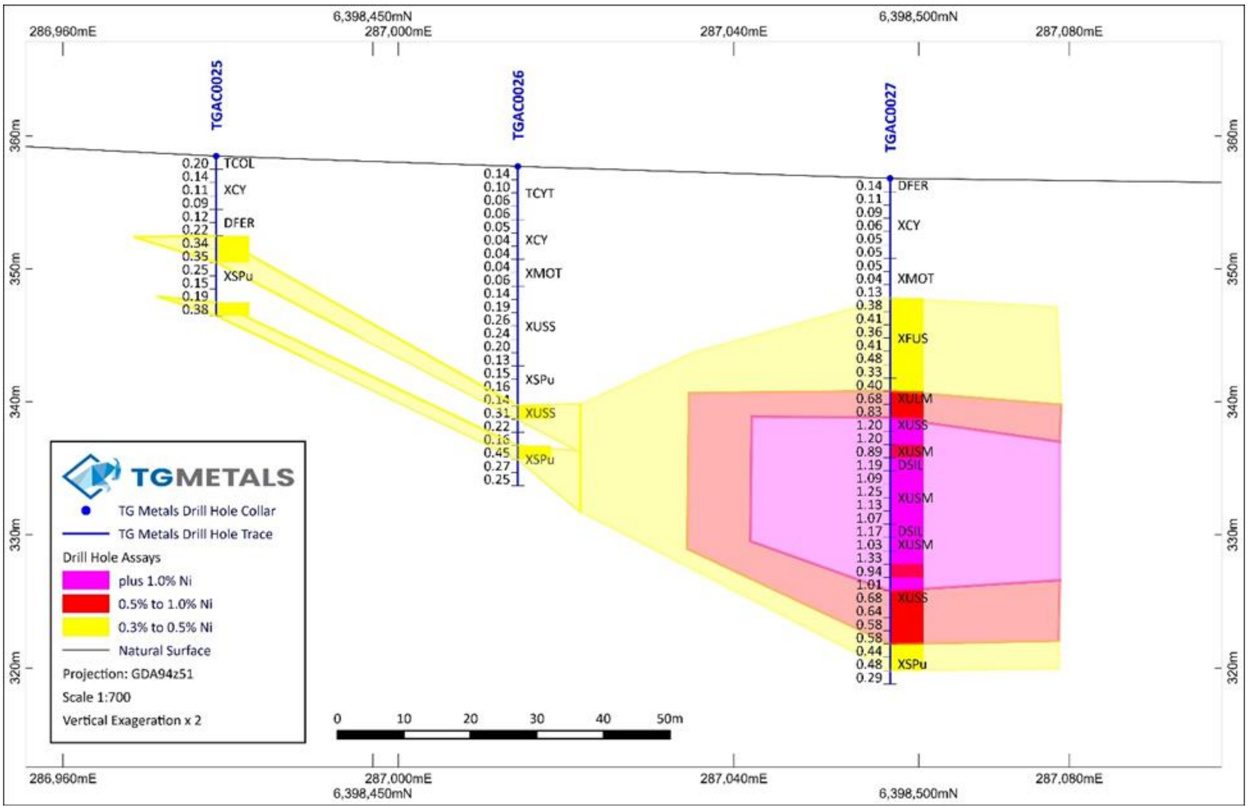

Figure 6 - Thickest intercept cross section TGAC0025 to TGAC0027

No other matters or circumstances has arisen since 30 June 2023 that has affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Rounding of Amounts

The Company has applied the relief available to it under ASIC Corporations *(Rounding in Financial/Directors' Reports) Instrument 2016/191.* Accordingly, amounts in the financial statements have been rounded off to the nearest $1.

Likely Developments and Expected Results of Operation

Likely developments, future prospects and business strategies of the operations of the Company and the expected results of those operations have not been included in this report as the Directors believe that the inclusion of such information would be likely to result in unreasonable prejudice to the Company.

Dividends Paid or Recommended

No dividends were paid during the financial year (2022: nil) and no recommendation is made as to payments of future dividends.

Meetings of Directors

During the financial year, seven meetings of Directors were held. Attendances by each director were as follows:

	Number eligible to attend	**Number attended**
Richard Bevan	7	7
Brett Smith	7	7
Gloria Zhang	7	7

Directors' Report (continued)

Directors' Security Interests

As at the date of this report, the interests of the Directors in the securities of the Company were:

Director	Ordinary Shares	Unlisted Options	Performance Rights
Richard Bevan	791,667	600,000	1,400,000
Brett Smith	2,300,000	1,388,706	880,000
Gloria Zhang	568,750	775,645	880,000

Share Options

As at the date of this report, the unissued ordinary shares of the Company under option are as follows:

Options	Grant Date	Expiry Date	Exercise Price	Number under Option	Balance vested at 30 June 2023
Founder Options	10 March 2022	24 May 2025	$0.20	5,218,606	5,218,606
Seed Options	10 March 2022	24 May 2025	$0.25	3,042,181	3,042,181
Management Options	15 March 2022	24 May 2027	$0.30	1,800,000	1,800,000
Management Options	30 March 2022	24 May 2027	$0.30	1,200,000	1,200,000
Lead Manager Options	19 May 2022	30 June 2024	$0.30	3,225,000	3,225,000
Advisor Options	19 October 2022	31 October 2024	$0.30	500,000	500,000
				14,985,787	14,985,787

All options on issue are unlisted.

Remuneration Report (Audited)

This report outlines the remuneration arrangements in place for the key management personnel of TG Metals Limited (the "Company") for the financial year ended 30 June 2023. The information provided in this remuneration report has been audited as required by Section 308(3C) of the *Corporations Act 2001*.

The remuneration report details the remuneration arrangements for key management personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly.

The board policy is to remunerate Non-Executive Directors at a level which provides the Company with the ability to attract and retain directors with the experience and qualification appropriate to the development strategy of the Company. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at a General Meeting. The current maximum amount of remuneration that may be paid to all Non-Executive Directors has been set at $500,000 per annum as per the Company's Constitution. The remuneration of Directors is reviewed annually by the Company.

Non-Executive Director fees are not linked to the performance of the Company. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company.

During the financial year, the Company did not employ the use of remuneration consultants.

Company performance and link to remuneration

Remuneration packages do not include performance-based components. An individual member of staff's performance assessment is done by reference to their contribution to the Company's overall operational achievements. All Directors and Executives hold shares, options and performance rights in the Company to facilitate goal congruence between Executives with that of the business and shareholders. Refer below for further details of the performance based remuneration paid to Directors and Executives for the year.

Voting of Remuneration Report at 2022 Annual General Meeting

The 2022 Remuneration Report was voted for, without any commentary or discussion, at the 2022 Annual General Meeting, based on poll votes with votes for of 11,052,339 (100%) and nil votes against (0%).

Directors' Report (continued)

Remuneration Report (continued)

Key Management Personnel

The key management personnel of the Company are considered to be the Directors and Mr David Selfe, who was appointed as Chief Executive Officer on 30 March 2022. There are no other individuals who have the authority and responsibility for planning, directing and controlling the activities of the Company.

The following table discloses the contractual arrangements with the Company's key management personnel that were in place as at 30 June 2023.

Component	Non-Executive Chair – Mr Richard Bevan
Fixed remuneration	$60,000 per annum plus statutory superannuation and excluding any GST.
Long term incentives	**Options** 600,000 options to acquire shares on a 1 for 1 basis, each with an exercise price of $0.30 and expiring 24 May 2027. **Performance Rights** 1,400,000 rights to acquire shares on a 1 for 1 basis, vesting on the date of achievement of certain performance milestones and expiring 24 May 2027, comprising: (i) 466,667 performance rights automatically vesting on the Company achieving a 20-day volume weighted average price (VWAP) of at least $0.40 (**Class A Performance Rights**); (ii) 466,667 performance rights automatically vesting on the Company achieving a 20-day volume weighted average price (VWAP) of at least $0.60 (**Class B Performance Rights**); and (iii) 466,666 performance rights automatically vesting on the Company achieving a 20-day volume weighted average price (VWAP) of at least $0.70 (**Class C Performance Rights**).

Component	Non-Executive Director – Mr Brett Smith
Fixed remuneration	$45,000 per annum plus statutory superannuation and excluding any GST.
Long term incentives	**Options** 600,000 options to acquire shares on a 1 for 1 basis, each with an exercise price of $0.30 and expiring 24 May 2027. **Performance Rights** 880,000 rights to acquire shares on a 1 for 1 basis, vesting on the date of achievement of certain performance milestones and expiring 24 May 2027, comprising: (i) 293,334 performance rights automatically vesting on the Company achieving a 20-day volume weighted average price (VWAP) of at least $0.40 (**Class A Performance Rights**); (ii) 293,333 performance rights automatically vesting on the Company achieving a 20-day volume weighted average price (VWAP) of at least $0.60 (**Class B Performance Rights**); and (iii) 293,333 performance rights automatically vesting on the Company achieving a 20-day volume weighted average price (VWAP) of at least $0.70 (**Class C Performance Rights**).

Directors' Report (continued)

Remuneration Report (continued)

Component	Non-Executive Director – Ms Gloria Zhang
Fixed remuneration	$45,000 per annum plus statutory superannuation and excluding any GST.
Long term incentives	**Options** 600,000 options to acquire shares on a 1 for 1 basis, each with an exercise price of $0.30 and expiring 24 May 2027. **Performance Rights** 880,000 rights to acquire shares on a 1 for 1 basis, vesting on the date of achievement of certain performance milestones and expiring 24 May 2027, comprising: (i) 293,334 performance rights automatically vesting on the Company achieving a 20-day volume weighted average price (VWAP) of at least $0.40 (**Class A Performance Rights**); (ii) 293,333 performance rights automatically vesting on the Company achieving a 20-day volume weighted average price (VWAP) of at least $0.60 (**Class B Performance Rights**); and (iii) 293,333 performance rights automatically vesting on the Company achieving a 20-day volume weighted average price (VWAP) of at least $0.70 (**Class C Performance Rights**).

Component	Chief Executive Officer – Mr David Selfe
Fixed remuneration	$220,000 per annum plus statutory superannuation.
Long term incentives	**Options** 1,200,000 options to acquire shares on a 1 for 1 basis, each with an exercise price of $0.30 and expiring 24 May 2027. **Performance Rights** 1,950,000 rights to acquire shares on a 1 for 1 basis, vesting on the date of achievement of certain performance milestones and expiring 24 May 2027, comprising: (i) 650,000 performance rights automatically vesting on the Company achieving a 20-day volume weighted average price (VWAP) of at least $0.40 (**Class A Performance Rights**); (ii) 650,000 performance rights automatically vesting on the Company achieving a 20-day volume weighted average price (VWAP) of at least $0.60 (**Class B Performance Rights**); and (iii) 650,000 performance rights automatically vesting on the Company achieving a 20-day volume weighted average price (VWAP) of at least $0.70 (**Class C Performance Rights**).
Other entitlements	Annual leave, personal/carer's leave, long service and parental leave.
Termination notice by the individual/company	6 months.

Directors' Report (continued)

Remuneration Report (continued)

Relationship between the Remuneration Policy and Company Performance

Aside from the matters described above, no other Director held or holds any contract for performance-based remuneration with the Company.

Remuneration Expense for the Year Ended 30 June 2023

The following amounts were paid as compensation for services as key management personnel of the Company during the year:

	Short-term employee benefits			Post-employment benefits	Share-based payments		
2023	**Salary & Fees $**	**Bonus $**	**Other $**	**Superannuation $**	**Equity-settled Rights $**	**Total $**	**Performance based remuneration %**
Directors							
Richard Bevan	60,000	-	-	5,693	46,659	**112,352**	41.53%
Brett Smith	45,000	-	-	4,725	29,329	**79,054**	37.10%
Gloria Zhang	45,000	-	-	4,725	29,329	**79,054**	37.10%
Senior Management							
David Selfe	220,000	-	-	23,100	65,534	**308,634**	21.23%
Total	**370,000**	**-**	**-**	**38,243**	**170,851**	**579,094**	**29.50%**

Remuneration Expense for the Year Ended 30 June 2022

The following amounts were paid as compensation for services as key management personnel of the Company during the year:

	Short-term employee benefits			Post-employment benefits	Share-based payments		
2022	**Salary & Fees $**	**Bonus $**	**Other $**	**Superannuation $**	**Equity-settled Options and Rights $**	**Total $**	**Performance based remuneration %**
Directors							
Richard Bevan [1]	5,968	-	-	500	98,503	**104,971**	13.03%
Brett Smith [1]	4,476	-	-	448	194,346	**199,270**	4.31%
Gloria Zhang [1]	4,476	-	-	448	114,432	**119,356**	7.20%
Senior Management							
David Selfe	21,882	-	-	2,188	186,351	**210,421**	7.85%
Total	**36,802**	**-**	**-**	**3,584**	**593,632**	**634,018**	**7.52%**

[1] Represents remuneration from date of appointment, being 23 December 2021, to 30 June 2022.

Directors' Report (continued)

Remuneration Report (continued)

Performance Rights

Pursuant to the Company's Prospectus dated 4 April 2022 and its successful Initial Public Offering, the Company issued 5,110,000 performance rights to key management personnel, being the Directors and Mr David Selfe, in May 2022.

The performance rights were granted at nil consideration, do not have an exercise price and expire on 24 May 2027.

Each performance right will vest and convert to one fully paid ordinary share subject to the satisfaction of the following vesting conditions:

Tranche	Vesting Conditions
Class A	The Class A Performance Rights will vest subject to the Company's shares as traded on the ASX achieving a VWAP of at least $0.40 over a period of 20 consecutive trading days within 5 years from the date of the Company's listing on the ASX.
Class B	The Class B Performance Rights will vest subject to the Company's shares as traded on the ASX achieving a VWAP of at least $0.60 over a period of 20 consecutive trading days within 5 years from the date of the Company's listing on the ASX.
Class C	The Class C Performance Rights will vest subject to the Company's shares as traded on the ASX achieving a VWAP of at least $0.70 over a period of 20 consecutive trading days within 5 years from the date of the Company's listing on the ASX.

The fair value of the performance rights granted is estimated as at the date of grant using a barrier up-and-in trinomial option pricing model taking into account the terms and conditions upon which the performance rights were granted.

The total fair value of the performance rights granted to key management personnel was $882,456. Based on the vesting conditions of the rights, $47,392 has been recognised as a share based payment as at 30 June 2022.

For the year ended 30 June 2023, $170,851 has been recognised as a share based payment in respect of these Performance Rights.

Directors

	Class A Performance Rights	Class B Performance Rights	Class C Performance Rights	Total
Number Issued	1,053,335	1,053,333	1,053,332	3,160,000
Grant Date	15 March 2022	15 March 2022	15 March 2022	
Vesting Date	18 May 2027	18 May 2027	18 May 2027	
Vesting Period (days)	1,891	1,891	1,891	
Value per Right	$0.1818	$0.1705	$0.1657	
Total Value of Rights	$191,496	$179,593	$174,537	$545,626
Amount Expensed as at 30 June 2022	$10,837	$10,162	$9,875	$30,874
Amount Expensed as at 30 June 2023	$36,963	$34,665	$33,689	$105,317
Amount to be Expensed in Future Years	$143,696	$134,766	$130,973	$409,435
Mr Bevan				
Number Issued	466,667	466,667	466,666	1,400,000
Value per Right	$0.1818	$0.1705	$0.1657	
Total Value of Rights	$84,840	$79,567	$77,327	$241,734
Amount Expensed as at 30 June 2022	$4,801	$4,502	$4,375	$13,678
Amount Expensed as at 30 June 2023	$16,377	$15,357	$14,925	$46,659
Amount to be Expensed in Future Years	$63,662	$59,708	$58,027	$181,397

Directors' Report (continued)

Remuneration Report (continued)

Directors

	Class A Performance Rights	Class B Performance Rights	Class C Performance Rights	Total
Mr Smith				
Number Issued	293,334	293,333	293,333	880,000
Value per Right	$0.1818	$0.1705	$0.1657	
Total Value of Rights	$53,328	$50,013	$48,605	$151,946
Amount Expensed as at 30 June 2022	$3,018	$2,830	$2,750	$8,598
Amount Expensed as at 30 June 2023	$10,293	$9,654	$9,382	$29,329
Amount to be Expensed in Future Years	$40,017	$37,529	$36,473	$114,019
Ms Zhang				
Number Issued	293,334	293,333	293,333	880,000
Value per Right	$0.1818	$0.1705	$0.1657	
Total Value of Rights	$53,328	$50,013	$48,605	$151,946
Amount Expensed as at 30 June 2022	$3,018	$2,830	$2,750	$8,598
Amount Expensed as at 30 June 2023	$10,293	$9,654	$9,382	$29,329
Amount to be Expensed in Future Years	$40,017	$37,529	$36,473	$114,019

Chief Executive Officer (Mr Selfe)

	Class A Performance Rights	Class B Performance Rights	Class C Performance Rights	Total
Number Issued	650,000	650,000	650,000	1,950,000
Grant Date	30 March 2022	30 March 2022	30 March 2022	
Vesting Date	18 May 2027	18 May 2027	18 May 2027	
Vesting Period (days)	1,876	1,876	1,876	
Value per Right	$0.1818	$0.1706	$0.1658	
Total Value of Rights	$118,170	$110,890	$107,770	$336,830
Amount Expensed as at 30 June 2022	$5,795	$5,438	$5,285	$16,518
Amount Expensed as at 30 June 2023	$22,991	$21,575	$20,968	$65,534
Amount to be Expensed in Future Years	$89,384	$83,877	$81,517	$254,778

Key Management Personnel Shareholdings

Shares

The number of ordinary shares in TG Metals Limited held by each key management personnel of the Company during the financial year is as follows:

Ordinary Shares 2023	Balance at 1 July 2022	Acquired during the year	Disposed of during the year	Balance at 30 June 2023
Directors				
Richard Bevan	791,667	-	-	791,667
Brett Smith	2,300,000	-	-	2,300,000
Gloria Zhang	468,750	80,000	-	548,750
Senior Management				
David Selfe	183,333	-	-	183,333
	3,743,750	**80,000**	**-**	**3,823,750**

Directors' Report (continued)

Remuneration Report (continued)

Options

The number of unlisted options in TG Metals Limited held by each key management personnel of the Company during the financial year is as follows:

Unlisted Options 2023	Balance at 1 July 2022	Allotted during the year	Balance at 30 June 2023	Balance vested at 30 June 2023
Directors				
Richard Bevan	600,000	-	600,000	600,000
Brett Smith	1,388,706	-	1,388,706	1,388,706
Gloria Zhang	775,645	-	775,645	775,645
Senior Management				
David Selfe	1,200,000	-	1,200,000	1,200,000
	3,964,351	**-**	**3,964,351**	**3,964,351**

Performance Rights

The number of performance rights in TG Metals Limited held by each key management personnel of the Company during the financial year is as follows:

Performance Rights 2023	Balance at 1 July 2022	Allotted during the year	Balance at 30 June 2023	Balance vested at 30 June 2023
Directors				
Richard Bevan	1,400,000	-	1,400,000	-
Brett Smith	880,000	-	880,000	-
Gloria Zhang	880,000	-	880,000	-
Senior Management				
David Selfe	1,950,000	-	1,950,000	-
	5,110,000	**-**	**5,110,000**	**-**

Directors' Report (continued)

Remuneration Report (continued)

Other Transactions with Key Management Personnel

Transactions with key management personnel related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

		2023 $	2022 $
(i)	Payments to Calder Roth & Co, a firm of which Dean Calder is associated with, for accounting, taxation, company secretarial and general administrative services provided prior to resignation as Director and Company Secretary.	-	35,660
(ii)	Payments to David Selfe Enterprises Pty Ltd, a company of which David Selfe is a Director, for consultancy services provided.	-	37,859

(iii) During the year ended 30 June 2022, prior to his resignation as a Non-Executive Director on 23 December 2021, Stewart McDonald participated in the Founder Raising and First Seed Raising to acquire 5,240,000 Founder shares and 468,750 Seed shares respectively. The total consideration paid for the shares was $33,000 and $25,000 respectively.

In March 2022, the Company subsequently granted Mr McDonald 1,840,314 Founder options (post-consolidation) and 175,645 Seed options (post-consolidation) as part of his participation in the Founder Raising and First Seed Raising. The fair value of the options granted was $235,488 and $21,009 respectively and was calculated using the Black-Scholes option valuation model taking into account the terms and conditions of the options (refer to Notes 14(b) and 14(c)).

Although the options were granted to Mr McDonald subsequent to his resignation as a Director, he is considered a related party as he is the spouse of Ms Zhang.

(iv) During the year ended 30 June 2022, the Company issued 150,000 shares to Mining 2000 Pty Ltd at $0.20 per share in reimbursement of $30,000 in option fees, being $10,000 paid to Black Resources Pty Ltd and $20,000 paid to Matlock Geological Services Pty Ltd, which was paid on behalf of the Company.

Mining 2000 Pty Ltd is an entity that is controlled by Stewart McDonald who is considered a related party as he is the spouse of Ms Zhang.

	2023 $	2022 $
Amounts outstanding at reporting date		
Aggregates amount payable to key management personnel and their related entities at reporting date:		
(i) Director remuneration	-	9,551
(ii) Other transactions	-	-
	-	**9,551**

End of Remuneration Report (Audited)

Directors' Report (continued)

Environmental Regulations

The Company's operations are not currently subject to any other significant environmental regulations in the jurisdictions it operates in, namely Australia.

Indemnity and insurance of officers

The Company has indemnified the Directors and Executives of the Company for costs incurred, in their capacity as a Director or Executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract of insurance to insure the Directors and officers of the Company against certain liabilities specified in the contract. The contract prohibits disclosure of the nature of the liabilities insured and the amount of the premium.

Non-Audit Services

The Company may decide to employ the auditors on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important.

No non-audit services were provided by the Company's auditors or their related entities for the year ended 30 June 2023 (refer to Note 17).

Proceedings on behalf of the Company

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

The Company was not a party to any such proceedings during the period.

Auditor's Independence Declaration

The auditor's independence declaration under section 307C of the *Corporations Act 2001* for the period ended 30 June 2023 has been received and can be found on page 24.

This Report of the Directors complies with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and is signed in accordance with a resolution of directors made pursuant to s.298(2) of the *Corporations Act 2001.*

RICHARD BEVAN
Director
Dated this 27th day of September 2023

Competent Person Statement

Information in this Annual Report that relates to exploration results, exploration strategy, exploration targets, geology, drilling and mineralisation is based on information compiled by Mr David Selfe who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Selfe has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activities that he is undertaking 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. Mr Selfe has consented to the inclusion in this presentation of matters based on their information in the form and context in which it appears.

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF TG METALS LIMITED

As lead auditor of TG Metals Limited for the year ended 30 June 2023, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth

27 September 2023

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2023

	Note	30 June 2023 $	30 June 2022 $
Continuing operations			
Revenue		-	-
Consulting and professional fees	**2**	(176,963)	(232,052)
Depreciation and amortisation expenses	**8,9**	(27,160)	-
Employee and contractor expenses		(610,594)	(159,992)
Finance costs	**9**	(2,934)	-
Other expenses		(193,753)	(131,201)
Share based payments	**14**	(201,976)	(1,503,352)
Loss before tax		**(1,213,380)**	**(2,026,597)**
Income tax expense	**4**	-	-
Loss after income tax		**(1,213,380)**	**(2,026,597)**
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the year, net of tax		**-**	**-**
Total comprehensive loss for the year		**(1,213,380)**	**(2,026,597)**
Earnings per share for loss attributable to the ordinary equity holders of the Company:			
		Cents	Cents
Basic and diluted earnings per share	**15**	(2.12)	(7.25)

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 30 June 2023

	Note	30 June 2023 $	30 June 2022 $
Current Assets			
Cash and cash equivalents	**5(a)**	3,789,694	5,707,866
Trade and other receivables	**6**	57,454	28,739
Total Current Assets		**3,847,148**	**5,736,605**
Non-Current Assets			
Exploration and evaluation expenditure	**7**	1,319,050	467,596
Property, plant and equipment	**8**	73,654	-
Right-of-use asset	**9**	36,413	-
Total Non-Current Assets		**1,429,117**	**467,596**
Total Assets		**5,276,265**	**6,204,201**
Current Liabilities			
Trade and other payables	**10**	117,833	96,363
Provisions	**11**	23,042	1,716
Lease liabilities	**9**	31,968	-
Total Current Liabilities		**172,843**	**98,079**
Non-Current Liabilities			
Lease liabilities	**9**	8,704	-
Total Non-Current Liabilities		**8,704**	**-**
Total Liabilities		**181,547**	**98,079**
Net Assets		**5,094,718**	**6,106,122**
Equity			
Issued capital	**12(a)**	6,380,823	6,380,823
Reserves	**13(b)**	1,995,846	1,793,870
Accumulated losses	**13(a)**	(3,281,951)	(2,068,571)
Total Equity		**5,094,718**	**6,106,122**

The Statement of Financial Position is to be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 30 June 2023

	Note	Issued Capital $	Reserves $	Accumulated Losses $	Total $
Balance as at 1 July 2021		482,341	-	(41,974)	440,367
Loss for the period		-	-	(2,026,597)	(2,026,597)
Other comprehensive income for the period		-	-	-	-
Total comprehensive loss for the period		**-**	**-**	**(2,026,597)**	**(2,026,597)**
Transactions with owners, directly in equity					
Shares issued	**12(a)**	6,530,000	-	-	6,530,000
Share issue costs	**12(a)**	(631,518)	-	-	(631,518)
Share based payments	**14**	-	1,793,870	-	1,793,870
Balance at 30 June 2022		**6,380,823**	**1,793,870**	**(2,068,571)**	**6,106,122**
Balance as at 1 July 2022		6,380,823	1,793,870	(2,068,571)	6,106,122
Loss for the period		-	-	(1,213,380)	(1,213,380)
Other comprehensive income for the period		-	-	-	-
Total comprehensive loss for the period		**-**	**-**	**(1,213,380)**	**(1,213,380)**
Transactions with owners, directly in equity					
Shares issued	**12(a)**	-	-	-	-
Share issue costs	**12(a)**	-	-	-	-
Share based payments	**14**	-	201,976	-	201,976
Balance at 30 June 2023		**6,380,823**	**1,995,846**	**(3,281,951)**	**5,094,718**

The Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended 30 June 2023

	Note	30 June 2023 $	30 June 2022 $
Cash flows from operating activities			
Payments to suppliers and employees		(967,228)	(468,744)
Net cash used in operating activities	**5(b)**	**(967,228)**	**(468,744)**
Cash flows from investing activities			
Payments for acquisition of tenements		-	(75,000)
Payments for exploration and evaluation		(851,455)	(92,116)
Payments for property, plant and equipment	**8**	(78,966)	-
Net cash used in investing activities		**(930,421)**	**(167,116)**
Cash flows from financing activities			
Proceeds from issue of shares		-	6,500,000
Share issue transaction costs		-	(341,000)
Payment of lease liabilities	**9**	(20,523)	-
Net cash (used in)/generated from financing activities		**(20,523)**	**6,159,000**
Net (decrease)/increase in cash held		**(1,918,172)**	**5,523,140**
Cash and cash equivalents at the beginning of the period		5,707,866	184,726
Cash and cash equivalents at the end of the period	**5(a)**	**3,789,694**	**5,707,866**

The Statement of Cash Flows is to be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the year ended 30 June 2023

Note 1. Summary of Significant Accounting Policies

(a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and Interpretations and complies with other requirements of the law.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated.

Except for cash flow information, the 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 selected non-current assets, financial assets and financial liabilities.

The Company has applied the relief available to it under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. Accordingly, amounts in the financial statements have been rounded off to the nearest $1.

(b) Statement of compliance

The financial report was authorised for issue on 27 September 2023.

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

(c) Going concern

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

For the year ended 30 June 2023 the Company recorded a loss of $1,213,380 (2022: $2,026,597) and had net cash outflows from operating and investing activities of $1,897,649 (2022: $635,860). At 30 June 2023, the Company had a working capital surplus of $3,674,305 (2022: $5,638,526).

(d) Changes in accounting policies and disclosures

The Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company's operations and effective for future reporting periods. It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Company and therefore, no change will be necessary to Company accounting policies.

(e) Exploration and evaluation expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 1. Summary of Significant Accounting Policies (continued)

(f) Income Tax

The income tax expense or benefit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except when:

- the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized, except when:

- the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be recognised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be recognised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is recognised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 1. Summary of Significant Accounting Policies (continued)

(g) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Government. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Government is included as part of receivables or payables in the statement of financial position. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which is receivable from or payable to the Government, are disclosed as operating cash flows.

(h) Impairment of non-financial assets other than goodwill

The Company assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(i) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 1. Summary of Significant Accounting Policies (continued)

(j) Financial Instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument. Financial instruments (except for trade receivables) are measured initially at fair value adjusted by transactions costs, except for those carried "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss. Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- amortised cost;
- fair value through other comprehensive income (**'FVOCI'**); and
- fair value through profit or loss (**'FVPL'**).

Classifications are determined by both:

- the contractual cash flow characteristics of the financial assets; and
- the entities business model for managing the financial asset.

<u>Financial assets at amortised cost</u>
Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and other receivables and trade and other payables fall into this category of financial instruments.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortized cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, gains and losses arising on changes in fair value that are recognised in profit or loss.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 1. Summary of Significant Accounting Policies (continued)

(j) Financial Instruments (continued)

Impairment

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(k) Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a diminishing basis to write-off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives. The depreciation rates used for each class of depreciable assets are:

Plant and equipment	0% to 100%
Motor vehicles	20% to 40%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

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

(l) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting year.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

(m) Leases

The Company, as a lessee, will assess whether a contract is, or contains, a lease under AASB 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If the contract is assessed to be, or contains, a lease, the Company will recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain re-measurements of the lease liability.

Initial Measurement and Subsequent Measurement

(i) Measurement of right-of-use asset

The right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability. Subsequent to initial recognition the right of use asset is amortised over the shorter of the assets useful life and the lease term on a straight line basis.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 1. Summary of Significant Accounting Policies (continued)

(m) Leases (continued)

(ii) Measurement of lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. The lease liability is subsequently increased by the interest cost on the lease liability, offset by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

(n) Issued capital

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. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

(o) Current and Non-Current Classification

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

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

(p) Share-based payment transactions

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instrument at the date at which they are granted when the fair value of goods and/or services cannot be determined. The fair value of options granted is measured using the Black- Scholes option pricing model. The model uses assumptions and estimates as inputs.

The cost of the equity settled transactions is recognised, together with a corresponding increase in equity, over the year in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting year has expired and (ii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date.

No adjustment is made for the likelihood of the market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a year represents the movement in cumulative expense recognised at the beginning and end of the year. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. Where the terms of an equity settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of the modification.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 1. Summary of Significant Accounting Policies (continued)

(p) Share-based payment transactions (continued)

Where an equity settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the award is recognised immediately. However if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The cost of equity-settled transactions with non-employees is measured by reference to the fair value of goods and services received unless this cannot be measured reliably, in which case the cost is measured by reference to the fair value of the equity instruments granted.

(q) Earnings per share

Basic earnings per share

Basic earnings per share is calculated as a net profit attributable to members, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share

Diluted earnings per share is calculated as net profit attributable to members, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(r) Operating Segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

(s) Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial period are discussed below.

Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward in respect of an area that has not at balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in or relating to, the area of interest are continuing.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 1. Summary of Significant Accounting Policies (continued)

(s) Critical accounting estimates and judgements (continued)

Share-based payment transactions

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

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

	30 June 2023 $	30 June 2022 $
Note 2. Loss from Continuing Operations		
Loss from continuing operations before income tax includes the following items of income and expenses:		
a. Significant expenses		
Consulting and professional fees		
- Auditing costs	44,916	66,153
- Legal fees	11,497	103,690
- Accountancy fees	59,300	62,209
- Other professional fees	61,250	-
	176,963	**232,052**

Note 3. Segment Information

Identification of reportable operating segments

The Company operates predominately in one business segment, which is the exploration for mineral deposits, and predominately in one geographical area which is Western Australia. The operating segment is based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and in determining the allocation of resources.

The Company is domiciled in Australia. All revenue from external parties is generated from Australia only. All the assets are located in Australia.

Note 4. Income Tax Expense

(a) The prima facie income tax expense on pre-tax accounting loss reconciles to the income tax expense in the financial statements as follows:

	30 June 2023 $	30 June 2022 $
Loss from operations	(1,213,380)	(2,026,597)
Income tax benefit calculated at 25% (2022: 25%)	(303,345)	(506,649)
Non-deductible legal fees	2,874	25,923
Non-deductible share based payments	50,494	375,838
Non-deductible fines and penalties	-	90
	(249,977)	(104,798)
Movements in unrecognised timing differences	(229,328)	(4,027)
Unused tax losses not recognised as a deferred tax asset	479,305	108,825
Income tax (benefit)/expense reported in the Statement of Profit or Loss and Other Comprehensive Income	-	-

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 4. Income Tax Expense (continued)

	30 June 2023	30 June 2022
	$	$
(b) Unrecognised deferred tax balances:		
The following deferred tax assets have not been brought to account:		
Unrecognised deferred tax asset – tax losses	653,038	119,319
Unrecognised deferred tax asset – other temporary differences	25,489	12,252
Net deferred tax assets not brought to account	**678,527**	**131,571**

The taxation benefits of tax losses and timing not brought to account will only be obtained if:

(a) assessable income is derived of a nature and of amount sufficient to enable the benefit from the deductions to be realised;
(b) conditions for deductibility imposed by the law are complied with; and
(c) no changes in tax legislation adversely affect the realisation of the benefit from the deductions.

Note 5. Cash and Cash Equivalents

(i) Reconciliation of cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position, as follows:

	30 June 2023	30 June 2022
	$	$
Cash at Bank and in Hand	3,789,694	5,707,866

(ii) Reconciliation of operating loss after income tax to net cash flow from operations

Loss for the year	(1,213,380)	(2,026,597)
Share based payments	201,976	1,503,352
Finance costs	2,934	-
Depreciation and amortisation	27,160	-
Changes in assets and liabilities		
Trade and other receivables	(28,715)	(27,610)
Trade and other payables	21,470	80,395
Provisions	21,327	1,716
Net cash used in operating activities	**(967,228)**	**(468,744)**

(iii) Non-cash financing and investing activities

Issue of shares to satisfy trade and other payables	-	30,000
	-	**30,000**

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

	30 June 2023 $	30 June 2022 $
Note 6. Trade and Other Receivables		
Prepayments	27,787	-
GST refundable	24,128	28,739
Other receivables - deposit	5,539	-
	57,454	**28,739**

Note 7. Exploration and Evaluation Expenditure

	30 June 2023 $	30 June 2022 $
Exploration and evaluation	**1,319,050**	**467,596**

Reconciliations

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

	30 June 2023 $	30 June 2022 $
Balance at 1 July	467,596	270,480
Additions during the year	-	75,000[1]
Expenditure during the year	851,454	122,116
Balance at 30 June	**1,319,050**	**467,596**

[1] Pursuant to the exercise of the Option Purchase Agreement with Matlock Geological Services Pty Ltd (Matlock Services), the Company cash settled the contingent consideration of $75,000 payable to Matlock Services upon the Company's official quotation on the ASX.

The recoverability of the carrying amounts of exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective area of interest.

As at the date of this report, Management has not identified any geological indicators of impairment.

	30 June 2023 $	30 June 2022 $
Note 8. Property, Plant and Equipment		
Plant and equipment at cost	4,545	-
Less: accumulated depreciation	(2,453)	-
Total plant and equipment	2,092	-
Motor vehicles at cost	74,421	-
Less: accumulated depreciation	(2,859)	-
Total motor vehicles	71,562	-
Total property, plant and equipment	**73,654**	-

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 8. Property, Plant and Equipment (continued)

(i) Movement in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current year:

	Plant and equipment $	Motor vehicles $	Total $
Opening balance	-	-	-
Additions	4,545	74,421	78,966
Disposals	-	-	-
Depreciation expense	(2,453)	(2,859)	(5,312)
Closing balance	**2,092**	**71,562**	**73,654**

Note 9. Right-of-use asset and lease liabilities

On 1 October 2022, the Company entered into an office and car parking lease arrangement at Suite 3, 28 Ord Street, West Perth for a two year period with an option to renew for a further two year period.

Under the terms of the lease agreement, the lease payment is $2,518 per month for the first year (excluding a rent free period from 1 October 2022 to and including 31 October 2022) before increasing to $2,938 per month for the second year.

(i) Amounts recognised in the Statement of Financial Position

The Statement of Financial Position shows the following amounts relating to leases:

	30 June 2023 $	30 June 2022 $
Right-of-use asset		
Premises	58,261	-
Less: accumulated amortisation	(21,848)	-
Net carrying value of right-of-use asset	**36,413**	-
Lease liabilities		
Current	31,968	-
Non-current	8,704	-
Total lease liabilities	**40,672**	-
Reconciliation of right-of-use asset:		
Opening balance	-	-
Initial adoption	58,261	-
Amortisation expense	(21,848)	-
Closing balance	**36,413**	-
Reconciliation of lease liabilities:		
Opening balance	-	-
Initial adoption	58,261	-
Principal repayments	(20,523)	-
Interest expense	2,934	-
Closing balance	**40,672**	-

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 9. Right-of-use asset and lease liabilities (continued)

(ii) Amounts recognised in the Statement of Profit or Loss and Other Comprehensive Income

The Statement of Profit or Loss and Other Comprehensive Income shows the following amounts relating to leases:

	30 June 2023 $	30 June 2022 $
Amortisation charge of right-of-use asset		
Buildings	**(21,848)**	**-**
Interest expense (included in finance costs)	**(2,934)**	**-**

Note 10. Trade and Other Payables

Trade payables	-	3,968
Other payables	38,919	14,645
Accruals	78,914	77,750
	117,833	**96,363**

Note 11. Provisions

Provision for annual leave	23,042	1,716
	23,042	**1,716**

Note 12. Issued Capital

(a) Issued capital

	2023 Shares	2022 Shares	2023 $	2022 $
Fully paid ordinary shares	57,322,914	57,322,914	6,380,823	6,380,823
	57,322,914	**57,322,914**	**6,380,823**	**6,380,823**

Year ended 30 June 2023	Issue Price	Fully Paid Ordinary Shares	$
Balance as at 1 July 2022		57,322,914	6,380,823
Balance as at 30 June 2023		**57,322,914**	**6,380,823**

Notes to the Financial Statements (continued)
For the year ended 30 June 2023

Note 12. Issued Capital (continued)

Year ended 30 June 2022	**Issue Price**	**Fully Paid Ordinary Shares**	**$**
Balance as at 1 July 2021		30,675,001	482,341
Consolidation of shares on 3:4 basis		(7,668,751)	-
Issue of shares pursuant to Second Seed raising	$0.12	4,166,664	500,000
Issue of shares to settle trade payables	$0.20	150,000	30,000
Issue of shares pursuant to IPO	$0.20	30,000,000	6,000,000
Share issue costs		-	(631,518)
Balance as at 30 June 2022		**57,322,914**	**6,380,823**

(b) Options

The following unlisted options were on issue during the year ended 30 June 2023:

Exercise price	**30c**	**20c**	**25c**	**30c**	**30c**
Expiry date	**30 June 2024**	**24 May 2025**	**24 May 2025**	**24 May 2027**	**31 October 2024**
Opening balance	3,225,000	5,218,606	3,042,181	3,000,000	-
Issued during the year	-	-	-	-	500,000[1]
Closing balance	**3,225,000**	**5,218,606**	**3,042,181**	**3,000,000**	**500,000**

[1] Refer to Note 14(a)

The weighted average exercise price of the total options on issue as at 30 June 2023 is $0.2550.

The following unlisted options were on issue during the year ended 30 June 2022:

Exercise price	**30c**	**20c**	**25c**	**30c**
Expiry date	**30 June 2024**	**24 May 2025**	**24 May 2025**	**24 May 2027**
Opening balance	-	-	-	-
Issued during the year	3,225,000[1]	5,218,606[2]	3,042,181[3]	3,000,000[4]
Closing balance	**3,225,000**	**5,218,606**	**3,042,181**	**3,000,000**

[1] Refer to Note 14(e)
[2] Refer to Note 14(b)
[3] Refer to Note 14(c)
[4] Refer to Note 14(d)

The weighted average exercise price of the total options on issue as at 30 June 2023 is $0.2535.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

	30 June 2023 $	30 June 2022 $
Note 13. Reserves and Accumulated Losses		
(a) Accumulated Losses		
Accumulated losses at the beginning of the year	(2,068,571)	(41,974)
Net loss for the year	(1,213,380)	(2,026,597)
Accumulated Losses at the end of the year	**(3,281,951)**	**(2,068,571)**
(b) Reserves		
Share based payments reserve	1,995,846	1,793,870
	1,995,846	**1,793,870**

	Options $	Performance Rights $	Total $
Balance at 1 July 2021	-	-	-
Issue of options	1,746,478	-	1,746,478
Issue of performance rights	-	47,392	47,392
Balance at 30 June 2022	1,746,478	47,392	1,793,870
Issue of options	31,125	-	31,125
Vesting of performance rights	-	170,851	170,851
Balance at 30 June 2023	**1,777,603**	**218,243**	**1,995,846**

Share based payments reserve
The share based payments reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration and other parties as part of their compensation for services.

Note 14. Share Based Payments

During the year ended 30 June 2023, the following transactions were recognised as share based payments by the Company:

	30 June 2023 $	30 June 2022 $
Advisor options (Note 14(a))	31,125	-
Founder options (Note 14(b))	-	667,776
Seed options (Note 14(c))	-	363,876
Management options (Note 14(d))	-	424,308
Performance rights (Note 14(f))	170,851	47,392
Amount expensed to profit or loss	201,976	1,503,352
Lead manager options (Note 14(e)) charged to equity	-	290,518
Total share based payments	**201,976**	**1,793,870**

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 14. Share Based Payments (continued)

(a) Advisor Options

On 19 October 2022, the Company issued 500,000 unlisted options as part consideration for corporate services to be provided. For the year ended 30 June 2023, $31,125 was recognised as a share based payment.

The fair value of the share options granted is estimated as at the date of grant using the Black-Scholes option valuation model taking into account the terms and conditions upon which the options were granted.

Weighted average exercise price	$0.30
Weighted average life of the options	2.04 years
Weighted average underlying share price	$0.135
Expected share price volatility	120.3%
Risk-free interest rate	3.37%
Grant date	19 October 2022
Expiry date	31 October 2024
Value per option	$0.06225

(b) Founder Options

In or about November 2020, the Company raised $60,000 from the issue of 14,887,500 ordinary shares (post-consolidation) at $0.004 per share, as well as 5,218,606 options (post-consolidation), to the Company's initial investors ('Founder Raising').

The total fair value of the options granted to key management personnel who participated in the Founder Raising was $100,923 which was recognised as a share based payment as at 30 June 2022.

The fair value of the share options granted is estimated as at the date of grant using the Black-Scholes option valuation model taking into account the terms and conditions upon which the options were granted.

Weighted average exercise price	$0.20
Weighted average life of the options	3.21 years
Weighted average underlying share price	$0.20
Expected share price volatility	100%
Risk-free interest rate	1.74%
Grant date	10 March 2022
Expiry date	24 May 2025
Value per option	$0.12796

The following table summarises the equity-settled share options issued to key management personnel and other investors:

	Mr Smith	**Other Investors**	**Total**
Number Issued [1]	788,706	4,429,900	5,218,606
Grant Date	10 March 2022	10 March 2022	
Value per Option	$0.12796	$0.12796	
Total Value per Option	$100,923	$566,853	$667,776

[1] All options issued have fully vested and are escrowed for a period of 24 months from the date of quotation.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 14. Share Based Payments (continued)

(c) Seed Options

In or about January 2021, the Company raised $427,000 from the issue of 8,118,750 ordinary shares (post-consolidation) at $0.053 per share, as well as 3,042,181 options (post-consolidation), to investors ('First Seed Raising').

The total fair value of the options granted to key management personnel who participated in the First Seed Raising was $21,009 which was recognised as a share based payment as at 30 June 2022.

The fair value of the share options granted is estimated as at the date of grant using the Black-Scholes option valuation model taking into account the terms and conditions upon which the options were granted.

Weighted average exercise price	$0.25
Weighted average life of the options	3.21 years
Weighted average underlying share price	$0.20
Expected share price volatility	100%
Risk-free interest rate	1.74%
Grant date	10 March 2022
Expiry date	24 May 2025
Value per option	$0.11961

The following table summarises the equity-settled share options issued to key management personnel and other investors:

	Ms Zhang	Other Investors	Total
Number Issued	175,645 [1]	2,866,536 [2]	3,042,181
Grant Date	10 March 2022	10 March 2022	
Value per Option	$0.11961	$0.11961	
Total Value per Option	$21,009	$342,867	$363,876

[1] Options have fully vested and are escrowed for a period of 24 months from the date of quotation.
[2] All options issued have fully vested however the following escrow restrictions apply:

- 751,762 options are escrowed for a period of 24 months from the date of quotation; and
- 2,114,774 options are escrowed for a period of 12 months to 30 March 2023.

(d) Management Options

Pursuant to the Company's Prospectus dated 4 April 2022 and its successful Initial Public Offering, the Company issued 3,000,000 unlisted options to key management personnel, being the Directors and Mr David Selfe, in May 2022.

The total fair value of the options granted to key management personnel was $424,308 which was recognised as a share based payment as at 30 June 2022.

The fair value of the share options granted is estimated as at the date of grant using the Black-Scholes option valuation model taking into account the terms and conditions upon which the options were granted.

	Directors	CEO
Weighted average exercise price	$0.30	$0.30
Weighted average life of the options	5.19 years	5.15 years
Weighted average underlying share price	$0.20	$0.20
Expected share price volatility	100%	100%
Risk-free interest rate	2.18%	2.61%
Grant date	15 March 2022	30 March 2022
Expiry date	24 May 2027	24 May 2027
Value per option	$0.14137	$0.14153

Notes to the Financial Statements (continued)
For the year ended 30 June 2023

Note 14. Share Based Payments (continued)

(d) Management Options (continued)

The following table summarises the equity-settled share options issued to key management personnel:

	Mr Bevan	Mr Smith	Ms Zhang	Mr Selfe	Total
Number Issued [1]	600,000	600,000	600,000	1,200,000	3,000,000
Grant Date	15 March 2022	15 March 2022	15 March 2022	30 March 2022	
Value per Option	$0.14137	$0.14137	$0.14137	$0.14153	
Total Value per Option	$84,825	$84,825	$84,825	$169,833	$424,308

[1] All options issued have fully vested and are escrowed for a period of 24 months from the date of quotation.

(e) Lead Manager Options

Pursuant to the Company's Prospectus dated 4 April 2022 and its successful Initial Public Offering, the Company issued 3,225,000 unlisted options to the lead manager under the Prospectus as partial consideration for services. For the year ended 30 June 2022, $290,518 was charged to share issue costs.

The fair value of the share options granted is estimated as at the date of grant using the Black-Scholes option valuation model taking into account the terms and conditions upon which the options were granted.

Weighted average exercise price	$0.30
Weighted average life of the options	2.12 years
Weighted average underlying share price	$0.20
Expected share price volatility	100%
Risk-free interest rate	2.57%
Grant date	19 May 2022
Expiry date	30 June 2024
Value per option	$0.09008

(f) Performance Rights

Pursuant to the Company's Prospectus dated 4 April 2022 and its successful Initial Public Offering, the Company issued 5,110,000 performance rights to key management personnel, being the Directors and Mr David Selfe, in May 2022.

The performance rights were granted at nil consideration, do not have an exercise price and expire on 24 May 2027.

Each performance right will vest and convert to one fully paid ordinary share subject to the satisfaction of the following vesting conditions:

Tranche	Vesting Conditions
Class A	The Class A Performance Rights will vest subject to the Company's shares as traded on the ASX achieving a VWAP of at least $0.40 over a period of 20 consecutive trading days within 5 years from the date of the Company's listing on the ASX.
Class B	The Class B Performance Rights will vest subject to the Company's shares as traded on the ASX achieving a VWAP of at least $0.60 over a period of 20 consecutive trading days within 5 years from the date of the Company's listing on the ASX.
Class C	The Class C Performance Rights will vest subject to the Company's shares as traded on the ASX achieving a VWAP of at least $0.70 over a period of 20 consecutive trading days within 5 years from the date of the Company's listing on the ASX.

The fair value of the performance rights granted is estimated as at the date of grant using a barrier up-and-in trinomial option pricing model taking into account the terms and conditions upon which the performance rights were granted.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 14. Share Based Payments (continued)

(f) Performance Rights (continued)

The total fair value of the performance rights granted to key management personnel was $882,456. Based on the vesting conditions of the rights, $47,392 has been recognised as a share based payment as at 30 June 2022.

For the year ended 30 June 2023, $170,851 has been recognised as a share based payment in respect of these Performance Rights.

Directors

	Class A Performance Rights	Class B Performance Rights	Class C Performance Rights	Total
Number Issued	1,053,335	1,053,333	1,053,332	3,160,000
Grant Date	15 March 2022	15 March 2022	15 March 2022	
Vesting Date	18 May 2027	18 May 2027	18 May 2027	
Vesting Period (days)	1,891	1,891	1,891	
Value per Right	$0.1818	$0.1705	$0.1657	
Total Value of Rights	$191,496	$179,593	$174,537	$545,626
Amount Expensed as at 30 June 2022	$10,837	$10,162	$9,875	$30,874
Amount Expensed as at 30 June 2023	$36,963	$34,665	$33,689	$105,317
Amount to be Expensed in Future Years	$143,696	$134,766	$130,973	$409,435
Mr Bevan				
Number Issued	466,667	466,667	466,666	1,400,000
Value per Right	$0.1818	$0.1705	$0.1657	
Total Value of Rights	$84,840	$79,567	$77,327	$241,734
Amount Expensed as at 30 June 2022	$4,801	$4,502	$4,375	$13,678
Amount Expensed as at 30 June 2023	$16,377	$15,357	$14,925	$46,659
Amount to be Expensed in Future Years	$63,662	$59,708	$58,027	$181,397
Mr Smith				
Number Issued	293,334	293,333	293,333	880,000
Value per Right	$0.1818	$0.1705	$0.1657	
Total Value of Rights	$53,328	$50,013	$48,605	$151,946
Amount Expensed as at 30 June 2022	$3,018	$2,830	$2,750	$8,598
Amount Expensed as at 30 June 2023	$10,293	$9,654	$9,382	$29,329
Amount to be Expensed in Future Years	$40,017	$37,529	$36,473	$114,019
Ms Zhang				
Number Issued	293,334	293,333	293,333	880,000
Value per Right	$0.1818	$0.1705	$0.1657	
Total Value of Rights	$53,328	$50,013	$48,605	$151,946
Amount Expensed as at 30 June 2022	$3,018	$2,830	$2,750	$8,598
Amount Expensed as at 30 June 2023	$10,293	$9,654	$9,382	$29,329
Amount to be Expensed in Future Years	$40,017	$37,529	$36,473	$114,019

Notes to the Financial Statements (continued)
For the year ended 30 June 2023

Note 14. Share Based Payments (continued)

(f) Performance Rights (continued)

Chief Executive Officer (Mr Selfe)

	Class A Performance Rights	Class B Performance Rights	Class C Performance Rights	Total
Number Issued	650,000	650,000	650,000	1,950,000
Grant Date	30 March 2022	30 March 2022	30 March 2022	
Vesting Date	18 May 2027	18 May 2027	18 May 2027	
Vesting Period (days)	1,876	1,876	1,876	
Value per Right	$0.1818	$0.1706	$0.1658	
Total Value of Rights	$118,170	$110,890	$107,770	$336,830
Amount Expensed as at 30 June 2022	$5,795	$5,438	$5,285	$16,518
Amount Expensed as at 30 June 2023	$22,991	$21,575	$20,968	$65,534
Amount to be Expensed in Future Years	$89,384	$83,877	$81,517	$254,778

Note 15. Earnings per Share

	2023 Cents per Share	2022 Cents per Share
Basic earnings per share	(2.12)	(7.25)
Diluted earnings per share	(2.12)	(7.25)

The loss for the year and the weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

	2023 $	2022 $
Loss for the year after income tax	(1,213,380)	(2,026,597)

	2023 No.	2022 No.
Weighted average number of ordinary shares for the purposes of basic earnings per share	57,322,914	27,959,993

Note 16. Key Management Personnel Disclosures and Related Party Transactions

Directors

The following persons were directors of TG Metals Limited during the financial year:
- Richard Bevan
- Brett Smith
- Di (Gloria) Zhang

Other key management personnel

Other persons who had authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, during the financial year, was the Chief Executive Officer, David Selfe.

Remuneration
Refer to the audited Remuneration Report in the Directors' Report regarding remuneration paid or payable to key management personnel during the year ended 30 June 2023.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 16. Key Management Personnel Disclosures and Related Party Transactions (continued)

	30 June 2023	30 June 2022
	$	$
Short term employee benefits	370,000	36,802
Post-employment benefits	38,243	3,584
Share based payments	170,851	593,632
	579,094	**634,018**

Transactions with related parties

Transactions with key management personnel related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

	30 June 2023	30 June 2022
	$	$
(i) Payments to Calder Roth & Co, a firm of which Dean Calder is associated with, for accounting, taxation, company secretarial and general administrative services provided prior to resignation as Director and Company Secretary.	-	35,660
(ii) Payments to David Selfe Enterprises Pty Ltd, a company of which David Selfe is a Director, for consultancy services provided.	-	37,859

(iii) During the year ended 30 June 2022, prior to his resignation as a Non-Executive Director on 23 December 2021, Stewart McDonald participated in the Founder Raising and First Seed Raising to acquire 5,240,000 Founder shares and 468,750 Seed shares respectively. The total consideration paid for the shares was $33,000 and $25,000 respectively.

In March 2022, the Company subsequently granted Mr McDonald 1,840,314 Founder options (post-consolidation) and 175,645 Seed options (post-consolidation) as part of his participation in the Founder Raising and First Seed Raising. The fair value of the options granted was $235,488 and $21,009 respectively and was calculated using the Black-Scholes option valuation model taking into account the terms and conditions of the options (refer to Notes 14(b) and 14(c)).

Although the options were granted to Mr McDonald subsequent to his resignation as a Director, he is considered a related party as he is the spouse of Ms Zhang.

(iv) During the year ended 30 June 2022, the Company issued 150,000 shares to Mining 2000 Pty Ltd at $0.20 per share in reimbursement of $30,000 in option fees, being $10,000 paid to Black Resources Pty Ltd and $20,000 paid to Matlock Geological Services Pty Ltd, which was paid on behalf of the Company.

Mining 2000 Pty Ltd is an entity that is controlled by Stewart McDonald who is considered a related party as he is the spouse of Ms Zhang.

	30 June 2023	30 June 2022
	$	$
<u>Amounts outstanding at reporting date</u>		
Aggregates amount payable to key management personnel and their related entities at reporting date:		
(i) Director remuneration	-	9,551
(ii) Other transactions	-	-
	-	**9,551**

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 16. Key Management Personnel Disclosures and Related Party Transactions (continued)

Loans to key management personnel

No loans existed during the year and as at reporting date between the Company and with key management personnel.

Loans from key management personnel

No funds were advanced to the Company by the Directors or their related parties during the year ended 30 June 2023 (2022: nil).

Note 17. Remuneration of Auditors

	30 June 2023	30 June 2022
	$	$
Audit services - BDO Audit (WA) Pty Ltd		
Audit or review of the financial statements	44,916	51,153
Other services - BDO Audit (WA) Pty Ltd and its related entities		
Independent Limited Assurance Report	-	15,000
	44,916	**66,153**

The auditor of TG Metals Limited is BDO Audit (WA) Pty Ltd.

Note 18. Commitments for Expenditure

Exploration and evaluation assets

In order to maintain current rights of tenure to exploration tenements, the Company and economic entity is required to outlay rentals and to meet the minimum expenditure requirements.

	30 June 2023 $	30 June 2022 $
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	229,341	161,841
One to five years	1,188,124	421,686
	1,417,465	**583,527**

Note 19. Contingent Assets and Liabilities

There were no changes to contingent assets or contingent liabilities during the year ended 30 June 2023.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 20. Events Subsequent to Reporting Date

On the 10th July 2023 the Company reported the results of soil sampling over its Burmeister lithium prospect. The soil sampling confirmed the previous soil sampling results and expanded the lithium anomaly to over 600m wide and 1300m in strike length. In addition, further soil anomalies to the east of the Burmeister lithium anomaly were discovered, the Eastern Anomalies as shown in Figure 4. The Burmeister lithium soil anomalies are targeted for future drill testing.

On the 6th of September the Company reported the results of its maiden aircore drilling campaign on its nickel laterite prospects, Burmeister nickel laterite (see Figure 2 for location). Drilling intersected high grade nickel up to 3.23%Ni (TGAC0011, 28m to 29m @ 3.23%Ni) and thick high grade nickel intervals up to 13m @ 1.12%Ni (TGAC0027, 18m to 31m @ 1.12%Ni). Figures 1 and 2 below show two cross sections with high grade intercepts.

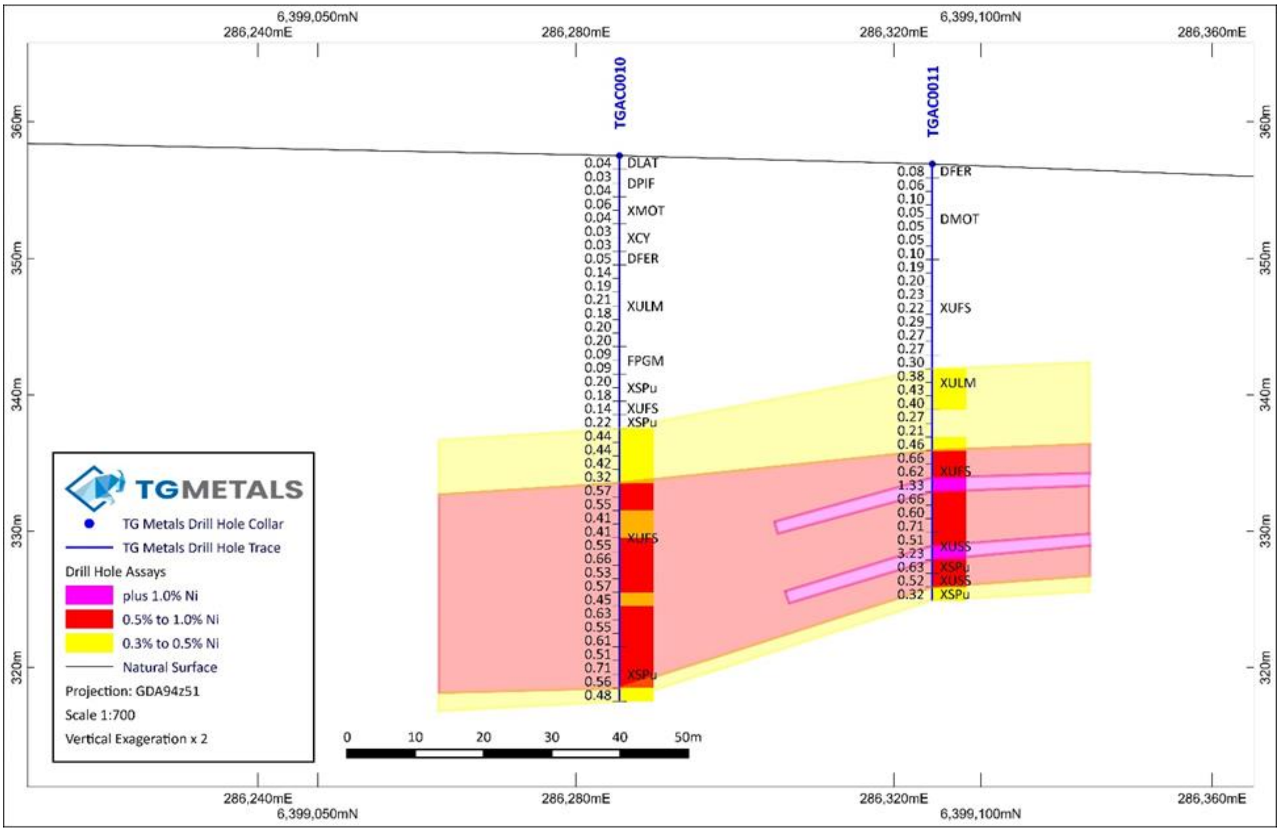

Figure 1 - Central cross section TGAC0010 to TGAC0011

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 20. Events Subsequent to Reporting Date (continued)

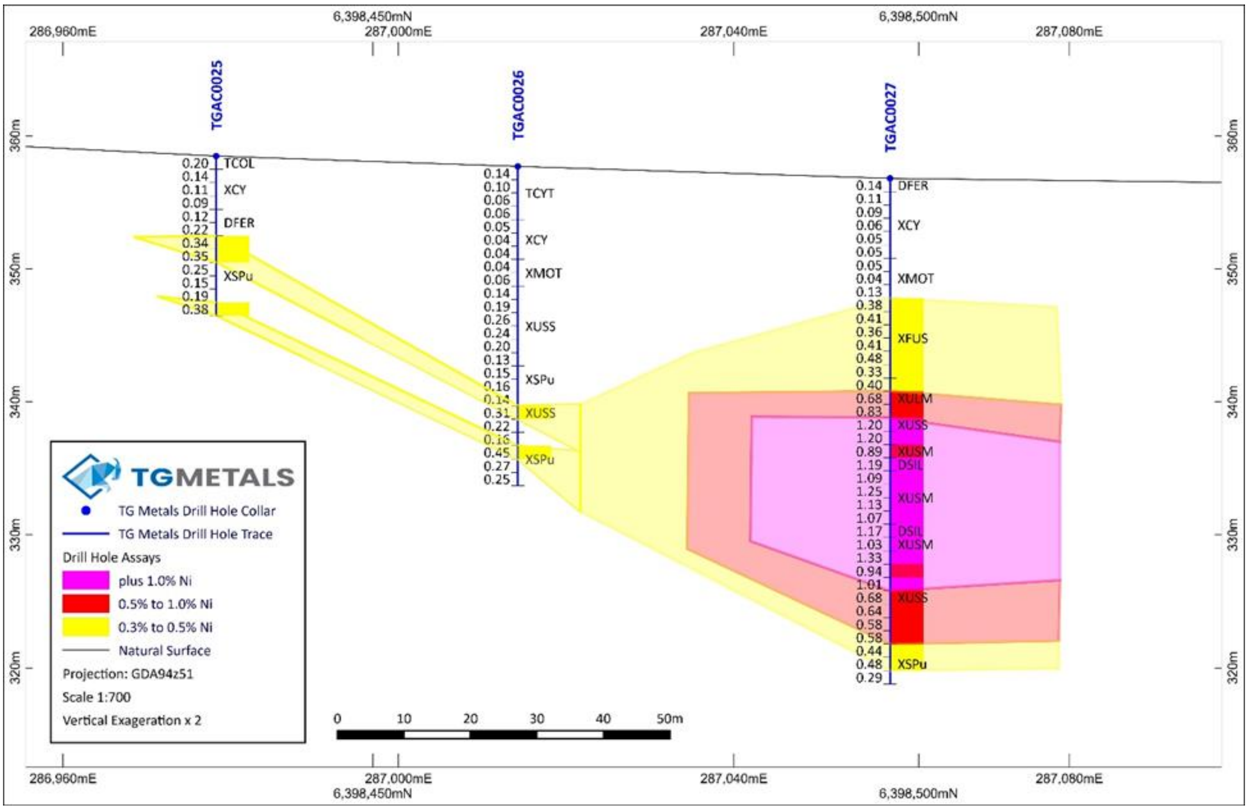

Figure 2 - Thickest intercept cross section TGAC0025 to TGAC0027

No other matters or circumstances has arisen since 30 June 2023 that has affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Note 21. Financial Risk Management

The Board has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Company's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the Company where such impacts may be material. The Board receives monthly financial reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

Financial risk management and policies

The Company's exploration activities are being funded by equity and are not exposed to significant financial risks. There are no speculative or financial derivative instruments.

The Company holds the following financial instruments, all of which are measured at amortised cost:

	30 June 2023	30 June 2022
	$	$
Financial assets		
Cash and cash equivalents	3,789,694	5,707,866
Trade and other receivables	57,454	28,739
	3,847,148	**5,736,605**

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

	30 June 2023 $	30 June 2022 $
Financial liabilities		
Trade and other payables	117,833	96,363
Lease liabilities	40,672	-
	158,505	**96,363**

The Company's principal financial instruments comprise of cash.

The main purpose of these financial instruments is to fund the Company's operations.

The main risks arising from the Company are credit risk, capital risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are recognised below.

(a) Credit risk

Cash at bank is held with internationally regulated banks. As at 30 June 2023, all cash and cash equivalents were held with AA rated banks.

No provisions have been made against trade and other receivables as the full balance is expected to be recovered.

(b) Capital risk

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

During the year ended 30 June 2023, the Company's strategy was to keep borrowings to a minimum. The Company's equity management is determined by funds required to undertake exploration activities and meet its corporate and other costs.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash balances and access to equity funding.

The Company's exposure to the risk of changes in market interest rates relate primarily to cash assets and floating interest rates.

The Directors monitor the cash-burn rate of the Company on an on-going basis against budget and the maturity profiles of financial assets and liabilities to manage its liquidity risk.

As at reporting date, the Company had sufficient cash reserves to meet its requirements. The Company has no access to credit standby facilities or arrangements for further funding or borrowings in place.

The financial liabilities the Company had 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.

Notes to the Financial Statements (continued)

For the year ended 30 June 2023

Note 21. Financial Risk Management (continued)

The following table sets out the carrying amount, by maturity, of the financial instruments including exposure to interest rate risk:

As at 30 June 2023	<1 year	1 – 5 years	Over 5 years	Total	Weighted average effective interest rate %
Financial Assets:					
Cash and cash equivalents	3,789,694	-	-	3,789,694	0.00
Trade and other receivables	57,454	-	-	57,454	-
	3,847,148	**-**	**-**	**3,847,148**	
Financial Liabilities:					
Trade and other payables	117,833	-	-	117,833	
Lease liabilities	31,968	8,704	-	40,672	
	149,801	**8,704**	**-**	**158,505**	

As at 30 June 2022	<1 year	1 – 5 years	Over 5 years	Total	Weighted average effective interest rate %
Financial Assets:					
Cash and cash equivalents	5,707,866	-	-	5,707,866	0.00
Trade and other receivables	28,739	-	-	28,739	-
	5,736,605	**-**	**-**	**5,736,605**	
Financial Liabilities:					
Trade and other payables	96,363	-	-	96,363	
	96,363	**-**	**-**	**96,363**	

(d) Fair value estimation

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes. The carrying value less any impairment provision for trade receivables and payables are assumed to approximate their fair values due to their short term nature.

The Company's principal financial instruments consist of cash and deposits with banks, accounts receivable and trade payables. The main purpose of these non-derivative financial instruments is to finance the entity's operations.

Directors' Declaration

The Directors of the Company declare that:

a. the financial statements and notes, as set out on pages 25 to 54, are in accordance with the *Corporations Act 2001* and other mandatory professional reporting requirements;

b. give a true and fair view of the financial position as at 30 June 2023 and of its performance for the year ended on that date; and

c. in the Directors' opinion, the financial statements and notes are prepared in accordance with International Financial Reporting Standards and Interpretations as adopted by the International Accounting Standards Board.

In the Directors' opinion:

i. at the date of the declaration there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

ii. the Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by Section 295A of the Corporations Act for the financial year ending 30 June 2023.

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

RICHARD BEVAN
Director
Dated this 27th day of September 2023

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth, WA 6000
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of TG Metals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of TG Metals Limited (the Company), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of TG Metals Limited, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Carrying Value of Exploration and Evaluation Assets

Key audit matter	*How the matter was addressed in our audit*
During the year TG Metals has continued to capitalise Exploration and Evaluation assets. As the carrying value of the Exploration and Evaluation Asset represents a significant asset of the Company, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount. Judgement is applied in determining the treatment of exploration expenditure in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources. In particular: • Whether the conditions for capitalisation are satisfied; • Which elements of exploration and evaluation expenditures qualify for recognition; and • Whether facts and circumstances indicate that the exploration and expenditure assets should be tested for impairment. As a result, this is considered a key audit matter.	Our procedures included, but were not limited to: • Obtaining a schedule of the areas of interest held by the Company and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Company's exploration budgets, ASX announcements and director's minutes; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Verifying, on a sample basis, evaluation expenditure capitalised during the year for compliance with the recognition and measurement criteria of AASB 6; • Considering whether any facts or circumstances existed to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in Note 1(s), Note 7 and Note 18 of the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Company's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 22 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of TG Metals Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

BDO Audit (WA) Pty Ltd

BDO

Phillip Murdoch

Director

Perth

27 September 2023

ASX Additional Information

Pursuant to the Listing Rules of the Australian Securities Exchange, the shareholder information set out below was applicable as at 6 September 2023.

A. Distribution of Equity Securities

Analysis of numbers of shareholders by size of holding:

Distribution	Number of Shares	%	Number of Shareholders
1 to 1,000	2,144	0.00%	9
1,001 to 5,000	127,996	0.22%	33
5,001 to 10,000	429,322	0.75%	48
10,001 to 100,000	11,959,278	20.86%	262
100,001 and Over	44,804,174	78.16%	106
	57,322,914	**100.00%**	**458**

There were 31 shareholders holding less than a marketable parcel of ordinary shares.

B. Substantial Shareholders

TG Metals Limited has received the following substantial shareholder notifications. As at 6 September 2023, no other substantial shareholder notice have been received.

Shareholder Name	Shares held at date of Notice	Percentage held at date of Notice (%)	Date of Notice
Stewart McDonald	5,868,750	10.24%	27 May 2022
Phillip G Crabb	4,366,666	7.62%	26 May 2022

C. Twenty Largest Shareholders

The names of the twenty largest holders of quoted shares are listed below:

	Shareholder	No. Shares	%
1	Ioma Pty Ltd <Gemini A/C>	3,975,000	6.93%
2	Pubmate Australia Pty Ltd	3,000,000	5.23%
3	Shanghai Holdings Pty Ltd	2,250,000	3.93%
4	Awonga Point Investment Pty Ltd <Wenlock River A/C>	2,250,000	3.93%
5	Westessa Holdings Pty Ltd	1,831,500	3.20%
6	N & J Mitchell Holdings Pty Ltd <Ord Street Properties A/C>	1,300,000	2.27%
7	Chin Nominees Pty Ltd <Chin Nominees No2 S/F A/C>	1,262,500	2.20%
8	Gemini Holdings Pty Ltd <Demarte Family A/C>	1,250,250	2.18%
9	Mr Jaxon Trent Crabb	1,224,510	2.14%
10	Mrs Judith Suzanne Piggin & Mr Damien Jaye Piggin <Piggin Family S/F A/C>	1,185,220	2.07%
11	Mr Adrian Bruce Watt & Mrs Tracey Janine Watt <A&T Watt Family S/F A/C>	1,000,000	1.74%
12	LDU Pty Ltd <Vesty Super Fund A/C>	1,000,000	1.74%
13	Mr Gavin Jeremy Dunhill	950,000	1.66%
14	Mr Raymond Gardener & Miss Hineaka Black <Tumeke Super Fund A/C>	850,000	1.48%
15	Cicchino Pty Ltd <Cicchino Share A/C>	750,000	1.31%
16	Mr Bruce Crabb	680,000	1.19%
17	Miss Ellen Kate Maschmedt	667,826	1.17%
18	Mr Richard Bevan & Mrs Sara Bevan <The Slush Fund S/Plan A/C>	625,000	1.09%
19	BNP Paribas Nominees Pty Ltd <IB AU NOMS Retailclient DRP>	593,548	1.04%
20	Mr Matthew Reid Martin	552,661	0.96%
	TOTAL	**27,198,015**	**47.45%**

ASX Additional Information (continued)

D. Listed Options

As at the date of this report there were nil listed options on issue in the Company.

E. Voting Rights

In accordance with the Company's Constitution, voting rights in respect of ordinary shares are on a show of hands whereby each member present in person or by proxy shall have one vote and upon a poll, each share will have one vote.

F. Unquoted Securities

Founders Options - $0.20; 24 May 2025	
Number of Founders Options	5,218,606
Number of Holders	7
Holders with more than 20%	Ioma Pty Ltd <Gemini A/C> - 25.19%
	Pubmate Australia Pty Ltd – 20.15%

Seed Options - $0.25; 24 May 2025	
Number of Seed Options	3,042,181
Number of Holders	19

Lead Manager Options - $0.30; 30 June 2024	
Number of Lead Manager Options	3,225,000
Number of Holders	21
Holders with more than 20%	Barclay Wells Ltd <Nominee 2 A/C> - 24.81%

Management Options - $0.30; 24 May 2027	
Number of Management Options	3,000,000
Number of Holders	4

Advisory Options - $0.30; 31 October 2024	
Number of Management Options	500,000
Number of Holders	1
Holders with more than 20%	Barclay Wells Ltd

Performance Rights – expiring 19 May 2027	
Number of Class A Performance Rights	1,703,335
Number of Class B Performance Rights	1,703,333
Number of Class C Performance Rights	1,703,332
Number of Holders in each Class	4

ASX Additional Information (continued)

G. On Market Buy-Back

There is no current on market buy-back for any of the Company's securities.

H. Restricted Securities

Security	Number	Restriction Period
Ordinary Shares	17,021,373	Escrowed until 26 May 2024 (24 months from the date of quotation)
Founder Options ($0.20; 24 May 2025)	5,218,606	Escrowed until 26 May 2024 (24 months from the date of quotation)
Seed Options ($0.25; 24 May 2025)	927,407	Escrowed until 26 May 2024 (24 months from the date of quotation)
Lead Manager Options ($0.30; 30 June 2024)	3,225,000	Escrowed until 26 May 2024 (24 months from the date of quotation)
Management Options ($0.30; 24 May 2027)	3,000,000	Escrowed until 26 May 2024 (24 months from the date of quotation)
Performance Rights (Expiring 19 May 2027)	5,110,000	Escrowed until 26 May 2024 (24 months from the date of quotation)

I. Information pursuant to Listing Rule 4.10.19

Between the date of the Company's admission to the official list of the ASX on 24 May 2022 and the end of the reporting period on 30 June 2023, the Company used its cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives.

ASX Additional Information (continued)

Schedule of Tenements

Tenement	Area	Grant Date	Expiry Date	Entity's Interest
Exploration Licences				
E63/1960	6 BL	05/11/2019	04/11/2024	100%
E63/1961	29 BL	05/11/2019	04/11/2024	100%
E63/1973	26 BL	16/01/2020	15/01/2025	100%
E63/1983	7 BL	21/02/2020	20/02/2025	100%
E63/1984	5 BL	04/08/2020	03/08/2025	100%
E63/1997	37 BL	27/10/2020	26/10/2025	100%
E63/2254**	8 BL	20/07/2023	19/07/2028	100%
E63/2315*	43 BL	Pending	N/A	100%
E63/2324*	9 BL	Pending	N/A	100%
E63/2349*	20BL	Pending	N/A	100%
Prospecting Licences				
P63/2201	176.52 HA	03/11/2020	02/11/2024	100%
P63/2202	193.69 HA	16/01/2020	02/11/2024	100%

* Tenement Application
** Tenement Granted Subsequent to Year End

The Company does not have any mineral resources or ore reserves as defined in the JORC 2012 Code.