

ANAX

METALS LIMITED

ACN 106 304 787

Annual Report

30 June 2023

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CHAIRMAN'S REPORT

Dear Shareholders

The past year has been a pivotal year for our Company. Set against a backdrop of turbulent world equity and metals markets, Anax has successfully completed a Definitive Feasibility Study to mine and process copper, zinc and associated metals ores at Whim Creek. This was a culmination of extensive, high-quality work by the Anax employees, contractors, and consultants.

This study indicates that it is possible to mine and process ores at Whim Creek with a relatively small capital expenditure of \$71M (plus working capital), to yield Free Cash of \$340M. If this were considered on a "per share" basis it is clear that there is massive upside potential for the value of your shares.

ANX is also focused on becoming a Pilbara regional hub for metal ores processing. The extensive research and development work that the Company has done, along with its flexible processing circuits will allow it to process "stranded" ores effectively and cheaply and add further to shareholder value.

In order that the Whim Creek plant be completed, the company will need to engage with its partners, with metals traders, and financiers to finalise long-term commitments. This is currently in process.

Anax has also been active in exploring for minerals on its extensive, near-mine, tenement package. Some of these tenements are held 80% in joint venture and some 100%, by the Company. ANX has had some initial success in locating gold. The company has also located, and is mapping, extensive pegmatites that may be potentially lithium bearing. Spodumene, which tends to be very mobile, has been identified in soils. The Company thus has the potential to add these valuable metals to its inventory.

Anax is poised for an exciting transformation over the next year and we look forward to your participation.

Yours Sincerely,



Phillip Jackson
Chairman

OPERATIONS REPORT

SUMMARY

Through the **2023 Financial Year** (FY2023) **Anax Metals Limited** (ASX: ANX) ("Anax" or "the Group") has continued to pursue its strategy to be a near-term producer of sustainable Pilbara copper (and associated base metals) by advancing its flagship **Whim Creek Copper-Zinc Project** ("Whim Creek" or "the Project") in the Pilbara region of Western Australia.

Since acquiring an 80% interest in the Project from **Develop Global Limited** (Develop) in 2020², Anax has delivered significant value accretion to the Project through achievement of the following key objectives:

- The release of the **Whim Creek Project Definitive Feasibility Study** (DFS)²² in April 2023 confirming financial robustness of the Project with clear ESG benefits;
- Notification of the **revocation of the Environmental Protection Notice** (EPN) by the Department of Water and Environmental Regulation (DWER)²¹ after completion of significant environmental remediation works by Anax and their certification in 2022;
- **Receipt of final regulatory approvals** from the Department of Mines, Industry Regulation and Safety (DMIRS)^{15,30} and DWER enabling the commencement of mine development^{33,37}
- After the year end, the release of the **Heap Leach Scoping Study** in September 2023³⁵ demonstrating the potential to add additional value to the Project through bioleaching of low-grade sulphide and transitional material through the existing and fully permitted heap leach facility, in parallel with processing through the concentrator.

As a result of these significant steps forward, Whim Creek is now **strategically positioned to become a near-term producer of key battery metals** including copper and zinc concentrates along with copper cathode and a fertiliser feedstock, zinc sulphate crystal. The capacity to process primary, transitional and oxide ores through a concentrator or heap leach plant allows Anax to deliver treatment options for other base metal projects in the region and provides a platform for Anax to become a dominant player in **consolidating Pilbara base metal projects**³⁵.

Importantly, through positive stakeholder interactions and considerable rehabilitation work at the Whim Creek site, Anax has delivered benefits to the local community and will continue to do so in future.

Anax has worked tirelessly to ensure that all conditions and requirements of the Environmental Protection Notice (EPN), issued in 2019 to the former project owners and managers, were completed to the highest standards. DWER officially lifted the EPN in May 2023,¹⁷ and ongoing site monitoring is managed under the approved Works Approval (W6707/2022/1) commitments.²⁶

The approval of the Stage 2 Mining Proposal in August 2023 completes all DMIRS approvals required for the commencement of mining activities at the Whim Creek Copper Project and is the final major regulatory approval for the Whim Creek site.

Exploration at Whim Creek Project continued during FY2023 in tandem with the progress of the Whim Creek Project development. Rock chip sampling was used to follow up UltraFine+™ soil anomalies, providing confirmation of in-situ mineralisation. At the HLF Gold Prospect rock chips returned up to 4.0 g/t Au over an UltraFine+™ gold-in-soil anomaly extending for 200m. The HLF prospect was the focus of exploration RC drilling completed in in Q3 2022.⁶

A total of 20 exploration RC drillholes were completed across four prospects in July–August 2022 – ten at the HLF Gold Prospect, five at Whim Creek Copper-Zinc Prospects, four at Mons Cupri West Copper-Zinc Prospect and one at the Evelyn Resource.^{4,6}

Drill chips were submitted for XRF scanning at Minalyze and selected intervals were analysed at LabWest for a suite of 50 elements plus gold for calibration and reporting purposes.⁴

Highlights of drilling at HLF included gold up to **1.67g/t Au** and confirmed mineralisation over 200m strike.¹⁹ Highlights of copper-zinc intercepts from exploration RC drilling adjacent to known resources included **5m at 1.11 % Cu and 34 g/t Ag** from 195m at Mons Cupri.¹⁹

RC drilling enabled the extension of the Evelyn Resource by 50m down plunge with the intersection of **13m @ 4.46% Cu, 3.10% Zn, 45 g/t Ag and 1.61 g/t Au from 204m.**¹¹ This increased the high-grade Evelyn copper resource by 24% to **590 kt at 2.54% Cu, 3.90% Zn, 0.98 g/t Au and 41 g/t Ag.**¹¹

Recent lithium discoveries in the Pilbara, including that by Azure Minerals at Andover⁴⁶ has highlighted the prevalence of high-grade lithium deposits in the region. This has prompted Anax to broaden exploration activities to investigate the significant lithium potential of the Whim Creek tenement package as well as Anax's wholly owned Loudens Patch Project (Exploration licence 47/4821) located adjacent to the Whim Creek exploration tenement (E47/3495) in the Pilbara.

Exploration at Loudens Patch continued to generate results in FY2023²⁷ with encouraging gold in rocks and soils and lithium pegmatite drill targets defined.

Subsequent to the year-end, in August 2023, Anax announced its Farm-in and Joint Venture agreement with Woomera Mining Ltd (ASX: WML) on the wholly owned exploration Mt Short Project (Exploration License 74/651) located near Ravensthorpe in Western Australia.

FY 2024 development and exploration next steps

The Anax team continues to focus on securing development finance for the fully permitted Whim Creek Project along with delivering growth outcomes from research. Securing the best possible financing outcome for Whim Creek is currently our key focus. The team continues to work on financing options that deliver maximum leverage from the copper, zinc and lead offtake while providing flexibility for the planned operation. The business case detailing production growth potential by utilising the proposed heap leach infrastructure was released in September 2023³⁵ and will be progressed further, as a key step in our strategy to expand the capacity and flexibility of processing facilities for the Pilbara processing hub.

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In conjunction with progressing development financing for the Whim Creek mine, Anax continues to actively explore for lithium with systematic soil and rock chip sampling ongoing across the Whim Creek Project and the Loudens Patch Project. Drilling of prioritised targets will follow heritage surveys to investigate lithium mineralisation in pegmatites.³⁶

WHIM CREEK COPPER-ZINC PROJECT JOINT VENTURE

The Project is located approximately 120km south-west of Port Hedland in the central Pilbara Region of Western Australia. **Figure 1** illustrates the location of the project in relation to neighbouring tenure and local infrastructure, including Port Hedland, Karratha and the Great Northern Highway.

The Pilbara Mineral Field is a prolific region of Archaean granite-greenstone terrane, fertile in an array of metals including iron ore, gold, nickel-cobalt, base metals and platinum group metals, as evidenced by the extensive mining and exploration tenure. The Whim Creek Project encompasses the width of the Archaean-age Whim Creek Greenstone Belt, where Volcanogenic Massive Sulphide (VMS) deposits containing copper, zinc and lead have been defined at the four main prospects - Whim Creek, Mons Cupri, Salt Creek and Evelyn. In addition, multiple gold, platinum and base metals prospects have been generated through Anax’s rigorous exploration.

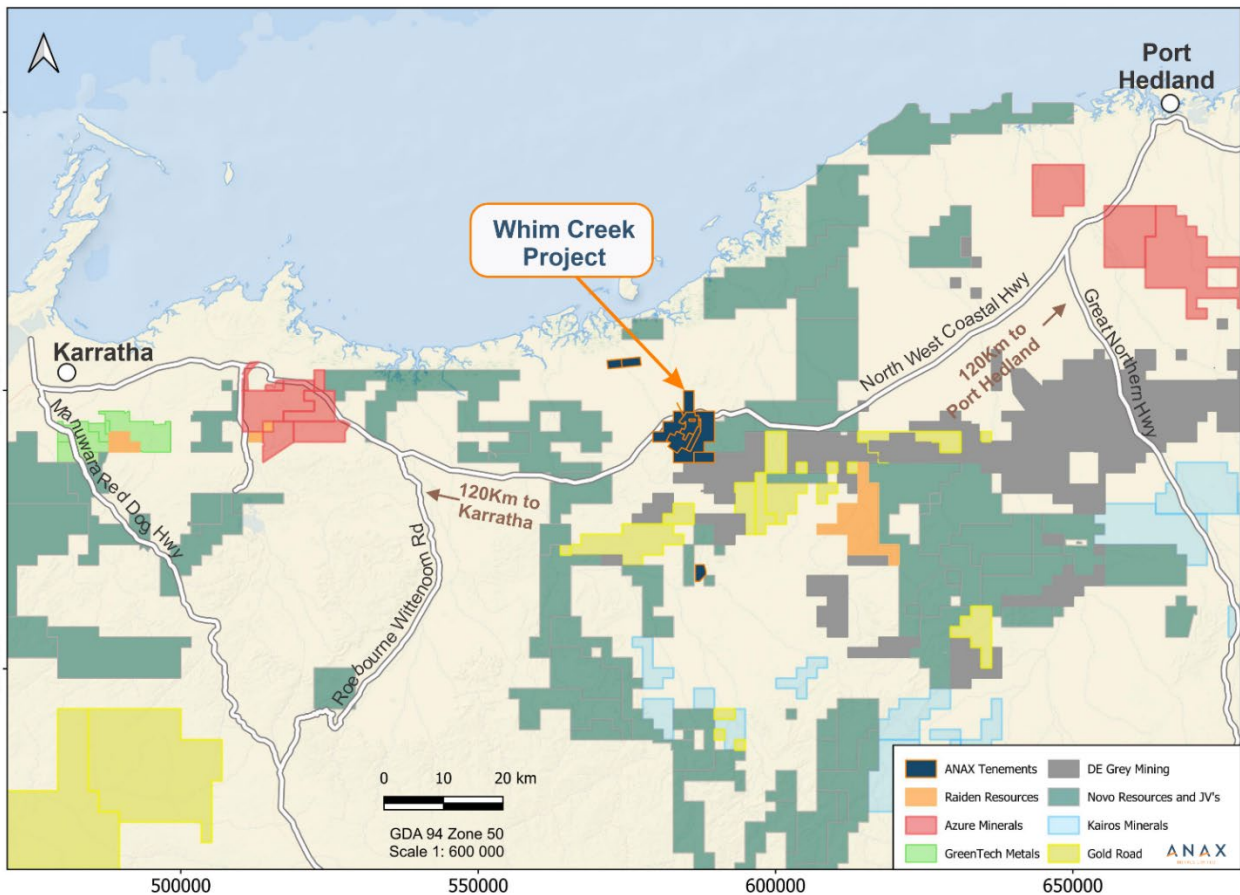


Figure 1: Whim Creek Project Location in the Pilbara region of Western Australia

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The Development Strategy for the Whim Creek copper-zinc deposits remains grounded in Anax's **sustainability objectives** for the Project:

- Incorporating ore sorting and fine particle jigs into the processing flowsheet to pre-concentrate ore delivered to the concentrator, thereby reducing the quantity of material being processed. This results in **less power, less water and less reagents being used, and generation of less tailings**.
- The final rejects from ore sorting will be depleted in sulphides and metals, creating a **new inert mining by-product, that can be used as aggregate** to maintain roads on site, or potentially sold to meet the increasing demand from infrastructure projects nearby, meaning less waste goes into dumps or process tailings.
- The mid-to-low grade ore from sorting will be **processed through the refurbished heap leach facility** contributing significantly to the increased project value with very little capital cost uplift ¹⁷.

Resources

In September 2022, Anax published an updated Indicated and Inferred Mineral Resource estimate for Salt Creek. The Mineral Resource was completed following a database audit, updated geological interpretations and updated methodology on the assignment of bulk densities. **Indicated Resources increased by over 80% to 1.84 Mt**, while contained **copper increased by 99% to 35,700 t** and contained **zinc increased by 22% to 95,000 t**.¹⁰

This was followed in October 2022 by an updated Mineral Resource estimate for Evelyn.¹¹ The basis for the updated Mineral Resource for Evelyn was an extensional RC drill hole completed in August 2022 which returned **13m @ 4.46% Cu, 3.10% Zn, 45 g/t Ag and 1.61 g/t Au from 204 m**,¹¹ extending the main Evelyn shoot 50 m down-plunge. The mineral resource estimate for Evelyn returned a **24% increase** in contained **copper to 14,900 T** and a **19% increase in contained zinc to 22,800 T (Figure 2)**.

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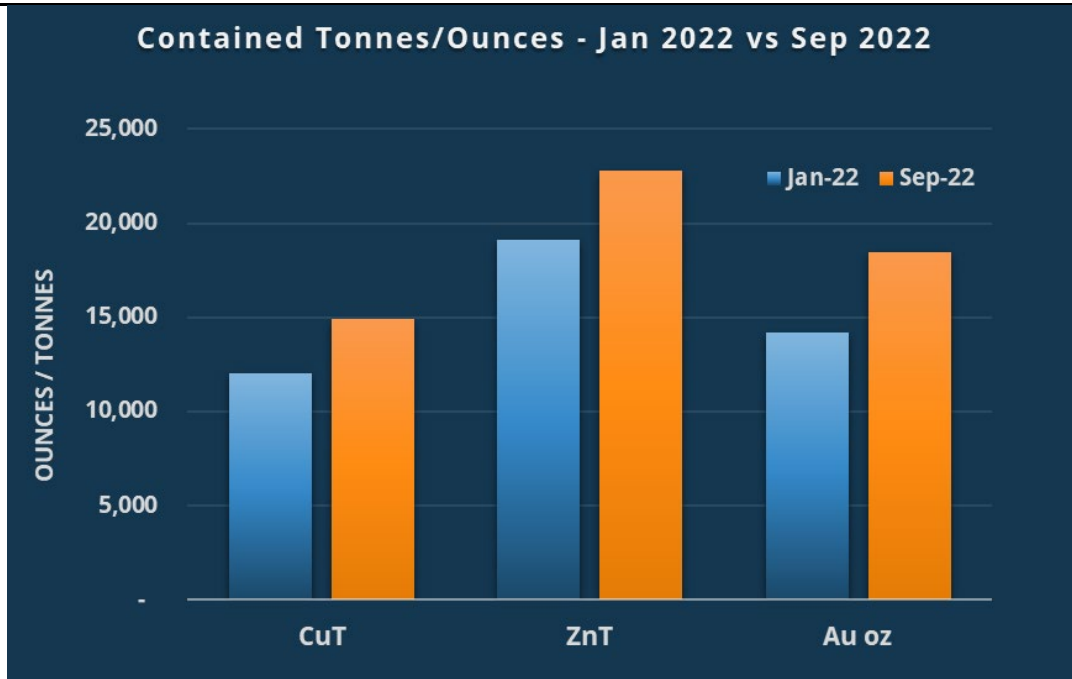


Figure 2: Graphical representation of Evelyn resource growth¹¹

Whim Creek Project Global Resource

The updated global resource estimate for the Whim Creek Project is shown in **Table 1** and **Table 2**, below.^{13,35}

Table 1: Whim Creek Project Global Copper Dominant Mineral Resource Estimates¹³

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Deposit	Classification	kTonnes	Cu %	Zn %	Pb %	Ag ppm	Au ppm
Mons Cupri (Cu ≥ 0.4%)	Measured	990	1.62	1.42	0.61	38	0.28
	Indicated	3,130	0.84	0.47	0.20	16	0.09
	Inferred	400	0.60	0.22	0.10	10	0.03
Salt Creek (Cu ≥ 0.8% & Zn < 2.5%)	Measured	-	-	-	-	-	-
	Indicated	1,070	2.03	0.23	0.03	4	0.08
	Inferred	650	1.25	0.28	0.04	4	0.05
Whim Creek (Cu ≥ 0.4%)	Measured	-	-	-	-	-	-
	Indicated	1,750	1.10	0.63	0.16	6	0.04
	Inferred	660	0.56	0.17	0.08	2	0.02
Evelyn (No Cut-off)	Measured	-	-	-	-	-	-
	Indicated	470	2.47	3.97	0.29	42	1.00
	Inferred	120	2.84	3.62	0.20	37	0.92
Combined	Measured	990	1.62	1.42	0.61	38	0.28
	Indicated	6,420	1.23	0.73	0.17	13	0.14
	Inferred	1,830	0.96	0.44	0.08	7	0.09
Total Cu Resources		9,240	1.22	0.75	0.20	15	0.15
Contained t/Oz			<i>Cu t</i>	<i>Zn t</i>	<i>Pb t</i>	<i>Ag oz</i>	<i>Au oz</i>
			112,000	69,000	18,000	4,330,000	43,700

Note: Appropriate rounding applied

Table 2: Whim Creek Project Global Zinc Dominant Mineral Resource Estimates (various cut-offs used)¹³

Deposit	Classification	kTonnes	Cu %	Zn %	Pb %	Ag ppm	Au ppm
Mons Cupri (Zn ≥ 2.0% & Cu < 0.4%)	Measured	70	0.16	4.56	1.79	53	0.23
	Indicated	340	0.09	3.56	1.01	38	0.07
	Inferred	150	0.08	4.84	1.96	27	0.04
Salt Creek Zn ≥ 2.50%	Measured	-	-	-	-	-	-
	Indicated	770	0.58	9.91	2.97	73	0.39
	Inferred	225	0.53	5.70	1.88	31	0.14
Whim Creek (Zn ≥ 2.0% & Cu < 0.4%)	Measured	-	-	-	-	-	-
	Indicated	120	0.12	3.22	0.44	12	0.08
	Inferred	45	0.13	2.46	0.40	9	0.04
Combined	Measured	70	0.16	4.56	1.79	53	0.23
	Indicated	1,230	0.40	7.55	2.20	58	0.27
	Inferred	450	0.34	5.07	1.75	27	0.10
Total Zn Resources		1,750	0.37	6.75	2.05	50	0.22
Contained t/Oz			<i>Cu t</i>	<i>Zn t</i>	<i>Pb t</i>	<i>Ag oz</i>	<i>Au oz</i>
			7,000	118,000	36,000	2,790,000	12,600

Note: Appropriate rounding applied

Definitive Feasibility Study

Following on from the definition of JORC 2012 Mineral Resource estimates for the Whim Creek and Evelyn deposits and completion of an Updated Scoping Study for the Whim Creek Project in FY22,¹⁷ Anax released the results of the Whim Creek Project Definitive Feasibility Study (DFS) in April 2023²², which incorporated the increased JORC 2012 Mineral Resource estimates announced for Salt Creek¹⁰ and Evelyn.¹¹

With estimated free cash of \$340 million, NPV⁷ of \$224 million, IRR of 54%, the Whim Creek Project DFS improved on the metrics of the updated Scoping Study³ published in 2022.

The DFS considered processing of sulphide ore from the Mons Cupri, Whim Creek, Evelyn and Salt Creek deposits through a proposed new 400 kilo-tonnes per annum (ktpa) concentrator.

The key DFS metrics* are detailed below:

- Global Resources just under 11 million tonnes²³
- **Project free cash of \$340 million (M)**, up from \$291M per updated scoping study;
- **Pre-tax NPV⁷ of \$224M** and an **IRR of 54%** based on forecast metal prices, exchange rates, capital and operating costs;
- **Pre-production Capex of \$71M** including contingency and owner's costs; **Working capital of \$14M** with maximum drawdown of \$85M;
- **Ore Reserves of 4.6 Mt at 1.36% Cu, 2.30% Zn and 0.68% Pb** supporting average annual concentrate **production of ~55 ktpa** (containing Cu, Zn, Pb) over the life of the project from open-pit resources at Mons Cupri and Whim Creek, and underground resources at Evelyn and Salt Creek (both open at depth);
- **An initial life-of-mine of 8 years** based on Ore Reserves

* Metrics reported on 100% project basis. Anax has an 80% interest in the project and will contribute 80% of costs and receive 80% of financial outcomes^{3,23}.

Contractor mining will be used for both the open pit and underground mines.

The new processing infrastructure will include a state of the art two-stage ore sorting and gravity separation plant followed by a modular flotation plant configured for complex polymetallic ores. The new proposed concentrator together with the existing heap leach infrastructure will be utilised to develop a processing hub capable of treating sulphide ore. Existing heap leach infrastructure will be utilised for ore storage and bioleaching, low-grade sulphide, transitional and oxide ore types.

The planned satellite mines at Salt Creek and Evelyn provide a blueprint for the Anax consolidation strategy in the Pilbara region where numerous base metal resources, operated by Anax's peers, remain "stranded" as their size cannot justify stand-alone processing infrastructure. These assets could now be consolidated for development or developed for toll treatment at Whim Creek.

Anax has developed significant proprietary knowledge with respect to bioleaching of primary sulphides to recover copper and zinc from intermediate and low-grade ore. In addition, options for aggregate production from the final sorter rejects are being assessed.

The DFS is the culmination of a large body of work that provides a high degree of technical and financial certainty that this strategy will deliver long term shareholder value. The Whim Creek DFS demonstrates that through the application of key technologies, that decouple mining and processing operations, considerable value may be extracted from “stranded assets”.

The proprietary knowledge and expertise applied in the DFS by Anax and technology partner Nexus Bonum Pty Ltd has broader implications with respect to projects for potential consolidation within the Pilbara and further afield. This technology focus provides substantial capital and operating cost advantages which have become more important in the current inflationary cost environment. In addition, the technologies have significant environmental benefits in using less water, power and reagents and generating less waste, which simplifies regulatory approvals.

Stakeholder engagement with a focus on delivering benefits to the community has continued throughout the DFS process. The Group is working with the Ngarluma people to refurbish the iconic Whim Creek Hotel complex which will provide benefits to the greater Pilbara community.

In addition to the accretive value to shareholders, the DFS²² demonstrates the value of ore sorting and associated technologies, for environmental, social and governance (ESG) benefits:

Environmental – ore sorting reduces the quantity of ore to be processed through the concentrator, thereby reducing power usage, water usage, chemical reagent consumption, and leaving reduced in-pit tailings.⁶

Social - The DFS has included provision for a stand-alone mine camp as part of the pre-production Capex. However, Anax is continuing to work with the Ngarluma Aboriginal Corporation (NAC) on refurbishing their iconic Whim Creek Hotel. Anax has assisted in securing grant funding and is co-funding the restoration of the hotel, which was damaged by Cyclone Veronica in 2019. The hotel historically supported a mine camp, refurbishment of which could generate a steady income for the Ngarluma Group. The hotel restoration in collaboration with NAC demonstrates Anax’s commitment to supporting local industry and community involvement.

Governance –The DFS demonstrates Anax’s commitment to operate to the highest standards, to meet and exceed regulatory requirements and recent regulatory approvals attest to Anax’s diligence.

Bio Leaching Scoping Study

In June 2023, Anax announced highly encouraging results from bioleaching test work undertaken in collaboration with a major research provider.²⁷ The column leach test work, which achieved copper extraction of 80% and zinc extraction of 90%, formed the basis for the heap leach scoping study that considers processing of oxide, transitional and low-grade sulphide ore using the recently refurbished and fully permitted heap leach infrastructure located at Whim Creek.

Subsequent to the year end, in September 2023,³⁵ Anax published a Scoping Study that demonstrates the potential for a substantial increase in free cash at Whim Creek through the addition of heap leach operations

that are proposed to operate in parallel with the concentrator and utilise existing infrastructure and resources detailed and already costed in the DFS.

The key highlights of the Study demonstrate: ³⁵

- Potential for Whim Creek cashflows* to increase by 20% to more than \$410 Million (M). Heap leach to deliver ~\$70 M in free cash
- Total project NPV⁷ to grow to \$270 M with pre-production capex remaining at \$71 M.
- Production of copper cathode and zinc sulphate crystal to further enhance the product suite from the Project.
- Project production potential to grow to 10 Ktpa Cu and 10 ktpa Zn.
- The project is permitted to process sulphide ores through the concentrator and to utilise the heap and associated infrastructure to leach oxide, transitional and sulphide ores.

** Metrics reported on 100% project basis. Anax has an 80% interest in the project and will contribute 80% of costs and receive 80% of financial outcomes ³⁵*

Mining Approvals

The Stage 1 Mining Proposal approved in November 2022²² allows for the mining of ore from the Mons Cupri Pit, the refurbishment of the existing Heap Leach Facility, the incorporation of ore sorters into the existing crushing infrastructure and the construction of a 120-man accommodation village.

Subsequent to the year end, in August 2023, Anax announced that DMIRS had approved the Stage 2 Mining Proposal for the Project³⁰. The Stage 2 Mining Proposal allows for the commencement of mining from the Whim Creek Pit and the processing of ore from the Mons Cupri and Whim Creek pits through a conventional flotation processing plant (Concentrator) which will produce separate copper, lead and zinc concentrates. The Mining Proposal also allows for the construction of a three-cell in-pit tailings storage facility at Mons Cupri.

The securing of the Stage 2 Mining Proposal completes all DMIRS approvals required for the commencement of mining activities at the Whim Creek Copper Project and is the final major regulatory approval for the Whim Creek site.

Environmental studies to support regulatory approvals for both Evelyn and Salt Creek are continuing, with further environmental studies planned for the second half of 2023.

Environmental Legacy and Current Status of Environmental Approvals

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In July 2019, DWER issued an Environmental Protection Notic (EPN) in relation to the area of the heap leach facility, where localised groundwater contamination was suspected.¹ In FY21 and FY22, Anax carried out remediation and infrastructure upgrades to address requirements of the EPN, including:

- Construction of new stormwater bunds to divert clean runoff away from stormwater containment infrastructure.
- Cleaning, repair and certification of W-drains and Process ponds (**Figure 3**).
- Construction of a new 60,000 m³ HDPE-lined stormwater (Pond 6) within the footprint of the existing Environmental Pond to retain excess process water (**Figure 4**).
- Remediation of the compacted clay liner of the existing Environmental Pond.
- Installation of new monitoring bores.



Figure 3: Process ponds 1 to 5 and W-drains cleaned and certified

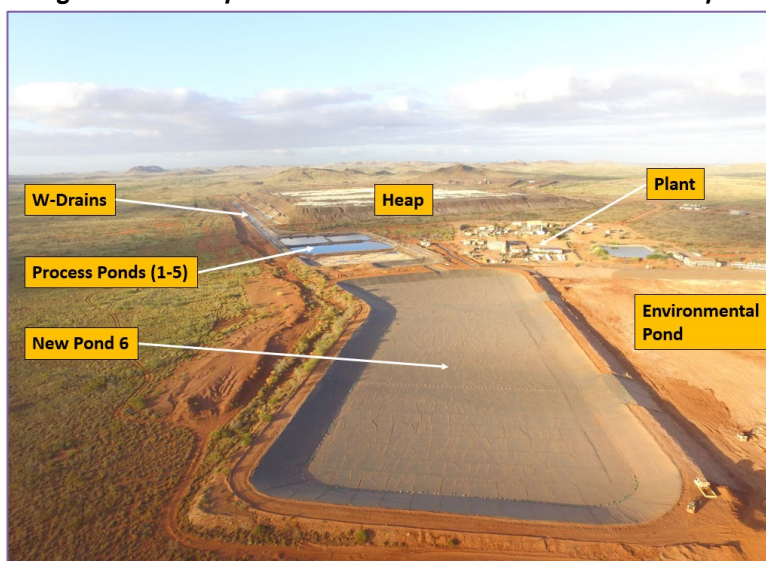


Figure 4: Pond 6 in relation to existing infrastructure

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Following the remediation work, in November 2022,¹⁵ the Stage 1 Works Approval was granted by DWER under the Environmental Protection Act, 1986. In May 2023, Anax received notification from DWER confirming that the EPN had been revoked, underscoring the significant and measurable environmental improvements delivered by the Group.²⁵

This was followed by granting of the Stage 2 Works Approval in June 2023, permitting the construction of the concentrator and the installation of in-pit tailings storage facilities.²⁶

Monitoring of groundwater, vegetation and fauna is mandated under the current regulatory approvals and will continue into operations and eventual mine closure.

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Exploration RC Drilling

Exploration at Whim Creek continued during the year, with over 940 UltraFine+™ soil samples and >100 rock chip samples analysed at LabWest in FY2023. Rock chip sampling was used to follow up UltraFine+™ soil anomalies, providing confirmation of in-situ mineralisation, such as at HLF Gold Prospect, where up to **4g/t Au** was recorded in rock chips at the >200m long gold-in-soil anomaly.⁵ This was the focus of the 2022 exploration RC drilling campaign.

20 exploration RC drillholes were completed across four prospects - ten at HLF Gold Prospect, five at Whim Creek Copper-Zinc Prospects, four at Mons Cupri Copper-Zinc Prospect and one at Evelyn Resource.

Evelyn drilling results reported **13m @ 4.46% Cu, 3.10% Zn, 45 g/t Ag and 1.61 g/t Au from 204 m**, extending the main Evelyn ore shoot by 50 m down-plunge.¹¹ Evelyn Prospect is prioritised for further exploration drilling to investigate deeper down dip extensions to the high-grade copper-zinc-silver-gold mineralisation.¹⁹

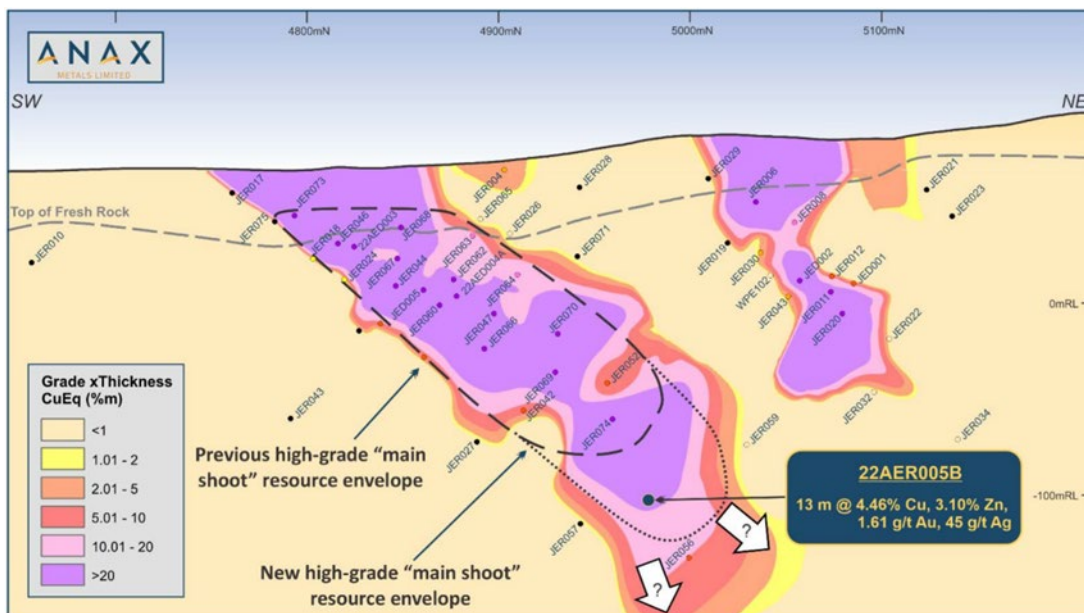


Figure 5: Evelyn Long Section (local grid) showing CuEq grade x thickness contours and drillhole pierce points.¹¹

On 7 February 2023, Anax reported the copper, zinc and gold assays from the 2022 Exploration RC drilling campaign with highlights from Mons Cupri drilling including:¹⁹

- 22MCRC003A: **12m at 2.76 % Zn** from 116m
- 22MCRC004A: **7m at 2.52 % Zn** and **51 g/t Ag** from 114m
- 22MCRC004A: **5m at 1.11 % Cu** and **34 g/t Ag** from 195m

These intercepts confirmed the potential for **down-dip resource extensions and a new sub-parallel orebody** below the high-grade mineralisation at Mons Cupri Northwest. VMS style mineralisation typically has depth continuity which Anax will investigate with further drilling in due course.¹⁹

RC drilling to the east of Whim Creek Pit intersected **4m at 0.5% Cu** from 79m and **2m at 0.7% Cu** from 95m, suggesting new, undiscovered lodes along strike of and below the known mineralisation.¹⁹

RC drilling at **HLF Gold Prospect** intersected **1.67g/t Au at 16m** (22HRC006), and **4m at 0.41g/t Au** from 9m (22HRC007) and verified gold mineralisation in drilling over the full **200m strike**.¹⁹ Further drilling is proposed at HLF to investigate structural controls to mineralisation.

Lithium Exploration

The Pilbara region is proving to be a significant mineral field for lithium as demonstrated by Azure Minerals' Andover Project, located 60km due west of Whim Creek. At Andover and elsewhere, pegmatites intrude the igneous layered mafic intrusive complexes of the Pilbara Archean granite-greenstones, potentially scavenging lithium from the host rock.

At Whim Creek, the Opaline Well Intrusive Complex bounds the tenements to the west while the Loudens Volcanic units bound the tenements to the east. These layered mafic intrusive complexes are known to be nickel and platinum mineralised within the Whim Creek tenure, though underexplored.

North of Whim Creek mine, the tenure has seen limited exploration due to lack of VMS potential inferred from the absence of prospective geology. Quartz pegmatites trending northeast across volcanic units had been mapped by Texasgulf in 1976, and in June 2023, reconnaissance exploration found evidence of spodumene in and around these pegmatite outcrops.²⁹ Systematic regional mapping and sampling In July and August 2023 at the prospect, named **Whim Maar**, extended the known pegmatite swarms (see

Figure 6, below). Early rock chip and soil sampling results (incomplete) received in September 2023 confirmed **lithium anomalism up to 72ppm in soils** over 600m, verified by in situ rock chip sampling.³⁶ This provides a clear target for drilling at Whim Maar, to verify lithium mineralisation in pegmatites below surface. Further UltraFine+™ soil sampling is ongoing to identify further lithium prospectivity at the Whim Maar.³⁶

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Exposed spodumene in pegmatites is prone to weathering as lithium is highly mobile. Only high grade, run of mine ore can yield Li₂O above 1% and rock chip sampling remains a surface exploration tool until pegmatites are drilled to intersect fresh mineralisation below surface.

UltraFine+™ soil sampling, a proven lithium exploration technique, has generated multiple lithium anomalies around the Whim Creek Project (see

Figure 6 below).³⁶ High resolution satellite image interpretation in Q2 and 3, 2023 identified **extensive swarms of outcropping pegmatites**, some of which coincide with known lithium soil anomalies. Pegmatites are seen to follow the regional northeast structural direction and are not obscured by sheetwash cover or calcrete. These outcrops await in situ verification and rock chip sampling.³⁶

Field mapping of pegmatites over lithium soil anomalies is currently planned for Q4 2023 along with further UltraFine+™ soil sampling to cover the central area of the Project, named **Whim Creek Dome**, not previously explored due to the absence of VMS prospective geology. The Whim Creek Dome is interpreted to have formed by regional folding of the Whim Creek Greenstone Belt and the extensive pegmatite outcrops defined from high resolution satellite imagery suggest a granitic source at depth, with lithium potential derived from intercepting layered mafic intrusives.³⁶

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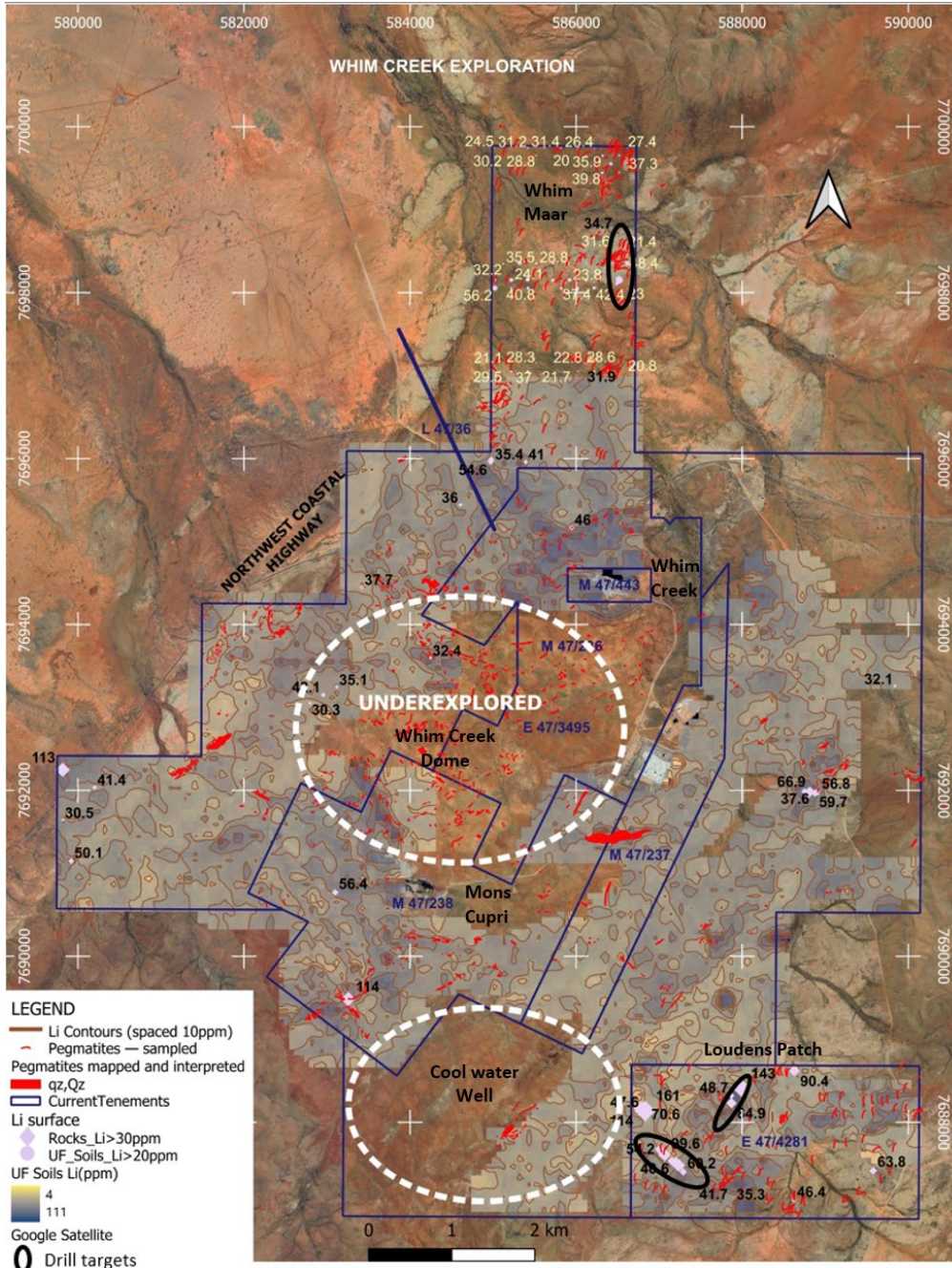


Figure 6: Anax extended lithium exploration across the Whim Creek and Loudens Patch Projects ³⁶

ANAX WHOLLY OWNED TENURE

The Loudens Patch Project (E47/4281) is located adjacent to the Whim Creek Project (see **Figure 1** and **Figure 6** above). The ground formerly held by De Grey had historically generated low level gold-in-soil anomalism. Since acquiring the tenement, Anax’s field investigation has confirmed gold in rock chips up to **0.49g/t Au**, warranting further exploration (see **Figure 7**, below).³⁶

Lithium soil anomalies were defined with 100m spaced UltraFine+™ soil sampling conducted in 2021 and 2022. Lithium anomalism was found to be associated with low lying quartz pegmatite outcrops showing entrained schistose wall rock, similar to observed pegmatite mineralisation at Andover, though spodumene mineralisation has not yet been verified. Further mapping and rock chip sampling reported in September 2023³⁶, confirmed lithium in rock chips (up to **161ppm**) extending over 650m, verifying fertile pegmatites in situ (see **Figure 7**, below). Soil sampling will be extended over the southeast of the tenement to close out anomalism there.

As at Whim Maar, sheetwash alluvial cover and calcrete obscure outcrop over large areas, nevertheless recent mapping defined pegmatite swarms that were far more numerous than previously thought (see **Figure 7** below).³⁶ Obtaining fresh spodumene samples will require sampling below surface by means of drilling or trenching and heritage clearance surveys will be expedited to enable this.

Drilling of known gold targets at Loudens Patch will be considered in conjunction with lithium drill targeting.

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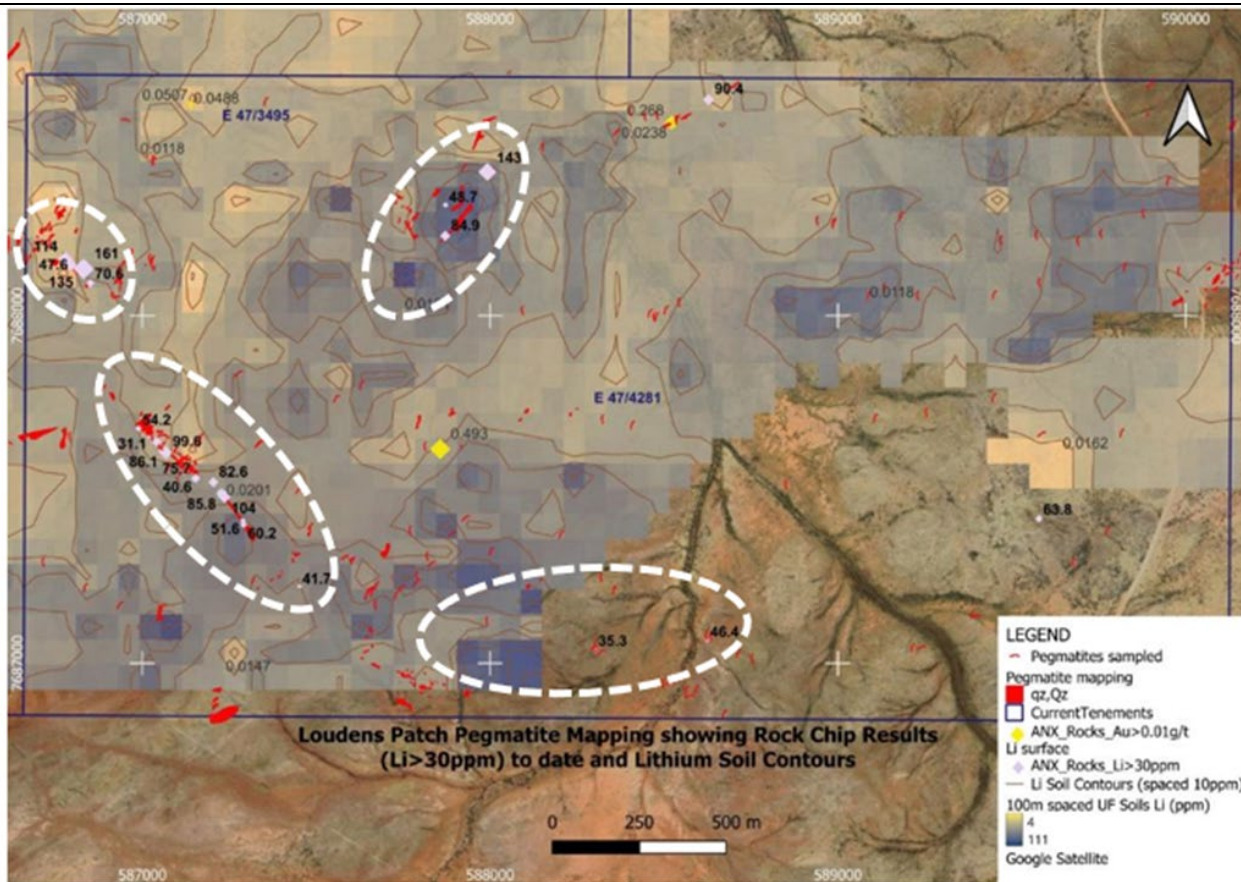


Figure 7: Loudens Patch lithium soil contours (spaced 10ppm) and rock chips (Li>30ppm, Au>0.02g/t)³⁶

The Mount Short Project (E74/651) is located 25km north of Ravensthorpe in the Phillips River Mineral Field, Great Southern Region, Western Australia. The Archean granites and greenstones are considered prospective for base metal massive sulphides, VMS-style copper polymetallic deposits, rare earth elements in ionic clays and ultramafics, as well as Archean gold and lithium pegmatites.

Historical drilling at **Mount Short** focused on nickel with a limited geochemical assay suite. Historical gravity, electromagnetic and induced polarisation anomalies remain unexplained.

Stacked pegmatites were intercepted in historical drilling and lithium pegmatite exploration prevails on neighbouring tenure. Anax's own surface sampling results were dominated by rare earth element geochemistry, suggesting that the 20km long magnetic anomaly, which GSWA mapped as Bandalup Formation ultramafic komatiites, could be attributed to heavy rare earths. Anax obtained the remaining historical drill sample pulps for the **Mount Short** tenement from previous owners in 1H 2023, which will be passed on to Anax's new JV partners³².

In keeping with Anax's strategy to develop this project further through a JV partnership¹³, subsequent to the end of the reporting period, on 14 August 2023, Anax entered into a Farm-In and Joint Venture with **Woomera Mining Limited** (ASX:WML) to advance exploration for Lithium and other minerals at the **Mount Short** Project.³² Under the terms of the agreement:

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1. WML must spend \$150,000 within 12 months of signing the agreement, after which they may elect to earn an initial 70% interest in the Project by paying a further \$50,000 to Anax and spending a further \$1.5M on exploration over three years.
2. At this point, Anax may then elect to contribute or reduce to a 20% free carry to a Decision to Mine.
3. If WML make a decision to mine, Anax may contribute 20% or reduce to a 1.5% net smelter royalty.

RESEARCH AND DEVELOPMENT

Anax's participation in R&D initiatives enables it to lead its peers in innovation and apply innovative technology selectively to its projects.⁴

During the year, Anax continued to participate in the CSIRO **UltraFine+™ Next Gen Research Project**, which uses machine learning to enhance the value of data generated from the UltraFine+™ process. The results of the CSIRO study will remain confidential until published by CSIRO in 2025, but in the meantime Anax continues to obtain value from its extensive Whim Creek UltraFine+ soil sampling programmes.³⁶

Anax has joined the **Future Battery Industries Cooperative Research Centre (FBICRC)**, with other members including BHP, IGO, Lynas Corporation and Lithium Australia. Anax is participating in the FBICRC's Process Legacy Project, applying technical innovation to repurposing heap leach material from Whim Creek Copper-Zinc Project. This work remains confidential to the FBICRC²⁴.

In addition, Anax has joined the **International Copper Association of Australia (ICAA)**, which is linked to like-minded groups worldwide and provides members with a global knowledge base and insights into the future of copper supply and demand. Anax took part in the compilation of the recently published ICAA Minerals Processing Report, investigating potential for innovation and efficiency in all aspects of minerals processing and Anax intends to participate in further ICAA projects going forward.

ADVANCED PROJECT PROCUREMENT PLAN

The location of the Whim Creek Project makes it an ideal central processing hub for other advanced mineral deposits in the Pilbara that would otherwise remain uneconomic due to size or permitting limitations. Anax continues to liaise with neighbouring project holders to highlight this opportunity.

Anax also continues to identify and pursue projects that are amenable to the integration of smart ore sorting technology and forge strategic partnerships to facilitate their development.

CORPORATE

Loan Note Agreement

In December 2022, Anax entered into an **unsecured loan note agreement** (Loan Note Agreement) with major shareholder, Jetosea Pty Ltd¹⁶ (Jetosea or the Subscriber), pursuant to which Jetosea agreed to lend

Anax a total of \$2.5M, all proceeds to be used to fund the ongoing Whim Creek DFS and for general working capital purposes.

Pursuant to the Loan Note Agreement signed on 8 December 2022, Anax agreed to issue Jetosea a total 30M New Options in Anax Metals Ltd, comprising of:

- I. 15M New Options exercisable at \$0.08 on or before the date that is two (2) years from the date of issue; and
- II. 15M New Options exercisable at \$0.12 on or before the date that is three (3) years from the date of issue.

A Variation to the Loan Note Agreement was agreed on 29 June 2023²⁸ to extend the initial repayment date from 12 to 24 months. This Variation included 10 million new options issued to Jetosea, exercisable at \$0.10, three years from the date of issue.

Capital Raising

No equity funding was completed in FY2023.

Financial Assets

During the year, Anax divested of its remaining ASX-listed shares in **Xantippe Resources Limited**, **Predictive Discovery Limited** and **Desert Metals Limited** for total proceeds of \$1,414,809.

Cash at bank on 30 June 2023 was \$1,710,534.

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STRATEGY AND WORK PLAN FOR FY 2024

Anax remains focussed on delivering its strategy by:

- Continuing early-stage exploration for lithium at Whim Maar, Loudens Patch and central prospects;
- Progressing product offtake and debt financing activities at the Whim Creek Copper Project;
- Progressing project consolidation initiatives within the Pilbara Region
- Maintaining mine site operations and environmental monitoring at the Wim Creek Project;

The directors and senior management have identified the following **Key Business Risks which may impact on delivery of its strategy and financial performance** in the near-term, as listed below. These risks are actively monitored and, where possible, appropriate actions taken to mitigate their effect.

- **Future capital and funding requirements:**

Unless and until the Whim Creek Project is successfully developed and production commences, continued funding and liquidity will be dependent on Anax's ability to secure future equity and/or debt funding to support its business activities. Notwithstanding that project financing discussions are underway, there are currently no binding funding agreements in place for the Whim Creek Project.

- **Organisational risks**

Retention of key staff and the timely recruitment of suitable and well credentialed personnel to deliver Anax's planned exploration and development outcomes are both critical to the success of the Group.

- **Fluctuating commodity price and outlook:**

Capital market conditions may affect the value of the Company's Securities regardless of the Group's operating performance. The Group is exposed to general market and economic condition risks including adverse changes in levels of economic activity, exchange rates, interest rates, commodity prices, government policies, employment rates and industrial disruption.

- **Commercial risks**

Native Title and Aboriginal Heritage Agreements - pursuant to the terms of the Heritage Deed, prior to commencing mining operations at Evelyn (M47/1455), the Group must negotiate in good faith with NAC. Current positive and active engagement with NAC is and will remain a priority for the Group.

Whim Creek Offtake arrangements - Notwithstanding there are offtake discussions currently underway, there are currently no binding offtake agreements in place for the concentrates produced from the Whim Creek Project.

- **Environmental, health, safety and permitting**

Despite the current status of approvals, the substantial remediation work already undertaken to reduce environmental impact from prior mining operations at the Whim Creek site, inherent risks and liabilities arising from damage to the environment, disposal of waste products remain. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact the Group's ongoing compliance with environmental

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legislation, regulations and licences, with significant liabilities potentially imposed on the Group for damages, clean-up costs or penalties.

The Group has implemented health, safety and community initiatives to manage the health and safety risk to its employees, contractors and community members. While these control measures are in place, there is no guarantee that these will eliminate the occurrence of incidents which may result in personal injury or damage to property.

- **Land access**

There is a substantial level of regulation and restriction on the ability of exploration and mining companies in Australia to access the land. Inability to access, or delays experienced in gaining permission to access the land, as well as unforeseen expenses associated with this process may impact the Group's timely execution of its plans.

Active engagement with local Ngarluma people through the Ngarluma Aboriginal Corporation (NAC), local pastoralists and station managers is key.

- **Social Performance**

Anax will be required to meet the investment community's rising social performance expectations by demonstrating a positive record in key areas of sustainability, diversity and inclusion and indigenous engagement.

Anax remains committed to meeting these expectations through its continued active engagement with key stakeholders and progressing plans for sustainability reporting.

Risk Management

The Group manages the risks listed above, and other day-to-day risks through an established management framework which confirms to Australian guidelines. The Group's risk reporting and control mechanisms are designed to ensure that all strategic, operational, legal, financial, reputational and other risks are identified, assessed, appropriately managed and reported.

Summary List of all previous ASX releases referenced in this report

1. Re-compliance Prospectus, 18 September 2020
2. acquisition of up to 80% interest in Whim Creek Copper-Zinc Project from Venturex Resources Limited, 21 July 2020
3. Exceptional Value Added to Whim Creek Scoping Study, 17 January 2022
4. June 2022 Quarterly Activities Report, 29 July 2022
5. High Grade Gold in Rock Chips Exploration Drilling Commences, 11 July 2022
6. Updated Company Presentation, 2 August 2022
7. Anax Leading Future Battery Metals Research, 15 August 2022
8. Investor Webinar, 15 August 2022
9. Massive sulphides Intersected at Evelyn, 6 September 2022
10. Significant Increase in Salt Creek Resource, 12 September 2022
11. Evelyn Extended with Excellent Cu, Zn and Au Intersection, 4 October 2022

12. Lithium-bearing Pegmatites identified at Andover (AZS:ASX), 12 Oct 2022
13. September 2022 Quarterly Activities Report, 24 October 2022
14. Application for quotation of securities, 9 November 2022
15. Whim Creek Copper Project – Permitting and DFS Update, 24 November 2022
16. Loan Agreement, 7 December 2022
17. Notification of cessation of securities, 13 December 2022
18. Quarterly Activities/Appendix 5B Cash Flow Report, 16 January 2023
19. Whim Creek Exploration Drilling Update, 7 February 2023
20. Evelyn Underground Mining and Metallurgy Studies finalised, 20 February 2023
21. Notification of cessation of securities – ANX, 13 March 2023
22. Whim Creek Definitive Feasibility Study, 3 April 2023
23. Whim Creek Definitive Feasibility Study Presentation, 3 April 2023
24. Quarterly Activities/Appendix 5B Cash Flow Report, 18 April 2023
25. Whim Creek Environmental Protection Notice Lifted, 18 May 2023
26. Whim Creek Copper Project Works Approval Granted, 1 June 2023
27. Bioleaching Success to Boost Whim Creek Metal Production, 19 June 2023
28. Loan Agreement Variation, 29 June 2023
29. Spodumene in Pegmatites at Whim Creek, Gold at Loudens Patch, 4 July 2023
30. Whim Creek Copper Project Mining Proposal Approved, 1 August 2023
31. Capital Raising, 2 August 2023
32. Anax enters Farm-In and Joint Venture Agreement at Mt Short, 14 Aug 2023
33. Extensive Pegmatites at Whim Creek Assessed for Lithium, 23 Aug 2023
34. Update - Pegmatites at Whim Creek Assessed for Lithium, 24 Aug 2023
35. Whim Creek Heap Leach Scoping Study, 11 September 2023
36. Lithium Zones Confirmed at Whim Creek, 18 September 2023
37. \$5.0M Non-renounceable Entitlement Offer, 27 September 2023

Competent Persons' Statements

The information in this report that relates to Exploration Results is based on and fairly represents information compiled by Ms Wendy Beets. Ms Beets is a full-time employee and shareholder of Anax Metals Ltd and member of the Australian Institute of Geoscientists. Ms Beets has sufficient experience of relevance to the style of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Ms Beets consents to the inclusion in this report of the matters based on information in the form and context in which they appear.

The information in this report that relates to the Mineral Resource for Mons Cupri was first reported by the Company in accordance with Listing Rule 5.8 in the Company's prospectus dated 18 September 2020 and was completed in accordance with the guidelines of the JORC Code (2012). The Company confirms that it is not aware of any new information or data that materially affects the information included in the prospectus

and that all material assumptions and technical parameters underpinning the estimate in the prospectus continue to apply and have not materially changed.

The information in this report that relates to the Mineral Resource for Whim Creek was first reported by the Company in accordance with Listing Rule 5.8 in the ASX Release of 25 May 2021 and was completed in accordance with the guidelines of the JORC Code (2012). The Company confirms that it is not aware of any new information or data which materially affects the information included in the original announcement and that all material assumptions and technical parameters underpinning the estimate in the original announcement continue to apply and have not materially changed.

The information in this report that relates to the Mineral Resource for Salt Creek was first reported by the Company in accordance with Listing Rule 5.8 in the ASX Release of 12 September 2022 and was completed in accordance with the guidelines of the JORC Code (2012). The Company confirms that it is not aware of any new information or data which materially affects the information included in the original announcement and that all material assumptions and technical parameters underpinning the estimate in the original announcement continue to apply and have not materially changed.

The information in this report that relates to the Mineral Resource for Evelyn was first reported by the Company in accordance with Listing Rule 5.8 in the ASX Release of 4 October 2022 and was completed in accordance with the guidelines of the JORC Code (2012). The Company confirms that it is not aware of any new information or data which materially affects the information included in the original announcement and that all material assumptions and technical parameters underpinning the estimate in the original announcement continue to apply and have not materially changed.

The information in this report that relates to the Ore Reserves was first reported by the Company in accordance with Listing Rule 5.9 in the ASX Release of 3 April 2023 and was completed in accordance with the guidelines of the JORC Code (2012). The Company confirms that it is not aware of any new information or data which materially affects the information included in the original announcement and that all material assumptions and technical parameters underpinning the estimate in the original announcement continue to apply and have not materially changed.

The Ore Reserves and Mineral Resources Statement is based on and fairly represents information and supporting documentation prepared by competent and qualified independent external professionals and reviewed by the Company's technical staff. The Ore Reserves and Mineral Resources Statement has been approved by Andrew McDonald, a Competent Person who is a Member of the Australasian Institute of Geoscientists. Mr McDonald is a permanent employee and shareholder of Anax Metals Limited. Mr McDonald has consented to the inclusion of the Statement in the form and context in which it appears in this report.

The information in this report that relates to production targets and forecast financial information derived from production targets is summarised from the ASX announcements as referenced. The Company confirms that all the material assumptions underpinning the production target and the forecast financial information derived from the production target in the original announcement continue to apply and have not materially changed.

DIRECTORS' REPORT

Anax Metals Limited (“the Company”, “parent entity” or “Anax”) is a public company incorporated and domiciled in Australia and listed on the Australian Securities Exchange. The registered office of the Company is located at Suite 1B, Ground Floor, 20 Kings Park Road, West Perth, Western Australia.

The Directors of the Company present their report on the group, which comprises Anax Metals Limited and its controlled entities (together referred to as the “Group”), for the financial year ended 30 June 2023 (“financial period”).

DIRECTORS AND OFFICERS

The names of the Directors and Officers of Anax during the whole of the financial period and up to the date of this report are:

Phillip Jackson (BJuris, LLB, MBA, FAICD), Non-Executive Chairman

Phillip Jackson, the Chairman and a Director of the Company, is a barrister and solicitor with over 25 years legal and international corporate experience, especially in the areas of commercial and contract law, mining law and corporate structuring. He has worked extensively in the Middle East, Asia and the United States of America. In Australia, he was formerly a managing legal counsel for a major international mining company, and in private practice specialised in small to medium resource companies. Phillip was managing region legal counsel: Asia-Pacific for a leading oil services company for 13 years. He was General Counsel for a major international oil and gas company. Phillip has been Chairman of Anax since it listed in June 2004. In the three years immediately prior to the end of the financial year, Phillip also served as a director of Predictive Discovery Limited (resigned 22 March 2021), Scotgold Resources Limited (16 March 2022) and Xantippe Resources Limited (resigned 17 May 2022).

Geoffrey Laing (BSc, MBA, MAusIMM), Managing Director

Geoff Laing is a Chemical Engineer with over 30 years’ experience in the mining sector across a variety of commodities in Australia, Africa, Europe and South America. Geoff has experience in project funding and mine development through to production. Previously, as Managing Director and GM Corporate for Exco Resources, Geoff was involved in the successful development and divestment of the Cloncurry Copper Project in North Queensland and the highly successful White Dam Gold Mine in South Australia. Geoff has run a private consulting business, Nexus Bonum, and most recently managed Exterra Resources through the successful merge with Anova Metals, where he remained a director until 20 September 2019.

Peter Cordin, (BE, MIEAust, FAusIMM), Non-Executive Director

Peter is a civil engineer with over 40 years’ experience in mining and exploration both at operational and senior management level. He has a wealth of experience in the evaluation and operation of resource projects both within Australia and overseas. He has direct experience in the construction and management of diamond and gold operations in Australia, Fenno-Scandinavia and Indonesia, and has also been involved in the development of resource projects in Kazakhstan and New Caledonia.

Philip Warren (BCom (Finance), CA), Non-Executive Director

Philip is the Managing Director of Corporate Advisory firm, Grange Consulting Group Pty Ltd, where he specialises in capital raisings, mergers and acquisitions and board governance. Phil is an experienced Company Director and has been involved in founding and advising on several successful ASX listings. He is a qualified Chartered Accountant and spent several years working overseas for major investment banks having started his career in the Perth office of Arthur Andersen in the business consulting division.

DIRECTORS' REPORT (continued)

Phil is currently a Non-Executive Director of Qoria Limited (May 2016 – present), Killi Resources Limited (August 2021 – present), Narryer Metals Limited (July 2021 – present) and Rent.com.au Limited (September 2014 – present) and was a founding director of Cassini Resources Limited (March 2011 – September 2020). In the three years immediately prior to the end of the financial year, Phil also served as a director of Jupiter Energy Limited (April 2018 - November 2020).

COMPANY SECRETARY**Steven Wood**

Mr Steven Wood was appointed as Company Secretary, effective from 26 June 2020. He is a Chartered Accountant and Director of Corporate Advisory firm, Grange Consulting Group Pty Ltd. Steven has been involved in various private and seed capital raisings as well as successful ASX listings, whilst also providing company secretarial and financial management services to both ASX and unlisted public companies. Mr Wood started his career in the Perth office of Pitcher Partners where he spent several years in their corporate restructuring division.

CHIEF FINANCIAL OFFICER**Jenine Owen**

Mrs Jenine Owen was appointed as Chief Financial Officer, effective from 14 July 2020. She is a Chartered Accountant with over 20 years' experience, both internationally and in Australia. Jenine started her career with Deloitte (Zimbabwe), before moving to London in 1999 and then Perth in 2008 where she's held several senior Finance and Governance roles. In the three years immediately prior to the end of the financial year, Mrs Owen also provided CFO services to Predictive Discovery Limited (July 2020 – March 2022) and Xantippe Resources Limited (July 2020 – September 2022).

PRINCIPAL ACTIVITIES

The principal activities of the group are mineral exploration and assessing, and if appropriate, acquiring either directly or indirectly exploration and mine development projects worldwide.

CONSOLIDATED OPERATING RESULTS

The operating loss after tax for the financial period was \$2,859,752 (2022: profit of \$1,484,549).

CONSOLIDATED FINANCIAL POSITION

The net assets of the Group on 30 June 2023 were \$17,006,436 (2022: \$18,711,571). As at year end, the Group had \$1,710,534 (2022: \$7,319,066) in available cash.

DIVIDENDS

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

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than the operating results there were no other significant changes in the state of affairs of the Group.

DIRECTORS' REPORT (continued)

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD AND LIKELY DEVELOPMENT

On 8 August 2023, the Group announced that it had completed a share placement to institutional, sophisticated and professional investors. 20,009,090 fully paid ordinary shares were issued at an issue price of \$0.055, raising \$1.1m to fund further exploration and development activities.

On 8 August 2023, the Group announced that 500,000 shares were issued as a result of 500,000 options with a strike price of \$0.045 being exercised for \$22,500. The closing share price on the date the new shares were issued was \$0.057.

On 14 August 2023, The Group announced the formation of a Farm-in and Joint Venture Agreement with Woomera Mining Ltd (ASX:WML) on the Mt Short Project located near Ravensthorpe, Western Australia.

The principal agreement terms are as follows:

- I. Woomera must spend a minimum of \$150,000 within 12 months of signing date, thus earning the right to farm into the Joint Venture by paying the Group \$50,000 in cash
- II. Woomera may earn a 70% interest in the Project by spending \$1.5m over a 3-year period
- III. Upon 70% farm-in, Anax may elect to contribute to retain 30% interest in the project, or reduce to a 20% interest with free-carry to a Decision to Mine
- IV. Upon Decision to Mine, Anax may elect to contribute 20% to maintain its 20% interest in the project or elect to rescind 20% project interest and instead receive a 1.5% net smelter royalty.

On 11 September 2023, the Group announced release of the Whim Creek Heap Leach Scoping Study which considers the processing of oxide, transitional and low-grade sulphide ore using the recently refurbished and fully permitted heap leach infrastructure located at Whim Creek. The heap leach operation is proposed to operate in parallel with the concentrator. The study demonstrates potential upside of approximately \$70 million to the Whim Creek project free cashflows, to more than \$410 Million.

On 26 September 2023, the Group announced a non-renounceable pro-rata entitlement offer to eligible shareholders, expected to close in early November 2023, and raise up to approximately \$5,000,000 (before costs).

The entitlement offer is being undertaken on the basis of 1 new share for every 3 existing shares held on the record date of 5.00pm on 5 October 2023, at an issue price of \$0.035c. Participants will also be issued one free attaching unquoted option for every 2 new shares subscribed for, exercisable at \$0.06 each and expiring on 31 December 2025.

Irrevocable commitments totalling approximately \$1.4 million have been received from major shareholder, Jetosea Pty Ltd, and all eligible directors. Further to this, directors Peter Cordin and Philip Warren, and Anax CFO Jenine Owen, have agreed to partially underwrite the entitlement offer by an additional \$220,000 in addition to their collective entitlements. The entitlement offer also provides for eligible shareholders, and other investors, to apply for any shortfall shares that might exist after all valid entitlement take-up.

Funds raised will be applied towards:

- early-stage lithium exploration activities at Whim Maar, Loudens Patch and central prospects;
- progressing product offtake and debt financing activities at the Whim Creek Project;
- progressing project consolidation initiatives within the Pilbara Region
- maintaining mine site operations and environmental monitoring at the Whim Creek Project; and
- general working capital and the costs of the offers.

DIRECTORS' REPORT *(continued)*

Further details of Anax's intended use of funds will be provided in the Prospectus expected to be announced by the Company on Friday, 29 September 2023.

Other than as stated above, there has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

REVIEW OF OPERATIONS

Refer to the Operations Report commencing on Page 5 of this Report.

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of Directors held during the financial year ended 30 June 2023 and the number of meetings attended by each Director:

Director	Full Board Meetings	
	Number Attended	Number Eligible to Attend
Phillip Jackson	7	7
Geoff Laing	7	7
Peter Cordin	6	7
Philip Warren	7	7

MEETINGS OF AUDIT AND RISK COMMITTEE

As at the date of this report, the Board has not established a separate Audit Committee due to the Company's current complexity and size. There were no separate meetings held during the year.

DIRECTOR'S EQUITY HOLDINGS

The following table sets out the number of shares held by Directors and entities they control as at the date of this report:

	No of ordinary shares
G Laing	14,291,457
P Jackson	29,470,720
P Cordin	2,174,577
P Warren	215,000
	46,151,754

DIRECTORS' REPORT (continued)

The following table sets out the number of Options and performance rights held by Directors and Officers, and entities they control as at the date of this report:

	No	Issued	Expiry	Ex Price	Vested	Vesting criteria	Fair Value Per Unit
Performance rights							
G Laing	1,000,000	18 May 22	18 May 25	-	No	2 years' service; VWAP \$0.14	\$0.0710
	1,000,000	18 May 22	18 May 25	-	No	2 years' service; VWAP \$0.18	\$0.0490
	1,000,000	18 May 22	18 May 25	-	No	2 years' service; VWAP \$0.23	\$0.0330
	2,500,000	28 Oct 20	28 Oct 23	-	No	1 year service; VWAP \$0.135	\$0.0153
	2,600,000	28 Oct 20	28 Oct 23	-	Yes	-	\$0.0180
	8,100,000						
Options							
P Jackson	4,000,000	28 Oct 20	28 Oct 23	\$0.045	Yes	-	\$0.0108
P Cordin	2,000,000	28 Oct 20	28 Oct 23	\$0.045	Yes	-	\$0.0108
P Warren	¹ 2,500,000	28 Oct 20	28 Oct 23	\$0.045	Yes	-	\$0.0104
	² 500,000	28 Oct 20	28 Oct 23	\$0.045	Yes	-	\$0.0104
	¹ 2,000,000	26 May 21	26 May 24	\$0.105	Yes	-	\$0.0598
	5,000,000						

¹Held through Philuchna Pty Ltd, a Trust of which P Warren is a beneficiary.

²Held through Grange Consulting Group Pty Ltd, a company of which P Warren is a director.

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REMUNERATION REPORT (Audited)

Board policy

The objective of the Company's remuneration policy for key management personnel is to ensure reward for performance is appropriate for the results delivered. The policy is designed to ensure that the following key criteria for good governance practices are followed:

- Acceptability to shareholders
- Transparency
- Capital management

Company performance, shareholder wealth and key management personnel remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and key management personnel by the issue of options and performance rights as long term incentives to the key management personnel to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth.

The constitution of the Company provides that the non-executive Directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate maximum sum per annum from time to time determined by the Company in general meeting. The Company has entered into separate Consulting or Employment Agreements with each of the Directors and accordingly the Company has resolved not to pay any Directors' fees as additional remuneration to the non-executive Directors.

A Director may be paid fees or other amounts as the Directors determine where a director performs special duties or otherwise performs services outside the scope of the ordinary duties of a director. A Director may also be reimbursed for out-of-pocket expenses incurred because of their directorship or any special duties.

Terms and Conditions of Engagement (as at the date of this report):

	Role	Date of Agreement	Date last Modified	Fee/Salary ⁽ⁱ⁾	Notice Period Required from Company	Notice Period Required from Officer	Termination Fees Payable
Directors							
Phillip Jackson	Chairman	13 Apr 2010	01 Jan 2023	\$61,800	-	-	-
Geoff Laing	Managing Director	15 Mar 2018	01 Jan 2023	\$309,000	3 months	3 months	3 months
Peter Cordin	Non-executive Director	20 Feb 2014	01 Jan 2023	\$46,350	-	-	-
Philip Warren	Non-executive Director	12 April 2021	01 Jan 2023	\$46,350	-	-	-

(i) Plus additional statutory superannuation

REMUNERATION REPORT (Audited) (continued)

(a) Principles used to determine the nature and amount of remuneration

The nature and amount of remuneration paid to key management personnel has been determined by reference to the services provided, prevailing market rates and with the objective of retaining their services.

(b) Details of remuneration

The remuneration of the key management personnel, being the Directors is summarised below.

No salaries, fees, commissions, bonuses, superannuation, or other form of remuneration were paid or payable to key management personnel during the year other than fees and options paid either directly or to corporate entities associated with those persons, in terms of consulting agreements, as follows:

Key Management Personnel	Short-term incentives			Long term incentives	Total
	Salary, fees and leave	STI cash bonus	Superannuation	Options/ Performance Rights	
	\$	\$	\$	\$	\$
2023					
Mr Geoff Laing	304,500	36,000	39,500	51,175	431,175
Mr Phillip Jackson ⁽ⁱⁱ⁾	60,900	-	6,395	-	67,295
Mr Peter Cordin	45,625	-	4,791	-	50,416
Mr Philip Warren	45,625	-	4,791	-	50,416
	456,650	36,000	55,477	51,175	599,302
2022					
Mr Geoff Laing ⁽ⁱ⁾	300,000	-	30,000	18,744	348,744
Mr Phillip Jackson	60,000	-	6,000	14,084	80,084
Mr Peter Cordin	45,000	-	4,500	7,042	56,542
Mr Philip Warren	45,000	-	4,500	108,117	157,617
	450,000	-	45,000	147,987	642,987

- (i) Until 1 January 2022, Mr. Geoff Laing was engaged and remunerated via Nexus Bonum Pty Ltd, a company of which he is a director; since this date he is engaged and remunerated directly by the Group.
- (ii) Until 1 January 2023, Mr. Phillip Jackson was engaged and remunerated via Holihox Pty Ltd, a company of which he is a director.

REMUNERATION REPORT (Audited) (continued)

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2023	2022	2023	2022	2023	2022
Mr. Geoff Laing	80%	94%	8%	-	12%	6%
Mr. Phillip Jackson	100%	82%	-	-	-	18%
Mr. Peter Cordin	100%	88%	-	-	-	12%
Mr. Philip Warren	100%	31%	-	-	-	69%

(c) Shares issued as remuneration

No shares were issued as remuneration to the key management personnel, including their personally related parties during the years ended 30 June 2023 and 30 June 2022.

(d) Options and Performance Rights issued as remuneration

No options or performance rights were issued to key management, including their personally related parties during the year ended 30 June 2023.

The following options and performance rights were issued to key management personnel, including their personally related parties during the year ended 30 June 2022.

2022	No	Issue Date	Expiry Date	Ex Price	Vested	Vesting criteria	Fair Value Per Unit
Performance rights							
G Laing	1,000,000	18 May 22	18 May 25	-	No	2 years' service; VWAP \$0.140	\$0.071
	1,000,000	18 May 22	18 May 25	-	No	2 years' service; VWAP \$0.180	\$0.049
	1,000,000	18 May 22	18 May 25	-	No	2 years' service; VWAP \$0.230	\$0.033
	<u>3,000,000</u>						

(e) Additional disclosures relating to key management personnel

(i) Shareholdings

The number of shares in the Company held during the financial year by each member of key management personnel of the Group, including their personally related parties, is set out below:

Ordinary shares	Opening balance	Received as remuneration	Purchased during period	Received on exercise of options/performance rights	Sold during period	Net change other	Closing balance
2023							
G Laing ^{(i)(v)}	11,291,457	-	-	3,000,000	-	-	14,291,457
P Jackson ⁽ⁱⁱ⁾	29,470,720	-	-	-	-	-	29,470,720
P Cordin ⁽ⁱⁱⁱ⁾	2,174,577	-	-	-	-	-	2,174,577
P Warren ^(iv)	215,000	-	-	-	-	-	215,000
	<u>43,151,754</u>	-	-	<u>3,000,000</u>	-	-	<u>46,151,754</u>

Ordinary shares	Opening balance	Received as remuneration	Purchased during period	Received on exercise of options/performance rights	Sold during period	Net change other	Closing balance
2022							
G Laing ^{(i) (vi)}	8,591,457	-	-	2,700,000	-	-	11,291,457
P Jackson ⁽ⁱⁱ⁾	29,470,720	-	-	-	-	-	29,470,720
P Cordin ⁽ⁱⁱⁱ⁾	2,174,577	-	-	-	-	-	2,174,577
P Warren ^(iv)	215,000	-	-	-	-	-	215,000
	40,451,754	-	-	2,700,000	-	-	43,151,754

- (i) Of which 1,368,563 shares are held by Mr Laing directly, the remainder by The Laing Family Trust, a discretionary trust of which Mr Geoff Laing is a beneficiary.
- (ii) Shares are held by Holihox Pty Ltd, a company of which Mr Phillip Jackson is a director.
- (iii) Shares are held by Cordin Pty Ltd, being an ATO approved Self-Managed Super Fund for Mr Peter Cordin.
- (iv) Shares are held by Philuchna Pty Ltd, being a Trust of which Mr Philip Warren is a beneficiary.
- (v) During the year ended 30 June 2023, Mr. Geoff Laing exercised 3,000,000 performance rights for no consideration. The 5-day VWAP on share issue date was \$0.0568, valuing the performance rights at \$170,400 on this date.
- (vi) During the year ended 30 June 2022, Mr. Geoff Laing paid \$121,500 to exercise 2,700,000 options with an exercise price of \$0.045 and an expiry date of 10 Dec 2021. The share price was \$0.095 at issue date, valuing the options at \$256,500 on this date.

(ii) Options holdings

The number of options held during the financial year by each director, including their personally related parties, is set out below:

Options	Opening Balance	Received as Remuneration	Expired	Exercised	Net Change Other	Closing Balance	Vested and exercisable
2023							
G Laing ⁽ⁱ⁾	2,700,000	-	(2,700,000)	-	-	-	-
P Jackson ⁽ⁱⁱ⁾	4,000,000	-	-	-	-	4,000,000	4,000,000
P Cordin ⁽ⁱⁱⁱ⁾	2,000,000	-	-	-	-	2,000,000	2,000,000
P Warren ^(iv)	5,000,000	-	-	-	-	5,000,000	5,000,000
	13,700,000	-	(2,700,000)	-	-	11,000,000	11,000,000
2022							
G Laing ⁽ⁱ⁾	5,400,000	-	-	(2,700,000)	-	2,700,000	2,700,000
P Jackson ⁽ⁱⁱ⁾	4,000,000	-	-	-	-	4,000,000	4,000,000
P Cordin ⁽ⁱⁱⁱ⁾	2,000,000	-	-	-	-	2,000,000	2,000,000
P Warren ^(iv)	5,000,000	-	-	-	-	5,000,000	5,000,000
	16,400,000	-	-	(2,700,000)	-	13,700,000	13,700,000

- (i) Options are held by The Laing Family Trust, a discretionary trust of which Mr Geoff Laing is a beneficiary.
- (ii) Options are held by Holihox Pty Ltd, a company of which Mr Phillip Jackson is a director.
- (iii) Options are held by Cordin Pty Ltd, being an ATO approved Self-Managed Super Fund for Mr Peter Cordin.
- (iv) Being 4,500,000 options held by Philuchna Pty Ltd, being a Trust of which Mr Philip Warren is a beneficiary, and 500,000 held by Grange Consulting Pty Ltd, a company of which Mr Warren is a director.

REMUNERATION REPORT (Audited) (continued)

(iii) Performance rights holdings

The number of performance rights held during the financial year by each director, including their personally related parties, is set out below:

Performance rights	Opening Balance	Received as Remuneration	Expired	Exercised	Net Change Other	Closing Balance	Vested and exercisable
2023							
G Laing ⁽ⁱ⁾	11,100,000	-	-	(3,000,000)	-	8,100,000	5,600,000
P Jackson	-	-	-	-	-	-	-
P Cordin	-	-	-	-	-	-	-
P Warren	-	-	-	-	-	-	-
	11,100,000	-	-	(3,000,000)	-	8,100,000	5,600,000
2022							
G Laing ⁽ⁱ⁾	8,100,000	3,000,000	-	-	-	11,100,000	5,600,000
P Jackson	-	-	-	-	-	-	-
P Cordin	-	-	-	-	-	-	-
P Warren	-	-	-	-	-	-	-
	8,100,000	3,000,000	-	-	-	11,100,000	5,600,000

- (i) Performance rights are held by The Laing Family Trust, a discretionary trust of which Mr Geoff Laing is a beneficiary.

(iv) Other transactions with key management personnel and their related parties

Nexus Bonum Pty Ltd, a company of which Geoff Laing is a director, delivered engineering consulting services to the Company, for which \$404,218 plus GST was paid (2022: \$585,787 plus GST). At 30 June 2023 trade creditors of \$3,543 plus GST related to these services (2022: \$77,540 plus GST).

Grange Consulting Group Pty Ltd, a company of which Philip Warren is a director, delivered corporate advisory services for which \$48,000 plus GST was paid (2022: \$42,000 plus GST), and Company Secretarial services for which \$83,927 plus GST was paid (2022: \$82,198 plus GST). There is no outstanding amount payable to Grange Consulting Group Pty Ltd at 30 June 2023 for these services (2022: \$Nil).

During the year, Holihox Consulting Pty Ltd, a company of which Phillip Jackson is a director, delivered legal consulting fees, and was paid \$36,000 plus GST for these services (2022: \$36,000 plus GST). There is no outstanding amount payable to Holihox Pty Ltd at 30 June 2023 for these services (2022: \$Nil).

All transactions with related parties are on commercial terms.

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REMUNERATION REPORT (Audited) (continued)

(f) Additional information

	2023	2022	2021	2020	2019
	\$	\$	\$	\$	\$
Total revenue	292,800	4,105,373	2,679,993	95,076	372,397
EBITDA	(2,607,358)	1,752,610	322,729	1,977,541	(2,926,272)
EBIT	(2,743,373)	1,641,170	253,681	1,967,583	(2,936,106)
Profit / (loss) after income tax	(2,859,752)	1,484,549	241,153	1,967,583	(2,936,436)

The factors that are considered to affect total shareholders' return are summarised below:

	2023	2022	2021	2020	2019
Share price at 30 June (\$)	0.063	0.077	0.076	0.020	0.011
Total dividends declared (cents per share)	-	-	-	-	-
Basic profit / (loss) per share (cents per share)	(0.700)	0.401	0.09	0.85	(2.51)

****END OF REMUNERATION REPORT (AUDITED) ****

SHARE OPTIONS

Options to take up ordinary fully paid shares in the Company at the date of this report are as follows:

No. Options	Issue Date	Expiry Date	Exercise Price	Vested	vesting conditions
21,983,333	28 Oct 20	28 Oct 23	\$0.045	Yes	None
9,000,000	28 Oct 20	28 Oct 23	\$0.045	Yes	12 months service from issue date
2,000,000	26 May 21	26 May 24	\$0.105	Yes	12 months service from issue date
15,000,000	13 Dec 22	13 Dec 24	\$0.080	Yes	None
15,000,000	13 Dec 22	13 Dec 25	\$0.120	Yes	None
10,000,000	29 Jun 23	29 Jun 26	\$0.100	Yes	None
72,983,333					

Performance rights to take up ordinary fully paid shares in the Company at the date of this report are as follows:

No. Performance Rights	Issue Date	Expiry Date	Vested	Market condition ¹	Performance condition
1,000,000	18 May 22	18 May 25	No	\$0.140	2 years continuous employment
1,000,000	18 May 22	18 May 25	No	\$0.180	2 years continuous employment
1,000,000	18 May 22	18 May 25	No	\$0.230	2 years continuous employment
6,500,000	22 Mar 22	31 Dec 24	No	N/A	Various ²
500,000	22 Mar 22	31 Dec 24	No	\$0.140	Continuous employment to 31 Dec 23
3,000,000	22 Mar 22	31 Dec 24	No	\$0.180	Continuous employment to 31 Dec 23
2,600,000	28 Oct 20	28 Oct 23	Yes	\$0.090	None
4,500,000	28 Oct 20	28 Oct 23	No	\$0.135	None
20,100,000					

¹The 20-business day volume weighted average price for the Company's shares, traded on the ASX.

²Performance targets defined by function and assigned to key employees as incentives.

DIRECTOR'S REPORT (continued)

All Options and performance rights are unlisted and do not entitle their holders to participate in entitlement offers of new shares in the Company unless the holders first exercise their options or performance rights. No person entitled to exercise any option or performance right above has or had, by virtue of the option, a right to participate in any share issue of any other body corporate.

SHARES ISSUED ON THE EXERCISE OF OPTIONS

The following ordinary shares of Anax Metals Limited were issued during the year ended 30 June 2023 and up to the date of this report on the exercise of options issued:

Date options issued	Amount paid per share	Share Issue date	Number of shares issued
28 Oct 20	\$0.045	9 Nov 22	766,667

SHARES ISSUED ON THE EXERCISE OF PERFORMANCE RIGHTS

The following ordinary shares of Anax Metals Limited were issued during the year ended 30 June 2023 and up to the date of this report on the exercise of performance rights granted:

Issue date	Market vesting condition	Value per right on issue date	Amount paid	Date shares issued	Number of shares issued
28 Oct 20	\$0.045	\$0.0568	Nil	12 Dec 22	3,000,000

ENVIRONMENTAL REGULATIONS

The mining leases, exploration licences and prospecting licences granted to the Company pursuant to the Mining Act (1978) (WA) are granted subject to various conditions which include standard environmental requirements. The Company's policy is to adhere to these conditions and the Directors are not aware of any material contraventions of these requirements.

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 year.

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 to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

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DIRECTORS REPORT (continued)**ROUNDING OF AMOUNTS**

The Group is of a kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

INDEMNITY AND INSURANCE OF AUDITOR

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

NON-AUDIT SERVICES

During the year, the Company's external auditors, Pitcher Partners BA&A Pty Ltd, did not provide any non-assurance related services during the year.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the lead auditor's independence declaration as required by Section 307c of the Corporations Act 2001 is included within the Financial Report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

Signed in accordance with a resolution of Directors:



Geoff Laing

DIRECTOR

Perth, 28 September 2023

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STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2023

	Note	Consolidated	
		2023 \$	2022 \$
Other income	2	292,800	4,105,373
Foreign exchange revaluation gains		2,654	3,891
Administration expenses	3	(2,320,465)	(1,983,483)
Depreciation and amortisation	4	(136,015)	(111,440)
Finance costs		(124,200)	(156,621)
Share based compensation	20	(319,406)	(225,534)
Exploration and evaluation expenditure		(255,120)	(147,637)
Profit before tax		(2,859,752)	1,484,549
Income tax expense	6	-	-
Profit for the year after income tax		(2,859,752)	1,484,549
Profit for the year after income tax attributable to:			
- Owners of ANAX Metals Limited		(2,859,752)	1,484,549
Other comprehensive income, net of tax		-	-
Total comprehensive profit for the year		(2,859,752)	1,484,549
Basic earnings per share (cents per share)	21	(0.701)	0.401
Diluted earnings per share (cents per share)	21	(0.701)	0.346

The accompanying notes form part of these financial statements.

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STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

		Consolidated	
	Note	2023 \$	2022 \$
Current Assets			
Cash and cash equivalents	7	1,710,534	7,319,066
Other receivables	8	278,956	344,753
Financial assets at fair value through profit or loss	9	-	1,287,700
Total current assets		1,989,490	8,951,519
Non-Current Assets			
Right-of-use assets	10(a)	87,693	131,478
Property, plant and equipment	11	481,974	543,029
Exploration and evaluation expenditure	12	34,113,943	30,517,350
Total non-current assets		34,683,610	31,191,857
Total assets		36,673,100	40,143,376
Current Liabilities			
Trade and other payables	13	507,665	1,785,472
Employee benefits	14(a)	98,460	124,417
Lease liabilities	10(b)	71,886	59,554
Other provisions	15	3,239,392	3,401,276
Financial liabilities	16(a)	986,953	986,586
Total current liabilities		4,904,356	6,357,305
Non-current Liabilities			
Employee benefits	14(b)	36,677	-
Lease liabilities	10(b)	18,911	82,191
Financial liabilities	16(b)	2,538,292	1,820,517
Provision for rehabilitation	17	12,168,428	13,171,792
Total non-current liabilities		14,762,308	15,074,500
		(19,666,664)	(21,431,805)
Total liabilities			
NET ASSETS		17,006,436	18,711,571
Equity			
Issued capital	18	48,987,531	48,886,055
Reserves	19	7,472,012	6,424,571
Accumulated losses		(39,453,107)	(36,599,055)
TOTAL EQUITY		17,006,436	18,711,571

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Issued Capital	Options Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
CONSOLIDATED				
At 1 July 2021	44,658,050	6,307,188	(38,083,604)	12,881,634
Profit for the year	-	-	1,484,549	1,484,549
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	1,484,549	1,484,549
Transactions with owners in their capacity as owners:				
Share based payments	263,053	225,534	-	488,587
Issue of share capital	4,000,000	-	-	4,000,000
Share issue costs	(264,699)	-	-	(264,699)
Options exercised	128,251	(6,751)	-	121,500
Performance rights exercised	101,400	(101,400)	-	-
At 30 June 2022	48,886,055	6,424,571	(36,599,055)	18,711,571
At 1 July 2022	48,886,055	6,424,571	(36,599,055)	18,711,571
Loss for the year	-	-	(2,859,752)	(2,859,752)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	-	-
Transactions with owners in their capacity as owners:				
Share based payments	-	1,122,991	-	1,122,991
Issue of share capital	-	-	-	-
Share issue costs	(2,874)	-	-	(2,874)
Options expired	-	(5,700)	5,700	-
Options exercised	42,550	(8,050)	-	34,500
Performance rights exercised	61,800	(61,800)	-	-
At 30 June 2023	48,987,531	7,472,012	(39,453,107)	17,006,436

The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS

	Note	Consolidated	
		2023 \$	2022 \$
Cash flows from operating activities			
Payments to suppliers and employees		(2,297,172)	(1,589,050)
Payments for exploration expenditure		(240,780)	(147,637)
Other revenue		-	24,431
Interest and other costs of finance paid		(11,631)	(27,839)
Interest received		2,405	118
Net cash (outflow) / inflow from operating activities	7	(2,547,178)	(1,739,977)
Cash flows from investing activities			
Payments for purchases of plant and equipment		(33,237)	(105,924)
Proceeds from sale of financial assets		1,414,810	5,314,753
Fee for sale of royalty		-	(134,500)
Payments to acquire exploration assets		(1,398,968)	-
Payments for exploration and evaluation		(5,455,554)	(6,580,311)
Net cash (outflow) from investing activities		(5,472,949)	(1,505,982)
Cash flows from financing activities			
Proceeds from issue of shares		-	4,121,500
Options exercised		34,500	-
Equity issue transaction costs		(6,422)	(260,808)
Repayment of lease liabilities		(82,207)	(54,314)
Proceeds from third-party borrowing		2,574,831	98,341
Repayment of third-party borrowing		(109,105)	(40,990)
Net cash inflow from financing activities		2,411,597	3,863,729
Net (decrease) / increase in cash		(5,608,532)	617,770
Cash at the beginning of the financial year		7,319,066	6,701,296
Cash at the end of the financial year	7	1,710,534	7,319,066

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: CORPORATE INFORMATION

The financial report of Anax Metals Limited (“the Company”) and its controlled entities (“the Group”) for the year ended 30 June 2023 was authorised for issue in accordance with a resolution of the Directors on 28 September 2023. Anax Metals Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and the principal activities of the Group are described in the Directors’ Report.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Statement of Accounting Policies

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, interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. The consolidated entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Compliance with IFRS

The consolidated financial statements of the Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis of preparation

- **Historical cost convention**

The consolidated financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation to fair value of certain financial assets and liabilities at fair value through profit or loss.

- **Going Concern**

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

The Group has incurred a net loss after tax of \$2,859,752 (2022: Profit of \$1,484,549) and had net cash outflow from operating and investing activities of \$8,020,127 (2022: \$3,245,959). The consolidated Statement of Financial Position shows that the Group had net current liabilities of \$2,914,866 (2022: net current assets of \$2,594,214) and net assets of \$17,006,436 (2022: 18,711,571).

The ability of the Group to continue as a going concern is dependent on it being able to successfully raise further debt or capital funding in the next 12 months, to pursue its current exploration strategy.

Management will continue to explore the tenements and the Directors are confident that the Group will be able to continue as a going concern and meet its current liabilities when they fall due in the next 12 months. Specifically, the Directors’ conclusion is supported by the following:

NOTE 1: CORPORATE INFORMATION (continued)

- The Directors have assessed the cash flow requirements for the 12-month period from the date of approval of the financial statements and its impact on the Group
- On 27 Sept 2023 the Group announced a non-renounceable pro-rata entitlement offer to eligible shareholders which is expected to close in early November 2023 and raise up to approximately \$5.0 million (before costs). Pursuant to this entitlement offer, the Group has received irrevocable commitments of approximately \$1.4m from major shareholders, directors and partial underwriting of \$220,000 from directors and senior management towards any shortfall in entitlement take-up
- The executive team have secured short term deferral of some payment obligations and have commenced significant cost saving initiatives to reduce operational expenditures and overheads.

Therefore the Directors are confident that there will be sufficient funds to meet the Group's working capital requirements. On this basis, the financial statements do not include any adjustments relating to the recoverability or classification of recorded asset amounts, nor the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

Should the Group be unsuccessful with the initiatives detailed above, there is a material uncertainty as to whether the Group will be able to continue as a going concern and may therefore be required to realise assets and extinguish liabilities other than in the ordinary course of business, with the amount realised being different from those shown in the consolidated financial statements.

- **Critical accounting estimates**

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1(x).

- **Parent entity information**

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 30.

- **Round amounts**

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in these consolidated financial statements have been rounded to the nearest dollar, or in certain cases, to the nearest one thousand dollar (where indicated).

(b) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Anax at the end of the reporting period. Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances, and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment

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NOTE 1: CORPORATE INFORMATION (continued)

of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

(c) Taxation

The income tax expense or benefit for the period is the tax payable on that period'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 differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or 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 nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

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

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

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NOTE 1: CORPORATE INFORMATION (continued)

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously.

Tax consolidation

The Company and its wholly owned Australian resident entities have formed a tax-consolidated group with effect from 27 January 2006 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Anax. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

(d) Segment reporting

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.

(e) Exploration, evaluation and development expenditure

All exploration and evaluation expenditure are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in the profit or loss.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- the expenditures are expected to be recouped through successful development and exploitation or from sale of the area of interest; or
- activities in the area of interest have not, at the reporting 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 in relation to, the area of interest are continuing.

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NOTE 1: CORPORATE INFORMATION (continued)

Exploration and evaluation assets are assessed for impairment if:

- sufficient data exists to determine technical feasibility and commercial viability, and
- facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

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

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision is made. If, after having capitalised expenditure under the policy, it is concluded that the expenditures are unlikely to be recovered by future exploitation or sale, then the relevant capitalised amount will be written off to the profit or loss.

Exploration, evaluation, and development costs comprise acquisition costs, direct exploration and evaluation costs and an appropriate portion of related overhead expenditure but do not include general overhead expenditure which has no direct connection with a particular area of interest.

Restoration costs arising from exploration activities are provided for at the time of the activities which give rise to the need for restoration.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences. When production commences, carried forward exploration, evaluation and development costs are amortised on a units of production basis over the life of the economically recoverable reserves.

(f) Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the relevant taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expenses.

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 ATO is included as a current asset or liability in the statement of financial position.

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NOTE 1: CORPORATE INFORMATION (continued)

Cash flows are presented in the statement of cash flows on a net basis, with the GST component disclosed as operating activities.

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

(h) Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued, or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

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NOTE 1: CORPORATE INFORMATION (continued)

(i) Revenue and other income

Interest income

Interest income is recognised on a proportional basis considering the interest rates applicable to the financial assets.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

All revenue is stated net amount of goods and services tax (GST).

(j) Comparatives

Where required by accounting standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(k) Earnings per share

Basic earnings per share

Basic earnings per share is determined by dividing the operating profit after income tax by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to consider the after income-tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(l) Interests in joint arrangements

The consolidated Group's share of the assets, liabilities, revenue and expenses of joint operations are included in the appropriate line items of the consolidated financial statements.

The consolidated Group's interests in joint ventures are brought to account using the equity method of accounting in the consolidated financial statements.

Under the equity method, the share of the profit and losses of the joint venture is recognised in the profit or loss, and the share of post-acquisition movements in reserves recognised in other comprehensive income. Unrealised gains and losses on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

As at 30 June 2023 and 30 June 2022, the Group did not hold any interests in joint ventures or joint operations as defined under the AASB 11 Joint Arrangements, as the Group considers it controls the Whim Creek Project, following the assessment made as set out in note 1(x). Accordingly, the Group recognises 100% of the Whim Creek Project assets, liabilities, revenue and expenses in the appropriate line items in the consolidated

NOTE 1: CORPORATE INFORMATION (continued)

financial statements. This includes recognising the contractual right held by Develop at fair value through profit and loss.

(m) 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 current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve 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 twelve months after the reporting period. All other assets are classified as non-current.

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

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

(n) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

(o) Issued capital

Issued and paid-up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(p) Share-based payments

Equity incentives to directors, consultants and contractors

The Group provides benefits to its directors, consultants and contractors in the form of share-based payments, whereby directors, consultants and contractors render services in exchange for options to acquire shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions is measured by reference to the fair value to the Company of the equity instruments at the date at which they were granted. The fair value is determined using the Black-Scholes valuation model, taking into account the terms and conditions upon which the options were granted.

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NOTE 1: CORPORATE INFORMATION (continued)

The cost of equity-settled transactions is recognised as an expense, together with a corresponding increase in equity, on a straight-line basis, over the period in which the vesting and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant directors and employees become fully entitled to the options (the vesting date).

At each subsequent reporting date until vesting, the cumulative charge to the statement of comprehensive income reflects:

- the grant date fair value of the options.
- the current best estimate of the number of options that will ultimately vest, taking into account such factors as the likelihood of personnel turnover during the vesting period and the likelihood of non-market vesting conditions being met, based on best available information at balance date; and the extent to which the vesting period has expired.

The charge to the statement of comprehensive income for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding entry to equity.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of the modification.

If an equity-settled award is cancelled, it is treated as if it has vested on the date of 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 dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Share-based payments as consideration for services provided

The agreement to issue Company shares as consideration for services provided to the Group is predicated on there being adequate headroom in the Company's existing approved equity placement capacity in accordance with ASX Listing rule 7.1A. In circumstances where there is existing placement capacity and the Group and key suppliers agree to share-based consideration for services rendered in preference to cash settlement, the number of Company shares issued in consideration for these services is determined with reference to the fair cash value of those services as agreed; the period over which services are provided; and the monthly volume weighted average share price for the Company's shares listed on the ASX over that period.

(q) Plant and Equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation.

Plant and equipment is measured on the cost basis.

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NOTE 1: CORPORATE INFORMATION (continued)

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation is calculated on a straight-line basis so as to write off the net cost of each fixed asset over its effective life.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

Right of Use Assets are depreciated over their useful life, being the period of the lease including probable exercise of any rollover clause.

The depreciation /amortisation rates used for each class of depreciable assets are:

Class of Asset	Depreciation / Amortisation Rate
Plant and Equipment	5.0% - 33.33%
Right of Use assets	5.84%

(r) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

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NOTE 1: CORPORATE INFORMATION (continued)

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(s) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(t) Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the balance sheet if the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the statement of financial position.

(u) Leases

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the Group recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

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NOTE 1: CORPORATE INFORMATION (continued)

Right-of-use assets

Lease assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the Group, and an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequent to initial recognition, lease assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss.

Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

Lease liabilities

Lease liabilities are initially recognised at the present value of the future lease payments (i.e., the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the Group's incremental borrowing rate.

Subsequent to initial recognition, lease liabilities are measured at the present value of the remaining lease payments (i.e., the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

Leases of 12-months or less and leases of low value assets

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

(v) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss where transaction costs are expenses to the profit or loss account. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

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NOTE 1: CORPORATE INFORMATION (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are either: i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit; or ii) designated as such upon initial recognition, where they are managed on a fair value basis or to eliminate or significantly reduce an accounting mismatch. Except for effective hedging instruments, derivatives are also categorised as fair value through profit or loss. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

(w) Trade and other receivables

Trade receivables, which generally have 30-day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(x) Critical accounting estimates and judgments

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 year are discussed below.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the 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.

Fair value measurement hierarchy

The Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability.

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NOTE 1: CORPORATE INFORMATION (continued)

Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

Assessment of Control / Joint Control

In determining whether the Group has control or joint control of the net assets comprising the Whim Creek Project, judgement was applied. AASB 11 Joint Arrangements requires an investor to have contractually agreed the sharing of control when making decisions about the relevant activities (in other words requiring the unanimous consent of the parties sharing control). However, what these activities are is a matter of judgement. Alternatively, if joint control does not exist, then the Group must apply the general principles from other standards in recognised the controlled assets and liabilities acquired.

Under the terms of the Joint Venture Agreement with Develop, the Group has been appointed the Manager of the Whim Creek Joint Venture with voting at the Management Committee proportional to the Participating Interest held at the date of the meeting. With an 80% interest in the Whim Creek Project, the Group can direct exploration activities through the approval of Programmes and Budgets and make the Decision to Mine. Accordingly, the Group recognises 100% of the Whim Creek Joint Venture assets and liabilities.

The option held by Develop over 20% of the Whim Creek Project, requiring Develop to fund its share of capital post a Decision to mine, and in return receive a 20% return is not reliably measurable until Develop exercises the option. Accordingly, this right has been disclosed in Note 23 as a Contingent Liability.

Rehabilitation

The Group makes full provision for the future cost of rehabilitating its mine site and related historical production facilities (mine properties) on a discounted basis, recognised initially on acquisition of the Group's interest in the Whim Creek Project.

The rehabilitation provision represents the estimated present value of rehabilitation costs relating to the Group's mine properties as at balance date. Once the decision to mine is made, the estimate will be updated for rehabilitation costs, which are expected to be incurred over the life of mine, which is when the Group's mine properties are expected to cease operations. Assumptions based on the current economic environment have been made at balance date, which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to consider any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect market conditions at the relevant time. For details of the assumptions, refer to Note 15.

Furthermore, the timing of rehabilitation is likely to depend on when the mine commences and ultimately (if a decision to mine made) ceases to produce at economically viable rates. This, in turn, will depend upon commodity prices, which are inherently uncertain.

Financial liabilities

In accordance with accounting standards the Group recognises its financial liabilities initially at fair value and thereafter at amortised cost. This requires an assumption to be made with respect to timing of the settlement of such liabilities in some cases as well as the discount rates used in the measurement of such financial liabilities. Assumptions based on the current economic environment have been made at balance date, which management believes are a reasonable basis upon which to estimate the future liability.

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NOTE 1: CORPORATE INFORMATION (continued)

These estimates are reviewed regularly to consider any material changes to the assumptions, including the Group's credit risk, which may give rise to material changes in balances from period to period. Accordingly, this is a matter of significant judgement and estimate.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognized in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability.

If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognized in profit or loss as the modification gain or loss within other gains and losses.

(y) Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation.

(z) Foreign currency transactions

The financial statements are presented in Australian dollars, which is Anax's functional and presentation currency.

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NOTE 1: CORPORATE INFORMATION (continued)

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(aa) New accounting standards and interpretations

The Group has adopted all the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. There are no new Accounting Standards or Interpretations that have been published but are not yet mandatory that are expected to have a material impact on the Group.

(bb) New accounting standards and interpretations Not Yet Adopted

The Australian Accounting Standards Board (AASB) has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of these new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below.

Pronouncement	Nature of Change	Effective Date
AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	AASB 2021-5 amends AASB 112 Income Taxes to clarify the accounting for deferred tax transactions that, at the time of the transaction, give rise to equal taxable and deductible temporary differences. In specified circumstances, entities are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The amendments clarify that the exemption does not apply to transactions for which entities recognise both an asset and a liability and that give rise to equal taxable and deductible temporary differences. This amending standard mandatorily applies to annual reporting periods commencing on or after 1 January 2023 and will be first applied by the Group in the financial year commencing 1 July 2023. This accounting standard is not expected to have a material impact on the financial statements of the Group.	1 January 2023
AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of	AASB 2021-2 amends AASB 7 <i>Financial Instruments: Disclosures</i> , AASB 101 <i>Presentation of Financial Statements</i> , AASB 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> , AASB 134 <i>Interim Financial Reporting</i> and AASB Practice Statement 2 <i>Making Materiality Judgements</i> . The main amendments relate to: a) AASB 7 – clarifies that information about measurement bases for financial instruments is expected to be material to an entity's financial statements;	1 January 2023

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Pronouncement	Nature of Change	Effective Date
Accounting Estimates	<p>b) AASB 101 – requires entities to disclose their material accounting policy information rather than their significant accounting policies;</p> <p>c) AASB 108 – clarifies how entities should distinguish changes in accounting policies and changes in accounting estimates;</p> <p>d) AASB 134 – to identify material accounting policy information as a component of a complete set of financial statements; and</p> <p>e) AASB Practice Statement 2 – to provide guidance on how to apply the concept of materiality to accounting policy disclosures.</p> <p>AASB 2021-2 mandatorily applies to annual reporting periods commencing on or after 1 January 2023 and will be first applied by the Group in the financial year commencing 1 July 2023.</p> <p>The likely impact of this accounting standard on the financial statements of the Group has not been determined.</p>	
<p>AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current</p>	<p>AASB 2020-1 amends AASB 101 <i>Presentation of Financial Statements</i> to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.</p> <p>A liability will be classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. Meaning of settlement of a liability is also clarified.</p> <p>AASB 2020-1 mandatorily applies to annual reporting periods beginning on or after 1 January 2024 (as amended by AASB 2022-6 and AASB 2020-6) and will first be applied by the Group in the financial year commencing 1 July 2024.</p> <p>The likely impact of this accounting standard on the financial statements of the Group has not been determined.</p>	1 January 2024
<p>AASB 2022-6: Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants</p>	<p>AASB 2022-6 amends AASB 101 <i>Presentation of Financial Statements</i> to improve the information an entity provides in its financial statements about liabilities arising from loan arrangements for which the entity’s right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement.</p> <p>Practice Statement 2 <i>Making Materiality Judgements</i> is also amended regarding assessing whether information about covenants is material for disclosure.</p> <p>AASB 2022-6 also amends AASB 2020-1 by deferring the application date by 12 months.</p>	1 January 2023

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Pronouncement	Nature of Change	Effective Date
	<p>This amending standard mandatorily applies to annual reporting periods commencing on or after 1 January 2023 regarding the deferred application date of AASB 2020-1 and the remaining amendments to disclosures apply to annual reporting periods commencing on or after 1 January 2024.</p> <p>This amendment to disclosures will first be applied by the Group in the financial year commencing 1 July 2024.</p> <p>This accounting standard is not expected to have a material impact on the financial statements of the Group.</p>	
<p>AASB 2023-1: Amendments to Australian Accounting Standards – Supplier Finance Arrangements</p>	<p>AASB 2023-1 amends AASB 107 <i>Statement of Cash Flows</i> and AASB 7 <i>Financial Instruments: Disclosures</i> to require an entity to provide additional disclosures about its supplier finance arrangements. The additional information will enable users of financial statements to assess how supplier finance arrangements affect an entity’s liabilities, cash flows and exposure to liquidity risk.</p> <p>AASB 2023-1 mandatorily applies to annual reporting periods commencing on or after 1 January 2024 and will be first applied by the Group in the financial year commencing 1 July 2024.</p> <p>This accounting standard is not expected to have a material impact on the financial statements of the Group.</p>	<p>1 January 2024</p>

NOTE 2 – OTHER INCOME

	Note	2023 \$	2022 \$
Interest received		2,405	118
Unrealised fair value gain/(loss) on financial assets	9	-	1,965,687
Realised fair value gain/(loss) on disposal of financial assets	9	127,112	2,100,555
Other fair value gains		163,283	-
Facility recharges		-	19,660
Other income		-	19,353
		292,800	4,105,373

NOTE 3 – ADMINISTRATIVE EXPENSES

	2023 \$	2022 \$
Consulting/Labour hire	367,735	486,497
Directors' fees, corporate salaries and wages	927,463	784,198
Superannuation	190,221	58,026
Listed company expenses	65,682	70,692
Audit and taxation advice	68,428	83,682
Utilities and office outgoings	43,128	43,247
Insurance and legal	161,686	73,448
Payroll tax	66,667	30,897
Cost of sale of royalty	-	134,906
Corporate marketing and travel expenses	209,379	34,108
Other administrative expenses	220,075	183,782
	2,320,465	1,983,483

NOTE 4 – DEPRECIATION AND AMORTISATION

	Note	2023 \$	2022 \$
Depreciation of property, plant and equipment	11	68,792	53,004
Amortisation of Right of Use Assets		67,223	58,436
		136,015	111,440

NOTE 5 – AUDITOR'S REMUNERATION

	2023 \$	2022 \$
Payments to Group Auditors –Pitcher Partners BA&A Pty Ltd		
- For audit and review of Anax Consolidated financial reports	46,635	43,250
- For audit of Whim Creek Project Joint Venture financial statements for year ended 30 June 2023	4,000	3,500
	50,635	46,750

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NOTE 6 – INCOME TAX

	2023	2022
	\$	\$

(a) Income tax expense/(benefit)

The components of income tax expense/(benefit) comprise:

Current tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>

(b) Reconciliation of income tax expense/(benefit) to prima facie tax payable on accounting profit/(loss)

Operating profit before income tax	<u>(2,859,752)</u>	<u>1,484,549</u>
Prima facie tax (expense) at Australian rate of 26% (2020: 27.5%)	714,938	(371,137)
Adjusted for tax effect of the following amounts:	No	
Taxable/non-deductible items	(81,017)	(59,022)
Non-taxable/deductible items	104,006	122,615
Adjustment for change in tax rate	-	-
Under-provision in prior year	(162,139)	(196,976)
Income tax expense not brought to account	(575,788)	504,520
Income tax (expense)/benefit	<u>-</u>	<u>-</u>

(c) Deferred tax assets and liabilities not brought to account

The directors estimate that the potential deferred tax assets and liabilities carried forward but not brought to account at year end at a tax rate of 25% (2022: 27.5%) are made up as follows:

On income tax account:

Carried forward tax losses	12,889,097	10,803,255
Deductible temporary differences	68,965	456,806
Deductible temporary differences relating to amounts put to equity	-	2,235
Taxable temporary differences	(5,171,771)	(3,850,897)
Unrecognised net deferred tax assets	<u>7,786,291</u>	<u>7,411,399</u>

These benefits will only be obtained if:

- (i) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefits from the deductions for losses to be realised;
- (ii) the Group continues to comply with conditions for deductibility imposed by tax legislation; and
- (iii) no changes in tax legislation adversely affect the Group in realising the benefit from the deduction of losses.

Anax Metals Limited currently satisfies the conditions to be a small business entity.

2023	2022
\$	\$

NOTE 7 – CASH AND CASH EQUIVALENTS

a) Cash at bank	<u>1,710,534</u>	<u>7,319,066</u>
	<u>1,710,534</u>	<u>7,319,066</u>

NOTE 7 – CASH AND CASH EQUIVALENTS (Continued)

b) Reconciliation of profit after income tax to net cash flow from operating activities

(Loss)/Profit after income tax	(2,859,752)	1,484,549
Add back non-cash items:		
Fair value gain on sale of listed investments	(127,112)	(2,100,555)
Share-based payment expense	319,406	225,534
Amortisation of right-of-use assets	67,223	58,435
Amortisation of deferred consideration	124,200	156,621
Depreciation of property, plant and equipment	68,792	53,005
Realised fair value (gain)/loss on financial assets	-	(1,965,987)
Unrealised fair value (gain)/loss on financial liabilities	(163,283)	-
Sale of royalty (investing)	-	134,500
Other non-cash movements	-	59,462
Change in operating assets and liabilities:		
(Increase)/Decrease in other receivables	70,390	(208,640)
(Decrease)/Increase in payables, accruals and provisions	(47,042)	363,099
Net cash inflow/(outflow) from operating activities	2,547,178	(1,739,977)

c) Reconciliation of liabilities arising from investing and financing activities

	Acquisition costs \$	Insurance Finance \$	3 rd party Loans \$	Deferred consideration \$	Lease liabilities \$
Carrying amount at 1 July 2021	392,879	-	-	2,830,241	196,060
New arrangements (after costs)	-	98,341	-	-	-
Net cash flows during the year	-	(40,990)	-	-	(54,315)
Non cash adjustment	-	14,207	-	(23,238)	-
Carrying amount at 30 June 2022	392,879	71,558	-	2,807,003	141,745
Net cash flows during the year	(398,968)	(109,105)	-	(1,000,000)	(82,207)
New arrangements (after costs)	-	114,831	2,460,000	-	-
Non-cash borrowing costs	-	(5,629)	(694,954)	-	-
Non-cash movement	-	-	-	-	31,259
Fair value adjustment	6,089	-	(163,283)	116,479	-
Carrying amount at 30 June 2023	-	71,655	1,601,763	1,923,482	90,797

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NOTE 8 – OTHER RECEIVABLES

	Consolidated	
	2023 \$	2022 \$
Security deposits and bonds	64,118	66,418
GST receivable	122,589	199,174
Prepaid insurance	79,039	67,608
Other	13,210	11,553
	278,956	344,753

NOTE 9 – FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023	2022
	\$	\$
Current assets		
Shares in Xantippe Resources Limited	-	1,143,067
Shares in Predictive Discovery Limited	-	140,133
Shares in Desert Metals Limited	-	4,500
	-	1,287,700

“Fair value” is based on quoted prices in an active market for the identical asset that the Group can access at measurement date. A reconciliation of the fair values at the beginning and end of the financial year is set out below:

Opening fair value	1,287,700	2,536,211
Purchases	-	-
Disposals ⁽¹⁾	(1,414,812)	(5,314,753)
Realised fair value gain on sale of financial assets	127,112	2,100,555
Unrealised fair value gain/(loss) on financial assets	-	1,965,687
Closing fair value	-	1,287,700

(1) During the prior year, the Group disposed of 700,664 shares in Predictive Discovery Ltd, 163,295,270 shares in Xantippe Resources Ltd and 25,000 shares in Desert Metals Ltd.

NOTE 10 – LEASES

On 1 October 2020, the Group entered a 2-year lease of office premises in Perth, Australia. The lease expires on 30 September 2022 with an option to renew for a further 2-year period after that date subject to a market rate review. On 1 October 2022, the Group exercised the option to renew for a final 2-year lease of office premises. The lease expires on 30 September 2024 with no option to renew.

On 11 November 2020, the Group entered a 3-year lease for IT equipment. This lease is considered a low-value item and, as such the Group has elected not to recognise this lease as a right-of-use asset with corresponding lease liability for this lease on the balance sheet.

Information about leases for which the Group is a lessee is presented below:

NOTE 10 – LEASES (continued)

a) Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment Property. They are presented as non-current assets.

	2023 \$	2022 \$
Land and buildings - right-of-use	233,740	233,740
Less: Accumulated depreciation	(146,047)	(102,261)
	<u>87,693</u>	<u>131,478</u>

There were no additions to the right-of-use assets during the 2023 financial year (2022: \$Nil).

b) Lease liabilities

Lease liabilities relate to the obligation to pay lease costs for leased properties that do not meet the definition of investment. They are presented as current liabilities and non-current liabilities, dependent on the lease payment due dates.

	2023 \$	2022 \$
Capital element of lease payment due within 12 months	71,886	59,554
Capital element of lease payment due after 12 months	18,911	82,191
	<u>90,797</u>	<u>141,746</u>

NOTE 11 – PROPERTY, PLANT AND EQUIPMENT

	2023 \$	2022 \$
Land – at cost	18,613	18,613
Accumulated depreciation	-	-
	<u>18,613</u>	<u>18,613</u>
Motor vehicles – at cost	25,500	25,500
Accumulated depreciation	(6,410)	(35)
	<u>19,090</u>	<u>25,465</u>
Furniture and fittings – at cost	11,306	11,306
Accumulated depreciation	(10,168)	(9,792)
	<u>1,138</u>	<u>1,514</u>
Field and mobile equipment – at cost	18,429	10,691
Accumulated depreciation	(7,091)	(2,181)
	<u>11,338</u>	<u>8,510</u>
Plant and equipment – at cost	561,478	772,928
Accumulated depreciation	(129,683)	(284,001)
	<u>431,795</u>	<u>488,927</u>
	<u>481,974</u>	<u>543,029</u>

NOTE 11 – PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in carrying amounts:

Movement in carrying amounts of plant and equipment at the beginning and end of the current financial period is set out below.

	Furniture and fittings \$	Field and mobile equipment \$	Plant and equipment \$	Land \$	Motor vehicles	Total \$
Balance at 1 Jul 2022	1,514	8,510	488,927	18,613	25,465	543,029
Acquisition	-	7,737	-	-	-	7,737
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Depreciation	(376)	(4,909)	(57,132)	-	(6,375)	(68,792)
Balance at 30 Jun 2023	1,138	11,338	431,795	18,613	19,090	481,974
Balance at 1 Jul 2021	992	635	444,370	18,613	-	464,610
Acquisition	781	9,226	-	-	-	10,007
Additions	-	-	95,917	-	25,500	121,417
Disposals	-	-	-	-	-	-
Depreciation	(259)	(1,351)	(51,360)	-	(35)	(53,005)
Balance at 30 Jun 2022	1,514	8,510	488,927	18,613	25,465	543,029

NOTE 12 – EXPLORATION AND EVALUATION EXPENDITURE

	2023 \$	2022 \$
Balance at beginning of period	30,517,350	25,540,812
Exploration asset acquired	-	-
Exploration and evaluation costs incurred	3,596,593	4,976,538
Balance at end of period	34,113,943	30,517,350

The asset comprises the Whim Creek project. The ultimate recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and commercial exploitation of this area of interest.

NOTE 13 – TRADE AND OTHER PAYABLES

	2023 \$	2022 \$
Trade payables	237,981	866,059
Accrued expenses	269,684	919,413
	507,665	1,785,472

NOTE 14 – EMPLOYEE BENEFITS

	2023	2022
	\$	\$
a) Current liabilities		
- Annual Leave provision	98,460	124,417
	<u>98,460</u>	<u>124,417</u>
b) Non-current liability		
- Long service leave provision	36,677	-
	<u>36,677</u>	<u>-</u>
	<u>135,137</u>	<u>124,417</u>

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire annual leave provision amount is presented as current, since the Group does not have an unconditional right to defer settlement. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

The Long service leave obligation is not due and payable within the next 12 months and is presented as non-current.

NOTE 15 – OTHER PROVISIONS

	2023	2022
	\$	\$
Provision for Aeris liability		
Balance at beginning of period	3,401,276	3,457,520
Unwinding of discount (passage of time) and impact of changes in discount rate	(161,884)	(56,244)
Balance at end of period	<u>3,239,392</u>	<u>3,401,276</u>

In accordance with the terms of the agreement with Develop Global Limited, upon Anax Metals Limited (the Company) earning more than 70% interest in the project through its subsidiary, Whim Creek Metals Pty Ltd, the Company assumes all of the liabilities arising out of, or in connection with, the Aeris Contract previously held by Develop. Under this contract as varied, an amount of \$3,500,000 is payable to Aeris upon an announcement of the Company's intention to commence mining operations on any of the tenements held by the Company or its related bodies corporate, within 100km of Whim Creek. As this announcement is expected to be made within the next twelve months, the liability has been recognised as current.

During the period, the following changes in assumptions were made, which resulted in a net decrease in the fair value of the provision on 30 June 2023:

- The estimated date of the announcement to commence mining operations was moved back to December 23 (previously December 2022)
- A discount factor of 16.59% was applied to this provisional future cash outflow (previously 5.84%), being the Group's estimated cost of borrowing.

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NOTE 16 – FINANCIAL LIABILITIES

		2023	2022
		\$	\$
Current liabilities			
-	Deferred consideration	(a) 986,953	986,586
		<u>986,553</u>	<u>986,586</u>
Non-current financial liabilities			
-	Deferred consideration	(a) 936,529	1,820,517
-	Interest-bearing borrowing	(b) 1,601,763	-
		<u>2,538,292</u>	<u>1,820,517</u>

(a) Deferred consideration for acquisition of the Whim Creek Project

As per the terms of the Whim Creek JV Agreement, the Group is required to pay Develop Global Limited (“Develop”) \$1,000,000 in cash on the 2nd, 3rd and 4th anniversary of the Effective Date, (6 October 2020, when all conditions precedent were met). This liability was initially valued at fair value using a discount rate of 5.84% being the Group’s estimated Weighted average cost of borrowing at that time and then remeasured at amortised cost at each subsequent reporting date.

	Discount rate	Amount (\$)	Amortised cost (\$)
Current liabilities			
Payment due on 30 October 2023	5.84%	1,000,000	<u>986,953</u>
Non-current Liabilities			
Payment due on 30 October 2024	5.84%	1,000,000	<u>936,529</u>
			<u><u>1,923,482</u></u>

(b) Interest-bearing third-party borrowings

On 8 December 2022, the Group secured short-term and long-term interest-bearing unsecured loans totalling \$2,500,000 (“the Loan Funds”) from one of its major shareholders, Jetosea Pty Ltd, to be used by the Group principally to fund development of the Whim Creek Project. The terms were as follows:

- Initial repayment of \$1,000,000 on 6 December 2023; Final repayment of \$1,500,000 on 6 December 2024
- Interest on the Loan Funds is payable by the Group on a quarterly basis in arrears, at the rate of 6% per annum.
- 30,000,000 unlisted Company equity options were issued to Jetosea Pty Ltd pursuant to the loan agreement. The options were valued at \$540,658 at grant date using the Black Scholes valuation method.
- The Loan Funds were initially measured at fair value net of transaction and borrowing costs on 08 December 2022, being the date the Loan Funds were received. A discount rate of 7% was used to calculate fair value, being the Group’s estimated current weighted average cost of capital, and at amortised cost thereafter.

On 29 June 2023, the parties agreed to extend the initial \$1,000,000 loan repayment date by 12 months to 6 December 2024. A further 10,000,000 unlisted Company equity options were issued to Jetosea Pty Ltd pursuant to the variation. The options were valued at \$262,927 at grant date using the Black Scholes valuation method as included in Note 20 to this report.

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NOTE 16 – FINANCIAL LIABILITIES (Continued)

The new arrangement was considered a substantial modification under accounting standards and as such, the original \$1,000,000 loan was deemed to have been repaid, and a new \$1,000,000 loan was recognised as follows.

- The \$1,000,000 loan fund was re-measured at fair value on 29 June 2023. A discount rate of 17% was used to calculate fair value, being the Group's estimated current weighted average cost of capital on that date. Thereafter the Loan Funds were measured at amortised cost.
- As both repayments now fall due on 6 December 2024, they are presented as non-current.

	Discount rate	Amount (\$)	Amortised cost (\$)
Non-current Liabilities			
Initial Repayment – deferred	17%	1,000,000	373,320
Final Repayment	7%	1,500,000	1,228,442
Payment due 6 December 2024		<u>2,500,000</u>	<u>1,601,763</u>

NOTE 17 – PROVISION FOR REHABILITATION

	2023 \$	2022 \$
Rehabilitation of existing Whim Creek Mine site	12,168,428	13,171,792

The Group is liable for the costs to rehabilitate the existing Whim Creek mine site in accordance with the Mine Closure Plan beginning in 2030. The monthly costs for rehabilitation have been estimated and held on the Balance Sheet as a non-current liability, at present value. The Group's rehabilitation provision represents the full 100% liability to rectify the Whim Creek mine site as the Group controls the Project under Accounting Standards (refer note 1(x)).

There has been no material disturbance to the site since the Group acquired the Project.

During the period, the following changes in assumptions were made, which resulted in a net increase in the fair value of the provision on 30 June 2023:

- The estimated Mine Closure date was moved back to Q3 2031, assuming commencement of mining in early 2024 and an 8-year mine life, as per the Defined Feasibility Study announcement on 3 April 2023.
- Future cashflows were estimated based on CPI of 2.43% (previously 2.30%), being the RBA quarterly break-even 10-year inflation rate.
- A discount factor of 3.92% was applied (previously 3.49%), being the published Australian 10-year government bond rate.

NOTE 18 – ISSUED CAPITAL

	2023 \$	2022 \$
409,394,827 (2022: 405,628,160) fully paid ordinary shares	<u>48,987,532</u>	<u>48,886,055</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Group does not have a limited amount of authorised capital.

All meeting results are decided by a poll. At a shareholder meeting upon a poll, each share shall have one vote.

NOTE 18 – ISSUED CAPITAL (Continued)

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

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

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

(a) Movements in ordinary share capital

Fully Paid Shares	Number	Issue Date	Issue Price \$	Share Capital \$
2023				
At the beginning of the period	405,628,160			48,886,054
Options exercised	766,667	9 Nov 22	\$0.045	41,300
Performance rights exercised ⁽ⁱⁱⁱ⁾	3,000,000	12 Dec 22	-	60,177
At 30 June 2023	409,394,827			48,987,531
2022				
At the beginning of the period	350,183,890			44,658,050
Site management fees settled in shares	768,726	7 Dec 2021	0.078	63,053
Consultancy fees settled in shares	2,819,500	7 Dec 2021	0.071	200,000
Cost associated with share-based payments				(3,398)
Options exercised ⁽ⁱ⁾	2,700,000	7 Dec 2021	0.045	128,251
Share Placement	43,956,044	16 Feb 2022	0.910	4,000,000
Cost of share issue	-			(261,302)
Exercise of performance rights	5,200,000	5 Jun 2022	0.000	101,400
At 30 June 2022	405,628,160			48,886,054

⁽ⁱ⁾\$128,251 includes exercise price of \$121,500 and value of options transferred from the share-based payment reserve of \$6,751.

⁽ⁱⁱ⁾3,000,000 shares issued on conversion of performance rights for nil consideration, with performance rights previously issued under the Company's approved Employee Securities Incentive Plan. The value recognised in share capital was a transfer of the amount previously recognised in relation to the performance rights exercised from the share-based payment reserve (Note 19)

NOTE 19 – RESERVES

	2023 \$	2022 \$
Share based payment reserve ^(a)	7,472,012	6,424,571
	7,472,012	6,424,571

(a) The Share based payment reserve records items recognised as expenses or cost of share issue on valuation of share options and performance rights.

	Number	\$
2023		
Balance at 1 July 2022	64,050,000	6,424,571
Options Issued (and expensed immediately)	40,000,000	803,585
Share Based payments expensed during period	-	319,406
Expired without vesting – Directors	(2,700,000)	(5,700)
Expired without vesting – Lead manager	(4,000,000)	-
Options exercised	(766,667)	(8,050)
Performance rights exercised during the period – Directors	(3,000,000)	(61,800)
Balance at 30 June 2023	93,583,333	7,472,012
2022		
Balance at 1 July 2021	58,950,000	6,307,188
Options vested / expensed – Employees and Directors	-	162,532
Options exercised 7 Dec 2021 - Directors	(2,700,000)	(6,751)
Performance rights Issued during the period – Employees	10,000,000	56,834
Performance rights Issued during the period – Directors	3,000,000	6,169
Performance rights exercised June 2022 - Employees	(5,200,000)	(101,400)
Balance at 30 June 2022	64,050,000	6,424,571

NOTE 20 – SHARE-BASED PAYMENTS

(a) Options

Each option entitles the holder to take up one fully paid ordinary share in the Company at any time up to and including the expiry date. Upon exercise of an option, the resulting ordinary share has the same rights as other ordinary shares. Options do not entitle their holders to receive dividends, participate in entitlement issues or vote at general meetings of shareholders.

	2023		2022	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at 1 July	\$0.0678	40,950,000	\$0.0664	43,650,000
Expired/forfeited/cancelled during the year	\$0.1084	(6,700,000)	-	-
Exercised	\$0.0450	(766,667) ²	\$0.0450	(2,700,000) ³
Granted during the year	\$0.1000	40,000,000	-	-
Outstanding at 30 June ⁽¹⁾	\$0.0819	73,483,333	\$0.0678	40,950,000
Exercisable at 30 June	\$0.0819	73,483,333	\$0.0678	40,950,000

(1) The weighted average life of the outstanding options is 501 days or 1.37 years with exercise prices ranging from \$0.045 to \$0.120 per share (2022: 480 days or 1.31 years, exercise prices ranging from \$0.045 to \$0.135 per share).

(2) The share price at date shares were issued was \$0.057 per share.

(3) The share price at date shares were issued was \$0.095 per share.

NOTE 20 – SHARE-BASED PAYMENTS (continued)

Terms and conditions, and fair value of options

Issue date	26 Nov 18	26 May 21	28 Oct 20	28 Oct 20	28 May 21	13 Dec 22	13 Dec 22	29 Jun 23
Expiry date	10 Dec 22	10 Mar 23	28 Oct 23	28 Oct 23	28 May 24	13 Dec 24	13 Dec 25	29 Jun 26
Vesting date	Immediately	Immediately	Immediately	28 Oct 21	Immediately	Immediately	Immediately	Immediately
No of options								
Outstanding at 1 July	2,700,000	4,000,000	23,250,000	9,000,000	2,000,000	-	-	-
Issued	-	-	-	-	-	15,000,000	15,000,000	10,000,000
Expired	(2,700,000)	(4,000,000)	-	-	-	-	-	-
Exercised	-	-	(766,667)	-	-	-	-	-
Outstanding at 30 Jun	-	-	22,483,333	9,000,000	2,000,000	15,000,000	15,000,000	10,000,000
Vested & exercisable	-	-	22,483,333	9,000,000	2,000,000	15,000,000	15,000,000	10,000,000
Vested & escrowed	-	-	-	-	-	-	-	-
Dividend yield (%)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expected volatility (%)	53	99	100	100	99	76	76	75
Risk free interest rate (%)	2.09	0.04	0.18	0.13	0.14	3.10	3.10	4.00
Exercise price (\$)	0.069	0.136	0.045	0.045	0.105	0.080	0.120	0.010
Expected life of options (years)	4	2	3	3	3	2	3	3
Share price at grant date (\$)	0.0210	0.100	0.0244	0.0244	0.100	0.056	0.056	0.065
Value per option (\$)	0.0019	0.0412	0.0104	0.0108	0.0598	0.0181	0.0180	0.0263
Total value (\$)	5,760	164,744	241,800	97,200	119,584	271,281	269,377	262,9275
Vesting conditions note	N/A	N/A	N/A	1	1	N/A	N/A	N/A

¹ Holder providing continued service to the Company for 12 months from grant date.

NOTE 20 – SHARE-BASED PAYMENTS (continued)

(b) Performance rights

Each performance right entitles the holder to take up one fully paid ordinary share in the Company at any time up to and including the expiry date. Upon exercise of a performance right, the resulting ordinary share has the same rights as other ordinary shares. Performance rights do not entitle their holders to receive dividends, participate in entitlement issues or vote at general meetings of shareholders.

	Weighted average exercise price 2023	Number of performance rights 2023	Weighted average exercise price 2022	Number of performance rights 2022
Outstanding at 1 July	-	23,100,000	-	15,300,000
Issued during the year	-	-	-	13,000,000
Exercised during the year		(3,000,000) ⁽²⁾		(5,200,000) ⁽³⁾
Outstanding at 30 June ⁽¹⁾	-	20,100,000	-	23,100,000
Exercisable at 30 June	-	2,600,000	-	5,600,000

(1) The weighted average life of the outstanding performance rights is 418 days or 1.15 years (2022: 706 days or 1.93 years).

(2) The share price at date shares were issued was \$0.055 per share.

(3) The share price at date shares were issued was \$0.095 per share.

Terms and conditions, and fair value of performance rights

Details of performance rights:

Performance right details	2020 rights A	2020 rights B	2020 rights C	2022 Employee rights PERF3	2022 Employee rights PERF3	2022 Employee rights PERF3	2022 Director rights ANXPRA	2022 Director rights ANXPB	2022 Director rights ANXPRC
	Issue date	28 Oct 20	28 Oct 20	28 Oct 20	14 Apr 22	14 Apr 22	14 Apr 22	2 Jun 22	2 Jun 22
Expiry date	28 Oct 22	28 Oct 23	28 Oct 23	31 Dec 24	31 Dec 24	31 Dec 24	2 Jun 25	2 Jun 25	2 Jun 25
Outstanding at 1 July	3,000,000	2,600,000	4,500,000	500,000	3,000,000	6,500,000	1,000,000	1,000,000	1,000,000
Granted	-	-	-	-	-	-	-	-	-
Exercised	(3,000,000)	-	-	-	-	-	-	-	-

Performance right details	2020 rights A	2020 rights B	2020 rights C	2022 Employee rights PERF3	2022 Employee rights PERF3	2022 Employee rights PERF3	2022 Director rights ANXPRA	2022 Director rights ANXPB	2022 Director rights ANXPRC
No. at 30 June 2023	-	2,600,000	4,500,000	500,000	3,000,000	6,500,000	1,000,000	1,000,000	1,000,000
Vested & exercisable	-	2,600,000	-	-	-	-	-	-	-
Dividend yield (%)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expected volatility (%)	100	100	100	90	90	90	90	90	90
Risk free interest rate (%)	0.11	0.13	0.13	1.5164	1.5164	1.5164	2.6598	2.6598	2.6598
Exercise price (\$)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Vesting date	22 Jan 21	15 June 21	27 Oct 21	31 Dec 23	31 Dec 23	31 Dec 23	2 Jun 24	2 Jun 24	2 Jun 24
Expected life of right (years)	2	3	3	1.75	1.75	1.75	3	3	3
Share price at grant date (\$)	0.0244	0.0244	0.0244	0.088	0.088	0.088	0.088	0.088	0.088
Value per option (\$)	0.0206	0.0180	0.0153	0.0686	0.0470	0.072	0.0709	0.0495	0.0332
Total value (\$)	123,600	86,400	68,850	34,319	140,868	466,400	70,900	49,500	33,200
Vesting conditions note	1, 2	1, 3	1, 4	5	5	6	7	7	7

Vesting conditions:

1. Holder providing continued service with the Company for 12 months from Issue date.
2. The 20-business day volume weighted average price of the Company's shares, as traded on the ASX, reaching 4.5 cents prior to the expiry date, and the holder providing continued service with the Company for 12 months from Issue date. (Vested on 22 January 2021.)
3. The 20-business day volume weighted average price of the Company's shares, as traded on the ASX, reaching 9 cents prior to the expiry date, and the holder providing continued service with the Company for 12 months from Issue date. (Vested on 15 June 2021.)
4. The 20-business day volume weighted average price of the Company's shares, as traded on the ASX, reaching 13.5 cents prior to the expiry date, and the holder providing continued service with the Company for 12 months from Issue date. (VWAP condition unvested at 30 June 2023).
5. Holder providing continuous employment until 31 December 2023
6. Holder providing continuous employment until 31 December 2023 and Individual performance criteria aligned with the individual's role and the successful development of the project, including but not limited to securing key agreements, approvals and project funding.
7. Holder providing continuous employment for 2 years from Issue date (2 June 2024)

NOTE 20 – SHARE-BASED PAYMENTS (continued)

(c) Shares issued as consideration

During the year ended 30 June 2023, the Company issued no shares to suppliers in lieu of payment for services provided.

During the year ended 30 June 2022, the Company issued 3,588,226 shares to suppliers in lieu of payment for services provided.

	Number Issued	Expense	Issue Date	Assigned value of share at grant date	Share price at date of grant
Others					
Conrad Partners	768,726	63,053	7 Dec 21	0.078	0.095
PPM Global Pty Ltd	2,819,500	200,000	8 Dec 21	0.071	0.095
	<u>3,588,226</u>	<u>263,053</u>			

NOTE 21 – EARNINGS PER SHARE

	Consolidated	
	2023	2022
	\$	\$
(Loss)/Profit used in calculating earnings per share – basic and diluted	(2,859,752)	1,484,549
Net profit for the reporting period		1,484,549
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	<u>407,759,302</u>	<u>370,251,825</u>
Weighted average number of ordinary shares outstanding during the year plus options and performance rights used in the calculation of diluted earnings per share	<u>407,759,302</u>	<u>428,859,085</u>
Basic earnings per share (cents per share)	(0.701)	0.401
Diluted earnings per share (cents per share)	(0.701)	0.346

The basic and diluted earnings per share is the same for the year ended 30 June 2023 as the potential shares are not dilutive and are therefore excluded from the weighted average number of ordinary shares for the purposes of diluted earnings per share.

NOTE 22 – KEY MANAGEMENT PERSONNEL COMPENSATION

(a) Names and positions of key management personnel

The names and positions of persons who were key management personnel of Anax Metals Limited and/or its controlled entities at any time during the financial year are as follows:

Key management personnel

P Jackson	Non-Executive Chairman
P Cordin	Non-Executive Director
P Warren	Non-Executive Director
Geoff Laing	Managing Director/CEO

NOTE 22 – KEY MANAGEMENT PERSONNEL COMPENSATION (continued)

(b) Key management personnel remuneration

	Consolidated	
	2023 \$	2022 \$
Short-term personnel benefits	492,650	450,000
Post-employment benefits	55,477	45,000
Share-based payments	51,175	147,987
	599,302	642,987

Refer to the remuneration report contained in the directors’ report for details of the remuneration paid or payable to each member of the Group’s key management personnel for the year ended 30 June 2023.

NOTE 23 – CONTINGENCIES

Contingent liabilities

In accordance with the terms of the Joint Venture Agreement between Anax Metals Limited and Develop Global Limited (previously Venturix Resources Limited) signed on 21 July 2021, Develop Global Limited (“Develop”) holds a contractual right to a percentage of operating profit from Whim Creek Project equivalent to their participating interest at the date of decision to mine. Develop’s participating interest as at 30 June 2023 is 20%.

Under the Agreement, Develop Global Limited must provide the Group with a Funding Notice indicating their intention to contribute equivalent to their participating interest, within 20 days of the Decision to Mine. Upon receipt, both parties will meet to negotiate and execute a loan agreement within a further 20 days, with the loan to be repaid by way of profits generated from Project. Further terms of the loan, including any rights over Project assets or decision making, will be determined at the time of negotiation.

In the event that Develop Global Limited does not exercise its right to fund the Project then the Group will assume 100% ownership of the Project.

As the contractual right is dependent on future decision, the value of this potential liability cannot be estimated reliably at the current reporting date.

NOTE 24 – COMMITMENTS FOR EXPENDITURE

Commitments for ongoing exploration and development activities

At 30 June 2023, the Group had open commitments to suppliers amounting \$142,874 relating to continuing exploration, development and permitting activities (2022: \$894,958).

Mineral tenements

In order to maintain the mineral tenements in which the Group and other parties are involved, the Group is committed to fulfil the minimum annual expenditure conditions under which the tenements are granted.

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NOTE 24 – COMMITMENTS FOR EXPENDITURE (continued)

The minimum estimated expenditure requirements in accordance with the requirements of the Western Australian Department of Mines and Petroleum for the next financial year are:

	Consolidated	
	2023	2022
	\$	\$
Minimum estimated expenditure requirements		
Within the next twelve months	495,900	466,900
Within 1 to 5 years	1,840,100	1,629,600
Beyond 5 years	2,121,800	2,748,800
	4,457,800	4,845,300

These requirements are expected to be fulfilled in the normal course of operations and may be varied from time to time subject to approval by the grantor of titles. The estimated expenditure represents potential expenditure which may be avoided by relinquishment of tenure.

NOTE 25 – RELATED PARTIES

(a) Remuneration and retirement benefits

Information on remuneration of Directors during the financial period is disclosed in Note 22 and in the remuneration, report included with in the directors’ report.

(b) Other transactions with Directors and Director-related entities

Nexus Bonum Pty Ltd, a company of which Geoff Laing is a director, delivered engineering consulting services to the Group, for which \$404,218 plus GST was paid (2022: \$585,787 plus GST). At 30 June 2023 trade creditors of \$3,543 plus GST related to these services (2021: 77,540 plus GST).

Grange Consulting Group Pty Ltd, a company of which Philip Warren is a director, delivered corporate advisory services for which \$48,000 plus GST was paid (2022: \$42,000 plus GST), and Company Secretarial services for which \$83,927 plus GST was paid (2022: \$82,198 plus GST). There was no outstanding amount payable to Grange Consulting Group Pty Ltd at 30 June 2023 for these services (2022: \$Nil).

During the year, Holihox Consulting Pty Ltd, a company of which Phillip Jackson is a director, delivered legal consulting fees, and was paid \$36,000 plus GST for these services (2022: \$36,000 plus GST). There was no outstanding amount payable to Holihox Pty Ltd at 30 June 2023 for these services (2022: \$Nil).

In the prior year, Anax Metals Limited provided office facilities and overheads to Xantippe Resources Limited (a company of which P Jackson was a director until his resignation on 17 May 2022) to the value of \$19,660 plus GST.

All transactions with related parties are on commercial terms.

(c) Transactions of Key Management Personnel and their related entities concerning shares and share options

Details of transactions of Key Management Personnel and their related entities concerning shares and share options are set out in the remuneration report included within the directors’ report. All other movements in shares and share options for Key Management Personnel were on normal commercial terms and conditions.

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NOTE 26 – EVENTS OCCURRING AFTER BALANCE DATE

On 8 August 2023, the Group announced that it had completed a share placement to institutional, sophisticated and professional investors. 20,009,090 fully paid ordinary shares were issued at an issue price of \$0.055, raising \$1.1m to fund further exploration and development activities.

On 8 August 2023, the Group announced that 500,000 shares were issued as a result of 500,000 options with a strike price of \$0.045 being exercised for \$22,500. The closing share price on the date the new shares were issued was \$0.057. On 14 August 2023, The Group announced the formation of a Farm-in and Joint Venture Agreement with Woomera Mining Ltd (ASX:WML) on the Mt Short Project located near Ravensthorpe, Western Australia.

The principal agreement terms are as follows:

- I. Woomera must spend a minimum of \$150,000 within 12 months of signing date, thus earning the right to farm into the Joint Venture by paying the Group \$50,000 in cash
- II. Woomera may earn a 70% interest in the Project by spending \$1.5m over a 3-year period
- III. Upon 70% farm-in, Anax may elect to contribute to retain 30% interest in the project, or reduce to a 20% interest with free-carry to a Decision to Mine
- IV. Upon Decision to Mine, Anax may elect to contribute 20% to maintain its 20% interest in the project or elect to rescind 20% project interest and instead receive a 1.5% net smelter royalty.

On 11 September 2023, the Group announced the release of the Whim Creek Heap Leach Scoping Study which considers the processing of oxide, transitional and low-grade sulphide ore using the recently refurbished and fully permitted heap leach infrastructure located at Whim Creek. The heap leach operation is proposed to operate in parallel with the concentrator. The study demonstrates potential upside of approximately \$70 million to the Whim Creek project free cashflows, to more than \$410 Million.

On 27 September 2023, the Group announced a non-renounceable pro-rata entitlement offer to eligible shareholders, expected to close in early November 2023, and raise up to approximately \$5,000,000 (before costs).

The entitlement offer is being undertaken on the basis of 1 new share for every 3 existing shares held on the record date of 5.00pm on 5 October 2023, at an issue price of \$0.035c. Participants will also be issued one free attaching unquoted option for every 2 new shares subscribed for, exercisable at \$0.06 each and expiring on 31 December 2025.

Irrevocable commitments totalling approximately \$1.4 million have been received from major shareholder, Jetosea Pty Ltd, and all eligible directors. Further to this, directors Peter Cordin and Philip Waren, and Anax CFO Jenine Owen, have agreed to partially underwrite the entitlement offer by an additional \$220,000 in addition to their collective entitlements. The entitlement offer also provides for eligible shareholders, and other investors, to apply for any shortfall shares that might exist after all valid entitlement take-up.

Funds raised will be applied towards:

- early-stage lithium exploration activities at Whim Maar, Loudens Patch and central prospects;
- progressing product offtake and debt financing activities at the Whim Creek Project;
- progressing project consolidation initiatives within the Pilbara Region
- maintaining mine site operations and environmental monitoring at the Whim Creek Project; and
- general working capital and the costs of the offers.

Further details of Anax's intended use of funds will be provided in the Prospectus expected to be announced by the Company on Friday, 29 September 2023.

NOTE 26 – EVENTS OCCURRING AFTER BALANCE DATE (continued)

Other than as stated above, there has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

NOTE 27 – SEGMENT INFORMATION

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

The Group operates as one segment in the current year, which is mineral exploration and evaluation within Australia.

NOTE 28 – FINANCIAL RISK MANAGEMENT

The Group, in its normal course of business, is exposed to financial risks comprising liquidity risk, equity risk, credit risk and interest rate risk in respect to financial instruments held at the end of the reporting period.

The directors have overall responsibility for the Group's management of these risks and seek to minimise these risks through on-going monitoring and review of the adequacy of the risk management framework in relation to the risks encountered by the Group.

The Group holds the following financial instruments:

	Note	2023 \$	Consolidated 2022 \$
Financial assets			
<u>Amortised cost</u>			
- Cash and cash equivalents	7	1,710,534	7,319,066
- Receivables	8	278,956	344,753
<u>Fair value through profit / loss</u>			
- Shares in listed companies	9	-	1,287,700
		1,989,490	8,951,519
Financial liabilities			
<u>Amortised cost</u>			
- Payables	13	507,665	1,785,472
- Deferred consideration	16(a)	1,923,482	2,807,103
- Interest bearing third party borrowings	16(b)	1,601,763	-
		3,524,845	4,592,575

NOTE 28 – FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable. The Group's main debt is that associated with trade creditors in respect of which the Group's policy is to ensure payment within 30 days. The Group manages its liquidity by maintaining adequate cash reserves and monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated – 2023

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Remaining contractual \$
Non-derivatives					
<i>Non-interest bearing</i>					
Trade payables	Nil	237,981	-	-	237,981
Deferred consideration	Nil	1,000,000	1,000,000	-	2,000,000
<i>Interest bearing – fixed rate</i>					
Lease liability	7.00%	75,539	19,023	-	94,562
Third party Loans	6.00%	-	2,500,000	-	2,500,000
		1,313,520	3,519,023	-	4,832,543

Consolidated – 2022

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Remaining contractual \$
Non-derivatives					
<i>Non-interest bearing</i>					
Trade and other payables	Nil	866,059	-	-	866,059
Deferred consideration	Nil	1,000,000	1,000,000	1,000,000	3,000,000
<i>Interest bearing – fixed rate</i>					
Lease liability	5.80%	59,554	65,169	17,023	141,746
Other					
		1,925,613	1,065,169	1,017,023	4,007,805

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

NOTE 28 – FINANCIAL RISK MANAGEMENT (continued)

Equity risk

Equity risk refers to the financial risk in holding equity in a particular investment, the risk being that the value of equity investments held in companies changes significantly resulting in a realised financial loss to the Group in the event of sale of these assets.

The Group's main exposure to equity risk arises from its investments in the following ASX listed companies:

	Consolidated			
	2023		2022	
	Number	\$	Number	\$
Predictive Discovery Limited (PDI)	-	-	700,664	140,133
Xantippe Resources Limited (XTC)	-	-	163,295,270	1,143,067
Desert Metals Limited (DM1)	-	-	25,000	4,500
		-	<u>1,287,700</u>	

Financial Assets	Effect of decrease or increase of share price on profit or loss and equity			
	30% decrease		30% increase	
	Profit or loss	Equity	Profit or loss	Equity
	\$	\$	\$	\$
30 June 2023				
Total increase/(decrease)	-	-	-	-
30 June 2022				
Total increase/(decrease)	<u>(386,309)</u>	<u>(386,309)</u>	<u>386,309</u>	<u>386,309</u>

The Group manages this exposure by maintaining its liquidity primarily through equity raisings, while monitoring markets for the opportunistic sale of these assets to maximise value for the Group.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The Group's main exposure to credit risk arises from its cash deposits at the bank. The consolidated Group manages this minimal exposure by ensuring its funds are deposited only with major Australian banks with minimum Moody's credit ratings of Aa2 or equivalent. The Group currently banks with Commonwealth Bank of Australia, which has a credit rating of Aa3.

	Consolidated	
	2023	2022
	\$	\$
Financial receivables – bank guarantees	63,918	63,918
Cash and cash equivalents	1,710,534	7,319,066

NOTE 28 – FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk

The Group's market risk exposure is predominantly to the Australian money market interest rates in respect of its cash assets and lease liabilities. Short term receivables and payables are not significantly exposed to interest rate risk. The risk is managed by monitoring the interest rate yield curve out to 90 days to ensure a balance is maintained between the liquidity of its cash assets and interest rate return. The weighted average rate of interest earned by the Group on its cash assets during the year was 0.06% (2022: 0.0%).

The interest rate profile of the Group's interest-bearing financial instruments, based on the carrying amounts as at end of the reporting period was:

	2023 \$	2022 \$
Fixed rate instruments		
Lease liabilities	(94,562)	(141,746)
Interest-bearing third-party debt	(1,601,763)	-
Floating rate instruments		
Cash and cash equivalent	1,710,534	7,319,066
	14,209	7,177,320

The table below summarises the sensitivity of the consolidated Group's variable rate instruments to interest rate risk. A change of 100 basis points (bp) in interest rates at the end of the reporting period would have increased/(decreased) profit or loss after tax by the amounts shown below.

Financial Assets	Effect of decrease or increase of interest rate on profit or loss and equity			
	100 bp decrease		100 bp increase	
	Profit or loss \$	Equity \$	Profit or loss \$	Equity \$
30 June 2023				
Total increase/(decrease)	Unlikely in current market		17,105	17,105
30 June 2022				
Total increase/(decrease)	Unlikely in current market		71,773	71,773

NOTE 28 – FINANCIAL RISK MANAGEMENT (continued)

Fair value hierarchy

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

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

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

Level 3: Unobservable inputs for the asset or liability

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Consolidated – 2023				
<i>Assets</i>				
Financial assets at fair value through profit or loss	-	-	-	-
Total assets	-	-	-	-
Consolidated – 2022				
<i>Assets</i>				
Financial assets at fair value through profit or loss	1,287,700	-	-	1,287,700
Total assets	1,287,700	-	-	1,287,700

There were no transfers between levels during the year.

Fair value estimates

The carrying amount of the Group's financial assets and liabilities approximates fair value due to their short-term maturity.

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

NOTE 29 – CONTROLLED ENTITIES

	Country of Incorporation	Percentage Owned	
		2023	2022
Parent Entity:			
Anax Metals Limited	Australia		
Subsidiaries of Anax Metals Limited:			
Aurora Resources Pty Ltd	Australia	100%	100%
Mainland Minerals Pty Ltd	Australia	100%	100%
Whim Creek Metals Pty Ltd	Australia	100%	100%

At balance date the Group's registered office was located at Suite1B, Ground Floor, 20 Kings Park Road, West Perth, 6005.

NOTE 30 - PARENT ENTITY DISCLOSURES

Financial Position

	2023	2022
	\$	\$
Assets		
Current assets	1,506,587	7,641,630
Non-current assets	7,529,686	7,540,092
Intercompany loan – Whim Creek	17,138,171	11,783,159
	<u>26,174,444</u>	<u>26,964,881</u>
Liabilities		
Current liabilities	4,676,129	5,205,474
Non-current liabilities	2,557,203	1,902,708
	<u>7,233,332</u>	<u>7,108,182</u>
Net Assets	<u>18,941,112</u>	<u>19,856,699</u>
Equity		
Issued capital	48,987,531	48,886,055
Reserves – option reserves	7,472,012	6,424,571
Accumulated loss	(37,518,431)	(34,453,927)
	<u>18,941,112</u>	<u>19,856,699</u>
Financial Performance		
Loss for the year	2,070,205	(2,432,641)
Other comprehensive income	-	-
Total comprehensive loss for the year	<u>2,070,205</u>	<u>(2,432,641)</u>

The accounting policies adopted by the parent entity are consistent with those applied by the Group and its subsidiaries.

Guarantees entered into by the parent entity in relation to the debts of its subsidiary

Anax Metals Limited (as parent of Whim Creek Metals Pty Ltd) and Develop Global Limited (as parent to all Venturex parties to the Earnin and Joint Venture Agreement) both provided reciprocal parent company guarantees whereby they each irrevocably and unconditionally guarantees in favour of Whim Creek Metals Pty Ltd, performance of all obligations and the payment of all liabilities of Whim Creek Metals Pty Ltd according to their relative interests under the Earnin and Joint Venture Agreement and must perform the relevant obligations or pay the relevant liability Whim Creek Metals Pty Ltd fails to do so on a due date.

Other than this, Anax Metals Limited has not entered into any guarantees in relation to the debts of its subsidiaries.

Contingent liabilities of the parent

The parent entity has the following contingent liabilities as at 30 June 2023 and 30 June 2022.

In accordance with the terms of the Joint Venture Agreement between Anax Metals Limited and Develop Global Limited signed on 21 July 2020, Develop Global Limited holds a contractual right to an interest in the Whim Creek Project equivalent to their participating interest at the date of the decision to mine.

NOTE 30 - PARENT ENTITY DISCLOSURES (Continued)

As set out in Note 23 Contingent Liabilities, as the contractual right is dependent on future decision, the value of this potential liability cannot be estimated reliably at the current reporting date.

On 3 June 2021 the Anax Metals Limited signed a binding agreement with Anglo American Markets Limited, a subsidiary of Anglo-American Plc for the payment of a 1% Net Smelter Royalty on Anax Metals Limited production from the Whim Creek Joint Venture with Develop Global Limited.

Contractual commitments for the acquisition of property, plant or equipment

As at 30 June 2023 the parent entity did not have any contractual commitments for the acquisition of property, plant or equipment. (30 June 2022: nil).

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DIRECTORS' DECLARATION

The directors of the Group declare that, in the opinion of the directors:

- (a) the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- (b) the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards as described in note 1 to the financial statements;
- (c) the attached financial statements and notes give a true and fair view of the Group's financial positions as at 30 June 2023 and of its performance for the financial year ended on that date; and
- (d) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of the directors made pursuant to s295(5) (a) of the Corporations Act 2001.

On behalf of the Directors:



Geoff Laing
DIRECTOR

Perth, 28 September 2023

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ANAX METALS LIMITED

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE
ANAX METALS LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of ANAX Metals Limited (the "Company") and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

- (a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (b) 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 Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(a) in the financial report for the year ended 30 June 2023 which indicates that the Group had net cash outflow from operating and investing activities of \$8,020,127 (2022: \$3,245,959). The Consolidated Statement of Financial Position shows that the Group had cash and cash equivalents of \$1,710,534 (30 June 2022: \$7,319,066), net current liabilities of \$2,914,866 (2022: \$2,594,214 net current assets), and net assets of \$17,006,436 (2022: \$18,711,571).

These conditions, along with other matters as set forth in Note 1(a) indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

ANAX METALS LIMITED
**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE
ANAX METALS LIMITED**

Key Audit Matter	How our audit addressed the key audit matter
<p>Capitalisation of exploration and evaluation expenditure</p> <p>Refer to Note 1(e) and 12 to the financial report.</p>	
<p>As at 30 June 2023, the Group held capitalised exploration and evaluation expenditure of \$34,113,943 (30 June 2022: \$30,517,350).</p> <p>The carrying value of exploration and evaluation expenditure is assessed for impairment by the Group when facts and circumstances indicate that the capitalised exploration and evaluation expenditure may exceed its recoverable amount.</p> <p>The determination as to whether there are any indicators to require the capitalised exploration and evaluation expenditure to be assessed for impairment involves a number of judgments including but not limited to:</p> <ul style="list-style-type: none"> • Whether the Group has tenure of the relevant area of interest; • Whether the Group has sufficient funds to meet the relevant area of interest minimum expenditure requirements; and • Whether there is sufficient information for a decision to be made that the relevant area of interest is not commercially viable. <p>Given the size of the balance and the judgemental nature of the impairment indicator assessments associated with exploration and evaluation assets, we consider this is a key audit matter.</p>	<p>Our procedures included, amongst others:</p> <p>Obtaining an understanding of and evaluating the design and implementation of the processes and controls associated with the capitalisation of exploration and evaluation expenditure, and those associated with the assessment of impairment indicators.</p> <p>Examining the Group's right to explore in the relevant area of interest, which included obtaining and assessing supporting documentation. We also considered the status of the exploration licences as it related to tenure.</p> <p>Considering the Group's intention to carry out significant exploration and evaluation activity in the relevant area of interest, including an assessment of the Group's cash-flow forecast models, assessing the sufficiency of funding and discussions with senior management and Directors as to the intentions and strategy of the Group.</p> <p>Testing the operating effectiveness of relevant controls to the capitalisation of exploration and evaluation expenditure.</p> <p>Testing a sample of transactions by sighting evidence of signed contracts, related invoices and comparing the amount recognised as deferred exploration and evaluation assets is in accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>.</p> <p>Reviewing management's evaluation and judgement as to whether the exploration activities within each relevant area of interest have reached a stage where the commercial viability of extracting the resource could be determined.</p> <p>Assessing the adequacy of the disclosures included within the financial report.</p>

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ANAX METALS LIMITED
**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE
ANAX METALS LIMITED**

Key Audit Matter	How our audit addressed the key audit matter
Share-based payments Refer to Note 1(p) and 20 to the financial report.	
<p>For the financial year ended 30 June 2023, the Group recognised a share-based payment expense of \$319,406 (30 June 2022: \$225,534). Share based payments involve significant Management estimates and judgement in their determination.</p> <p>This amount substantially comprised the value attributable to performance rights issued to directors and employees during the financial year ended 30 June 2023.</p> <p>Under Australian Accounting Standards, equity settled awards issued are measured at fair value of the services received, or if not reliably measurable, the fair value of the equity instruments granted. Equity settled awards to employees are measured at fair value on the measurement date taking into consideration the probability of the vesting conditions (if any) attached. This amount is recognised as an expense either immediately if there are no vesting conditions, or over the vesting period if there are vesting conditions.</p> <p>In calculating the fair value there are a number of judgements Management must make, including but not limited to:</p> <ul style="list-style-type: none"> • estimating the likelihood that the equity instruments will vest; • estimating expected future share price volatility; • expected dividend yield; and • risk-free rate of interest. <p>Due to the significance to the Group's financial report and the level of judgment involved in determining the valuation of the share-based payments, we consider the Group's calculation of the share-based payment expense to be a key audit matter.</p>	<p>Our procedures included, amongst others:</p> <p>Understanding and evaluating the design and implementation of the relevant controls associated with the preparation of the valuation model used to assess the fair value of share-based payments, including in relation to volatility of the underlying security and the appropriateness of the model used for valuation.</p> <p>Critically evaluating and challenging the methodology and assumptions of Management in their preparation of valuation model, including management's assessment of likelihood of vesting, agreeing inputs to internal and external sources of information as appropriate.</p> <p>Assessing the appropriateness of share-based payment expensed during the year pursuant to the requirements of Australian Accounting Standards AASB 2 <i>Share-based Payment</i> ("AASB 2").</p> <p>Assessing the Group's accounting policy as set out within Note 1(p) and disclosures within Note 20 for compliance with the requirements of AASB 2.</p>

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ANAX METALS LIMITED
**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE
ANAX METALS LIMITED**

Key Audit Matter	How our audit addressed the key audit matter
Provision for rehabilitation Refer to Note 1(x) and 17 to the financial report.	
<p>As a result of the Group's jointly controlled interest in the Whim Creek Project Joint Venture, the Group is jointly and severally liable to rehabilitate the environment disturbed by the historical operations at the Whim Creek Project. Rehabilitation activities are governed by a combination of legislative and licence requirements.</p> <p>At 30 June 2023, the consolidated statement of financial position included a provision for such obligations of \$12,168,428 (2022: \$13,171,792).</p> <p>This was a key audit matter given the determination of this provision requires evaluating the key assumptions used by Management and judgement in the assessment of the nature and extent of future works to be performed, the future cost of performing the works, the timing of when the rehabilitation will take place and the economic assumptions such as the discount and inflation rates applied to future cash outflows associated with rehabilitation activities to bring them to their present value.</p>	<p>Our procedures included, amongst others:</p> <p>Obtaining an understanding and evaluating the design and implementation of the relevant controls associated with the estimation of costs and other inputs utilised within the rehabilitation estimate model.</p> <p>Evaluating and testing key assumptions including economic assumptions through the performance of the following procedures:</p> <ul style="list-style-type: none"> • considering the appropriateness of the qualifications and experience of the Management consultant appointed as the preparer and an expert in his field • examining supporting information for significant changes in future costs estimates from the prior year • considering the appropriateness of the discount rate and inflation rates applied to future cash outflows used in calculating the provision <p>Assessing the adequacy of the disclosures included in the financial report.</p>

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ANAX METALS LIMITED
**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE
ANAX METALS LIMITED**

Key Audit Matter	How our audit addressed the key audit matter
Accounting for financial liabilities Refer to Note 1(e), Note 1(x), Note 16 and Note 20 to the financial report.	
<p>On 6 December 2022, the Group signed a loan agreement with Jetosea Pty Ltd ("Jetosea") to fund the development of the Whim Creek Project.</p> <p>Further during the year on 29 June 2023, there has been substantial modification to the loan agreement, extending the repayment date.</p> <p>In addition, the modification of the loan agreement included the issue of additional options to Jetosea which was treated as a cost of the loan.</p> <p>Due to the change in the terms of the loan agreement, and the assumptions required to determine the fair value of the loan in order to assess if the modification was a substantial modification under AASB 9 <i>Financial Instruments</i>, this was a key audit matter for the purposes of our audit.</p>	<p>Our procedures included, amongst others:</p> <p>Understanding and evaluating the design and implementation of the relevant controls associated with the recognition of the financial liabilities and the subsequent modification.</p> <p>Critically evaluating and challenging the methodology and assumptions of Management in calculating fair value of the financial liability which was modified under the loan agreement with Jetosea.</p> <p>Assessing the appropriateness of the accounting for the financial liabilities and the subsequent modification under AASB 9 <i>Financial Instruments</i> ("AASB 9") and AASB 123 <i>Borrowing costs</i>.</p> <p>Assessing the Group's accounting policy as set out within Note 1(e), Note 1(x) and disclosures within Note 12 and Note 16 for compliance with the requirements of AASB 9 and AASB 123.</p>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group'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 accordingly we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the Directors for the Financial Report

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

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ANAX METALS LIMITED**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE
ANAX METALS LIMITED**

In preparing the financial report, the directors are responsible for assessing the ability of the Group 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 Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

ANAX METALS LIMITED

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE
ANAX METALS LIMITED

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report*Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 31 to 36 of the directors' report for the year ended 30 June 2023. In our opinion, the Remuneration Report of ANAX 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.

PITCHER PARTNERS BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



MICHAEL LIPRINO
Executive Director
Perth, 28 September 2023

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF ANAX METALS LIMITED AND ITS CONTROLLED ENTITIES**

In relation to the independent audit for the year ended 30 June 2023, to the best of my knowledge and belief there have been:

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

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

PITCHER PARTNERS BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



MICHAEL LIPRINO
Executive Director
Perth, 28 September 2023

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SHAREHOLDER INFORMATION

The shareholder information set out below was applicable at 28 September 2023.

1. Top 20 Shareholders

Twenty Largest Shareholders as at 27 September 2023

Position	Holder Name	Holding	% IC
1	JETOSEA PTY LTD	83,639,862	19.46%
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	30,003,570	6.98%
3	HOLIHGX PTY LTD <PSR SUPERANNUATION FUND A/C>	29,470,720	6.86%
4	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	23,250,000	5.41%
5	BEARAY PTY LTD <BRIAN CLAYTON S/F A/C>	22,181,372	5.16%
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	18,457,376	4.29%
7	MR GEOFFREY MICHAEL HUYSHÉ LAING <THE LAING FAMILY A/C>	12,922,894	3.01%
8	EQUITY TRUSTEES LIMITED <LOWELL RESOURCES FUND A/C>	8,700,534	2.02%
9	CITICORP NOMINEES PTY LIMITED	8,228,223	1.91%
10	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	5,387,134	1.25%
11	MAD FISH MANAGEMENT PTY LTD	4,000,000	0.93%
12	BLUESTAR MANAGEMENT PTY LTD	4,000,000	0.93%
13	MR KENNETH JOSEPH HALL <HALL PARK A/C>	4,000,000	0.93%
14	NEWMEX INVESTMENTS PTY LTD	3,600,000	0.84%
15	PPM SOLUTIONS PTY LTD <CUDBY FAMILY A/C>	3,261,768	0.76%
16	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	3,062,497	0.71%
17	PPM GLOBAL PTY LTD	2,819,500	0.66%
18	MR ROBERT SPENCER TAYLOR <PELICAN A/C>	2,745,000	0.64%
19	KARIM PROPERTY INVESTMENTS P/L <KARIM FAMILY INVESTMENT A/C>	2,358,607	0.55%
20	SOLVITUR AMBULANDO PTY LTD <TIBUCHI SUPER FUND A/C>	2,264,500	0.53%
	Totals top 20	274,353,557	63.82%
	Balance other shareholders	155,550,360	36.18%
	Total Issued Capital	429,903,917	100.00%

2. Number and Distribution of Equity Securities

Distribution of equity securities

Ordinary Shares (ANX)

Size of Holding	No of Holders	Shares Held	%
1-1,000	125	52,293	0.01%
1,001-5,000	271	889,900	0.21%
5,001-10,000	386	3,124,537	0.73%
10,001-100,000	873	32,983,944	7.67%
100,001 and over	325	392,853,243	91.38%
Total	1,980	429,903,917	100.00%

There are 900 shareholders who hold less than a marketable parcel.

SHAREHOLDER INFORMATION (continued)

3. Substantial Shareholders

Name	No of Shares	%
Jetosea Pty Ltd	83,639,862	19.46
Holihox Pty Ltd (PSR S/F A/C)	29,470,720	6.86
Bearay Pty Ltd <Brian Clayton S/F A/C>	22,181,372	5.16

4. Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting every shareholder or class of shareholder present in person or by proxy, attorney or representative has one vote on a poll, one vote for each fully paid share which that member holds or represents.

5. Use of Funds

The entity used the cash and assets in a form readily convertible to cash that it had at the time of re-admission in a way consistent with its business objectives.

6. Option Holders

Holder	UNL OPT @ \$0.045 EXP 28/10/23 ESC	UNL OPT @ \$0.045 EXP 28/10/23	UNL OPT @ \$0.105 EXP 28/05/24	UNL OPT @ \$0.08 EXP 13/12/24	UNL OPT @ \$0.12 EXP 13/12/25	UNL OPT @ \$0.10 EXP 29/06/26
JETOSEA PTY LTD	8,333,333	-		15,000,000	15,000,000	10,000,000
MS WENDY NICOLA BEETS	-	1,125,000				
MS CATHERINE ANN MCDONALD	-	1,125,000				
NARDIE GROUP PTY LTD		750,000				
PHILUCHNA PTY LTD			2,000,000	15,000,000	15,000,000	10,000,000
Total number of holders	19	3	1	1	1	1
Total holdings over 20%	8,333,333	3,000,000	2,000,000	15,000,000	15,000,000	10,000,000
Other holders	19,650,000	-	-	-	-	-
Total	27,983,333	3,000,000	2,000,000	15,000,000	15,000,000	10,000,000

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SHAREHOLDER INFORMATION (continued)

6. Option Holders (Continued)

Holder	ANXPERF1 - PERFORMAN CE RIGHTS	ANXPERF2 - PERF RIGHTS	ANXPERF3 EXP	ANXPRA EXP 02/06/25	ANXPRB EXP 02/06/25	ANXPRC EXP 02/06/25
MR GEOFF LAING		5,100,000	-	1,000,000	1,000,000	1,000,000
MS WENDY NICOLA BEETS	1,000,000	-	2,000,000	-	-	-
MS CATHERINE ANN MCDONALD	1,000,000	-	2,000,000	-	-	-
MS JENINE OWEN	-	-	2,500,000	-	-	-
Total number of holders	2	1	6	1	1	1
Total holdings over 20%	2,000,000	5,100,000	6,500,000	1,000,000	1,000,000	1,000,000
Other holders	-	-	3	-	-	-
Total	2,000,000	5,100,000	10,000,000	1,000,000	1,000,000	1,000,000

7. Number and class of all securities on issue

Code	Description	Holders	Number on Issue
ANX	Fully paid ordinary shares	1,969	429,903,917
ANXOPT03	UNL OPT @ \$0.045 EXP 28/10/23 06/11/2022	19	27,983,333
ANXOPT04	UNL OPT @ \$0.045 EXP 28/10/23	3	3,000,000
ANXOPT06	UNL OPT @ \$0.105 EXP 28/05/24	1	2,000,000
ANXOPT09	UNL OPT @ \$0.08 EXP 31/21/24	1	15,000,000
ANXOPT10	UNL OPT @ \$0.12 EXP 31/21/24	1	15,000,000
ANXOPT11	UNL OPT @ \$0.10 EXP 29,/06/26	1	10,000,000
ANXPERF1	PERFORMANCE RIGHTS	2	2,000,000
ANXPERF3	PERFORMANCE RIGHTS EXP 31/12/2024	6	10,000,000
ANXPERF2	PERF RIGHTS ESC 28/10/2022	1	5,100,000
ANXPRA	CLASS A PERFORMANCE RIGHTS EXP 02/06/25	1	1,000,000
ANXPRB	CLASS B PERFORMANCE RIGHTS EXP 02/06/25	1	1,000,000
ANXPRC	CLASS C PERFORMANCE RIGHTS EXP 02/06/25	1	1,000,000

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SHAREHOLDER INFORMATION *(continued)*

8. Corporate Governance Statement

The 2023 Corporate Governance statement of Anax Metals Limited is available on the Company's website at <https://anaxmetals.com.au/about-us/#corporate-governance>

9. Mineral Resources and Ore Reserves Statement – 2023 Annual Report

The Group has an interest in the following tenements in Western Australia:

PROJECT	TENEMENT	PERCENT HOLDING		NOTES	Location	TITLE HOLDER	JOINT VENTURE OR SUB LICENCE
		2023	2022				
Mount Short	E74/651	100%	100%	Live	Phillips River	ANX	No
Loudens Patch	E47/4281	100%	100%	Live	Pilbara	ANX	No
Whim Creek	L47/0036	80%	80%	Acquired	Pilbara	WCM	Joint Venture
Whim Creek	M47/0236	80%	80%	Acquired	Pilbara	WCM	Joint Venture
Whim Creek	M47/0237	80%	80%	Acquired	Pilbara	WCM	Joint Venture
Whim Creek	M47/0238	80%	80%	Acquired	Pilbara	WCM	Joint Venture
Whim Creek	M47/0323	80%	80%	Acquired	Pilbara	WCM	Joint Venture
Whim Creek	M47/0324	80%	80%	Acquired	Pilbara	WCM	Joint Venture
Whim Creek	M47/0443	80%	80%	Acquired	Pilbara	WCM	Joint Venture
Whim Creek	M47/3495	80%	80%	Acquired	Pilbara	WCM	Joint Venture
Liberty Indee	M47/1455	80%	80%	Acquired	Pilbara	WCM	Joint Venture

WHIM CREEK PROJECT

Anax Metals Limited (80%) / Develop Global Limited (20%)

In September 2022, Anax published an updated Indicated and Inferred Mineral Resource estimate for Salt Creek. The Mineral Resource was completed following a database audit, updated geological interpretations and updated methodology on the assignment of bulk densities. **Indicated Resources increased by over 80% to 1.84 Mt**, while contained **copper increased by 99% to 35,700 t** and contained **zinc increased by 22% to 95,000 t**.¹⁰

This was followed in October 2022 by an updated Mineral Resource estimate for Evelyn¹¹ which resulted in a **24% increase** in contained **copper to 14,900 T** and a **19% increase** in contained **zinc to 22,800 T**.

SHAREHOLDER INFORMATION (continued)

9. Mineral Resources and Ore Reserves Statement – 2023 Annual Report (Continued)

The updated global resource estimate for the Whim Creek Project is shown in **Table 1** and

Table 2, below.^{13,35}

Table 3: Whim Creek Project Global Copper Dominant Mineral Resource Estimates¹³

Deposit	Classification	kTonnes	Cu %	Zn %	Pb %	Ag ppm	Au ppm
Mons Cupri (Cu ≥ 0.4%)	Measured	990	1.62	1.42	0.61	38	0.28
	Indicated	3,130	0.84	0.47	0.20	16	0.09
	Inferred	400	0.60	0.22	0.10	10	0.03
Salt Creek (Cu ≥ 0.8% & Zn < 2.5%)	Measured	-	-	-	-	-	-
	Indicated	1,070	2.03	0.23	0.03	4	0.08
	Inferred	650	1.25	0.28	0.04	4	0.05
Whim Creek (Cu ≥ 0.4%)	Measured	-	-	-	-	-	-
	Indicated	1,750	1.10	0.63	0.16	6	0.04
	Inferred	660	0.56	0.17	0.08	2	0.02
Evelyn (No Cut-off)	Measured	-	-	-	-	-	-
	Indicated	470	2.47	3.97	0.29	42	1.00
	Inferred	120	2.84	3.62	0.20	37	0.92
Combined	Measured	990	1.62	1.42	0.61	38	0.28
	Indicated	6,420	1.23	0.73	0.17	13	0.14
	Inferred	1,830	0.96	0.44	0.08	7	0.09
Total Cu Resources		9,240	1.22	0.75	0.20	15	0.15
Contained t/Oz			<i>Cu t</i>	<i>Zn t</i>	<i>Pb t</i>	<i>Ag oz</i>	<i>Au oz</i>
			112,000	69,000	18,000	4,330,000	43,700

Note: Appropriate rounding applied

Table 4: Whim Creek Project Global Zinc Dominant Mineral Resource Estimates (various cut-offs used)¹³

Deposit	Classification	kTonnes	Cu %	Zn %	Pb %	Ag ppm	Au ppm
Mons Cupri (Zn ≥ 2.0% & Cu < 0.4%)	Measured	70	0.16	4.56	1.79	53	0.23
	Indicated	340	0.09	3.56	1.01	38	0.07
	Inferred	150	0.08	4.84	1.96	27	0.04
Salt Creek Zn ≥ 2.50%	Measured	-	-	-	-	-	-
	Indicated	770	0.58	9.91	2.97	73	0.39
	Inferred	225	0.53	5.70	1.88	31	0.14
Whim Creek (Zn ≥ 2.0% & Cu < 0.4%)	Measured	-	-	-	-	-	-
	Indicated	120	0.12	3.22	0.44	12	0.08
	Inferred	45	0.13	2.46	0.40	9	0.04
Combined	Measured	70	0.16	4.56	1.79	53	0.23
	Indicated	1,230	0.40	7.55	2.20	58	0.27
	Inferred	450	0.34	5.07	1.75	27	0.10
Total Zn Resources		1,750	0.37	6.75	2.05	50	0.22
Contained t/Oz			<i>Cu t</i>	<i>Zn t</i>	<i>Pb t</i>	<i>Ag oz</i>	<i>Au oz</i>
			7,000	118,000	36,000	2,790,000	12,600

Note: Appropriate rounding applied

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SHAREHOLDER INFORMATION *(continued)*

9. Mineral Resources and Ore Reserves Statement – 2023 Annual Report *(Continued)*

In April 2023 the Company published an Ore Reserve for the Whim Creek Project (**Table 3**). The reported Mineral Resource estimate is inclusive of the resources converted to Ore Reserves.

Table 5: Whim Creek Project Ore Reserve summary

Classification	Deposit	Mine Type	Ore Mt	Cu %	Zn %	Pb %	Ag ppm	Au ppm
Proven	Mons Cupri	Open Pit	1.06	1.46	1.58	0.68	38	0.28
	Sub-total		1.06	1.46	1.58	0.68	38	0.28
Probable	Mons Cupri	Open Pit	1.49	0.83	1.08	0.47	23	0.14
	Whim Creek	Open Pit	0.72	1.54	1.14	0.15	7	0.06
	Evelyn	Underground	0.50	2.11	3.32	0.22	34	0.88
	Salt Creek	Underground	0.79	1.57	6	1.83	48	0.27
	Sub-total		3.49	1.32	2.52	0.67	27	0.26
Totals	Mons Cupri	Open Pit	2.55	1.09	1.29	0.56	29	0.20
	Whim Creek	Open Pit	0.72	1.54	1.14	0.15	7	0.06
	Evelyn	Underground	0.50	2.11	3.32	0.22	34	0.88
	Salt Creek	Underground	0.79	1.57	6.00	1.83	48	0.27
Total Proven and Probable Reserves			4.55	1.36	2.30	0.68	29	0.26

Note: Appropriate rounding applied

COMPETENT PERSON'S STATEMENTS

The information in this report that relates to Exploration Results is based on and fairly represents information compiled by Ms Wendy Beets. Ms Beets is a full-time employee and shareholder of Anax Metals Ltd and member of the Australian Institute of Geoscientists. Ms Beets has sufficient experience of relevance to the style of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Ms Beets consents to the inclusion in this report of the matters based on information in the form and context in which they appear.

The information in this report that relates to the Mineral Resource for Mons Cupri was first reported by the Company in accordance with Listing Rule 5.8 in the Company's prospectus dated 18 September 2020 and was completed in accordance with the guidelines of the JORC Code (2012). The Company confirms that it is not aware of any new information or data that materially affects the information included in the prospectus and that all material assumptions and technical parameters underpinning the estimate in the prospectus continue to apply and have not materially changed.

The information in this report that relates to the Mineral Resource for Whim Creek was first reported by the Company in accordance with Listing Rule 5.8 in the ASX Release of 25 May 2021 and was completed in accordance with the guidelines of the JORC Code (2012). The Company confirms that it is not aware of any new information or data which materially affects the information included in the original announcement and that all material assumptions and technical parameters underpinning the estimate in the original announcement continue to apply and have not materially changed.

SHAREHOLDER INFORMATION *(continued)*

9. Mineral Resources and Ore Reserves Statement – 2023 Annual Report *(Continued)*

The information in this report that relates to the Mineral Resource for Salt Creek was first reported by the Company in accordance with Listing Rule 5.8 in the ASX Release of 12 September 2022 and was completed in accordance with the guidelines of the JORC Code (2012). The Company confirms that it is not aware of any new information or data which materially affects the information included in the original announcement and that all material assumptions and technical parameters underpinning the estimate in the original announcement continue to apply and have not materially changed.

The information in this report that relates to the Mineral Resource for Evelyn was first reported by the Company in accordance with Listing Rule 5.8 in the ASX Release of 4 October 2022 and was completed in accordance with the guidelines of the JORC Code (2012). The Company confirms that it is not aware of any new information or data which materially affects the information included in the original announcement and that all material assumptions and technical parameters underpinning the estimate in the original announcement continue to apply and have not materially changed.

The information in this report that relates to the Ore Reserves was first reported by the Company in accordance with Listing Rule 5.9 in the ASX Release of 3 April 2023 and was completed in accordance with the guidelines of the JORC Code (2012). The Company confirms that it is not aware of any new information or data which materially affects the information included in the original announcement and that all material assumptions and technical parameters underpinning the estimate in the original announcement continue to apply and have not materially changed.

The Ore Reserves and Mineral Resources Statement is based on and fairly represents information and supporting documentation prepared by competent and qualified independent external professionals and reviewed by the Company's technical staff. The Ore Reserves and Mineral Resources Statement has been approved by Andrew McDonald, a Competent Person who is a Member of the Australasian Institute of Geoscientists. Mr McDonald is a permanent employee and shareholder of Anax Metals Limited. Mr McDonald has consented to the inclusion of the Statement in the form and context in which it appears in this report.

The information in this report that relates to production targets and forecast financial information derived from production targets is summarised from the ASX announcements as referenced. The Company confirms that all the material assumptions underpinning the production target and the forecast financial information derived from the production target in the original announcement continue to apply and have not materially changed.

Forward Looking Statements

This report contains certain forward-looking statements. These forward-looking statements are not historical facts but rather are based on Anax Metals Ltd's current expectations, estimates and projections about the industry in which Anax Metals Ltd operates, and beliefs and assumptions regarding Anax Metals Ltd's future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "potential" and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Anax Metals Ltd, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Anax Metals Ltd cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of Anax Metals Ltd only as of the date of this report. The forward-looking statements made in this report relate only to events as of the date on which the statements are made. Anax Metals Ltd does not undertake any obligation to report publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this report except as required by law or by any appropriate regulatory authority.

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