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# About us

## Our purpose

To benefit our shareholders and our communities through sustainable production of battery materials.

## Who we are

Neometals has developed and is commercialising three environmentally-friendly processing technologies that produce critical and strategic battery materials at lowest quartile costs with minimal carbon footprint.

## Our values



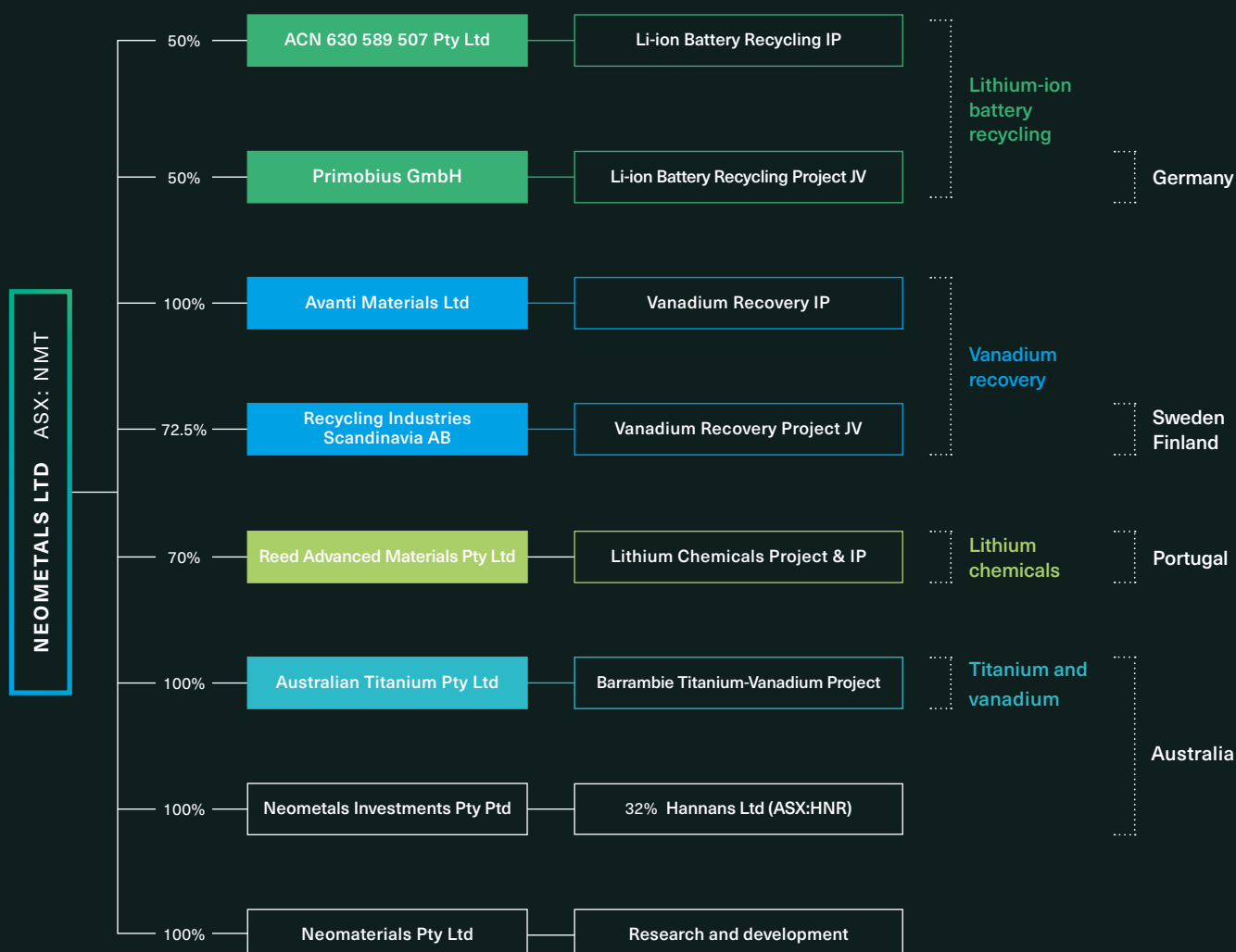
Through strong industry partnerships, Neometals is demonstrating the economic and environmental benefits of its technologies by enabling sustainable production of lithium, nickel, cobalt and vanadium from recycling and waste recovery. This reduces the reliance on traditional mine-based supply chains and creates a resilient, circular supply chain supporting the energy transition. Via the Company's three core business units, the technologies are being exploited as principal, in joint venture and licensed for royalties.

Decarbonisation, together with sustainable and resilient supply chains are the key challenges for the energy transition. Neometals believes that the demand for environmentally-friendly and ethically sourced battery materials will continue to grow with energy storage being the key enabler as we transition. Via the Company's three core business units, the technologies are being exploited as principal, in joint venture and licensed for royalties.

## Our corporate structure

Neometals has a corporate structure that reflects the Company's diversified opportunities and desire to form strong collaborative partnerships that drive innovation, expand market reach, and look to deliver exceptional value to our stakeholders.

Neometals' joint ventures are strategically located around the world, enabling the Company to tap into the global circular battery economy to optimise the sustainable production, use, and recycling of batteries and critical materials.





2022–23

## Financial highlights

\$273.6m

Market capitalisation

\$23.2m

Investments and receivables

\$20.4m

Operating cash flows

\$97.7m

Assets

\$4.2m

Liabilities

\$24.4m

Available cash (net debt)

## Business unit highlights

### Lithium-ion battery recycling

Successful customer and process improvement demonstration trials provided data for completion of cost studies. Commercial operations ramp up at Hilchenbach Spoke. "Product ready" status for recycling plant packages.



### Vanadium recovery

Finnish environmental permit secured. Feasibility study completed. Significantly advanced project financing activities with debt process being led by European Investment Bank. Finland Vanadium Recovery Project ("VRP1") offtake signed with Glencore.



### Lithium chemicals

Preparation for and commencement of ELi™ pilot trials. Cost study confirms industry leading operating costs. Commercial discussions progressed with brine suppliers and lithium chemical offtakers.



### Barrambie titanium and vanadium

Completion of pre-feasibility study ("PFS") and "PFS update" for capital light staged direct shipping ore ("DSO") and concentrate operation.



## A message from our Chairman and Managing Director



2022/2023 proved to be a challenging period in the Neometals' development journey with several of the Company's core projects approaching critical milestones against softness in relevant global commodity and capital markets which resulted in downward pressure on the Company's share price.

Specifically, the Company's two European recycling business units (Lithium-ion ("LiB") Battery Recycling and Vanadium Recovery) continued to progress with the following material developments crystallising after the close of the financial year:

- a) Primobius GmbH LiB recycling joint venture ("JV") – delivered its refinery "Hub" engineering cost study and most recently the Mercedes-Benz ("Mercedes") purchase order was received for fabrication/installation and commissioning of the Mercedes 2,500tpa LiB recycling shredding "Spoke" plant package;
- b) Finland Vanadium Recovery Project ("VRP1") JV — executed an agreement with Glencore International AG ("Glencore") for guaranteed 100% offtake of VRP1 vanadium products.

In addition, the Company's Lithium Chemical business unit continues to advance its ELi™ technology with robust refinery Engineering Cost Study results announced and pilot demonstration activities ongoing alongside preparations for next stage demonstration trials in Portugal with potential joint venture partner, Bondalti Chemicals, Portugal's largest chemical company.

Further, Neometals continues to assess the optimal strategy to return Barrambie value to shareholders.

Strategically, the global drive to mitigate climate change has continued to put the spotlight squarely on sustainability, the energy transition and circular economics.

**"The global drive to mitigate climate change has continued to put the spotlight squarely on sustainability, the energy transition and circular economics."**



The Company's three core projects (LiB Recycling, Vanadium Recovery and Lithium Chemicals) are well positioned to be the beneficiaries of this drive, with myriad European and North American policy, regulation and industry tailwinds supporting the Neometals strategy.

Alongside this annual report, Neometals issued its 2023 annual Sustainability Report reflecting the strong commitment it is making to environmental, social and corporate governance ("ESG") principles which underpin Neometals' obligation to the communities in which it operates and the people with whom it works.

Finally, the dedication and support of the Company's management team and Board warrant acknowledgement, without all of whom the Company's continuing growth and success would not be possible.

Neometals is clear on its purpose, its values and its strategy. Specifically, the Company supports the transition to a greener and circular economy and looks to deliver value to its shareholders and its communities through sustainable production of battery materials using proprietary downstream processes.

In financial year 2023, your Company's Board and management applied themselves diligently towards delivering on that purpose for the benefit of its stakeholders and investors generally. The growing awareness of Neometals and the exciting opportunities before it bode well for 2023/2024.

Further, Neometals continues to assess the optimal strategy to return Barrambie value to shareholders.

**"The Company looks to deliver value to its shareholders and its communities through sustainable production and processes."**



Steven Cole  
Chairman



Chris Reed  
Managing Director/CEO

# Review of operations

The directors of Neometals Ltd (“Company” and “Neometals”) present the annual financial report for the Company and its controlled entities (“Consolidated Entity” and “Group”).

Neometals has developed and is commercialising three environmentally-friendly processing technologies that produce critical and strategic battery materials at lowest quartile costs with minimal carbon footprint.

Through strong industry partnerships, Neometals is demonstrating the economic and environmental benefits of sustainably producing lithium, nickel, cobalt and vanadium from lithium-ion battery recycling and steel by-products recovery. Reducing the reliance on traditional mine-based supply chains and creating more resilient, circular supply chains to support the energy transition.



Neometals' core projects and partner developments.

The Company's three core business units are exploiting the technologies under principal, joint venture and licensing business models:



### Lithium-ion Battery Recycling Business Unit

#### Lithium-ion Battery ("LiB") Recycling (50% technology)

Commercialisation via Primobius GmbH joint venture ("JV") (Neometals 50% equity). All plants built by Primobius' co-owner (SMS group GmbH ("SMS") 50% equity), a 150-year old German plant builder. Providing recycling service as principal in Germany and commenced plant supply and technology licencing activities as technology partner to Mercedes-Benz. Investment decision for Primobius' first commercial 50 tonnes per day ("tpd") plant and JV with Stelco in Canada expected end 2023.



### Lithium Chemicals Business Unit

#### Lithium Chemicals (70% technology)

Commercialising patented ELi™ electrolysis process, co-owned 30% by Mineral Resources Ltd, to produce battery quality lithium hydroxide from brine and/or hard-rock feedstocks at lowest quartile operating costs. Co-funding pilot plant trials in 2023 with demonstration plant trials and evaluation studies in 2024 for potential 25,000 tonnes per annum ("tpa") lithium hydroxide ("LiOH") operation in Portugal under a 50:50 JV with Bondalti, Portugal's largest chemical company.



### Vanadium Recovery Business Unit

#### Vanadium Recovery (100% technology)

Aiming to produce high-purity vanadium pentoxide from processing of steelmaking by-product ("Slag") at lowest-quartile operating cost. Investment decision with JV partner, Critical Metals pending on planned 9,000tpa vanadium pentoxide operation in Pori, Finland (Neometals 72.5% equity). Feedstock sourced under 10-year Slag supply agreement with SSAB and product offtake agreement with Glencore. MOU with H2Green Steel for potential second, larger operation in Boden, Sweden.

## Core battery materials business units

### Lithium-ion Battery Recycling Business Unit



- Intellectual Property – Neometals 50%, SMS 50%
- Commercialising via Primobius GmbH, a 50:50 incorporated joint venture with SMS group GmbH

Primobius GmbH (“Primobius”) is the 50:50 incorporated joint venture (“JV”) established in 2020 to co-fund the commercialisation of the lithium-ion battery recycling technology (“LiB Recycling Technology”) originally developed by Neometals.

The LiB Recycling Technology recovers materials contained in LiB production scrap and end-of-life cells that might otherwise be disposed of in landfill.

Current LiB recycling processes predominantly rely on high carbon emission pyrometallurgy processes. Primobius’ two stage process recovers nickel, cobalt, lithium and manganese battery materials (and physically recovers metals and plastics) into saleable products that can be reused in the LiB supply chain.

The LiB Recycling Technology prioritises maximum safety, environmental sustainability and product recoveries, to support the circular economy and decarbonisation.



**The LiB Recycling Technology, comprises two stages:**

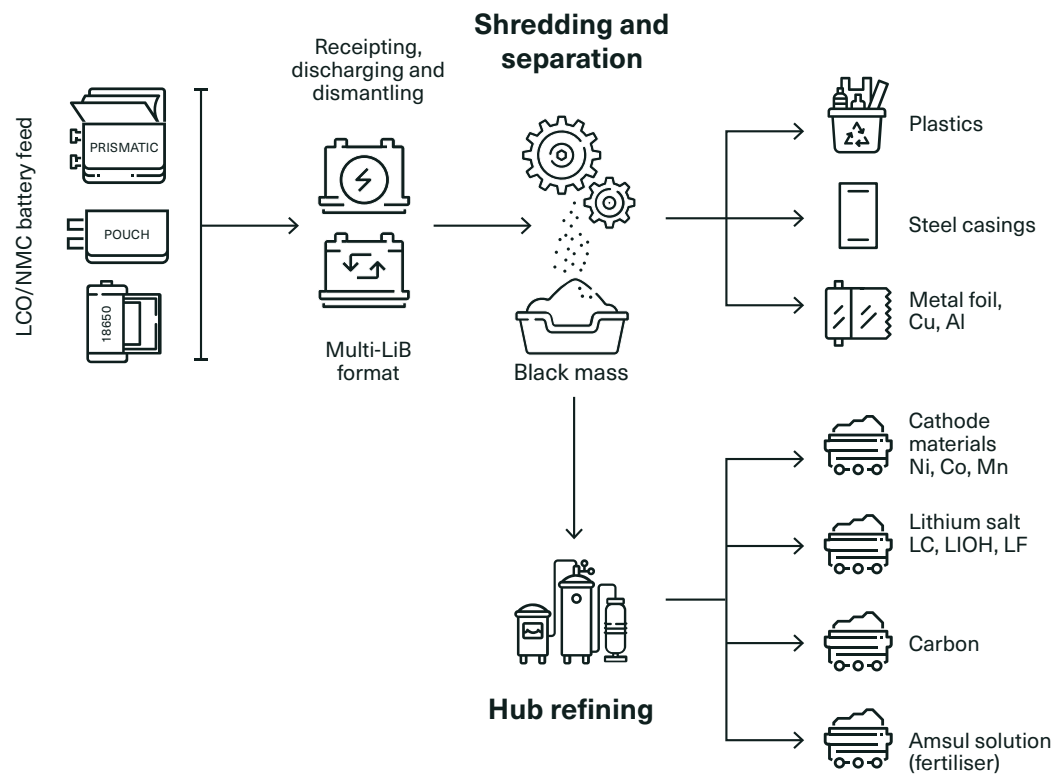
#### 1. Spoke

Comprising of LiB receipting, sorting, discharging, disassembly together with shredding and separation, to physically separate all of the components of LiBs received, by metal casings, electrode foils, plastics and active battery materials.

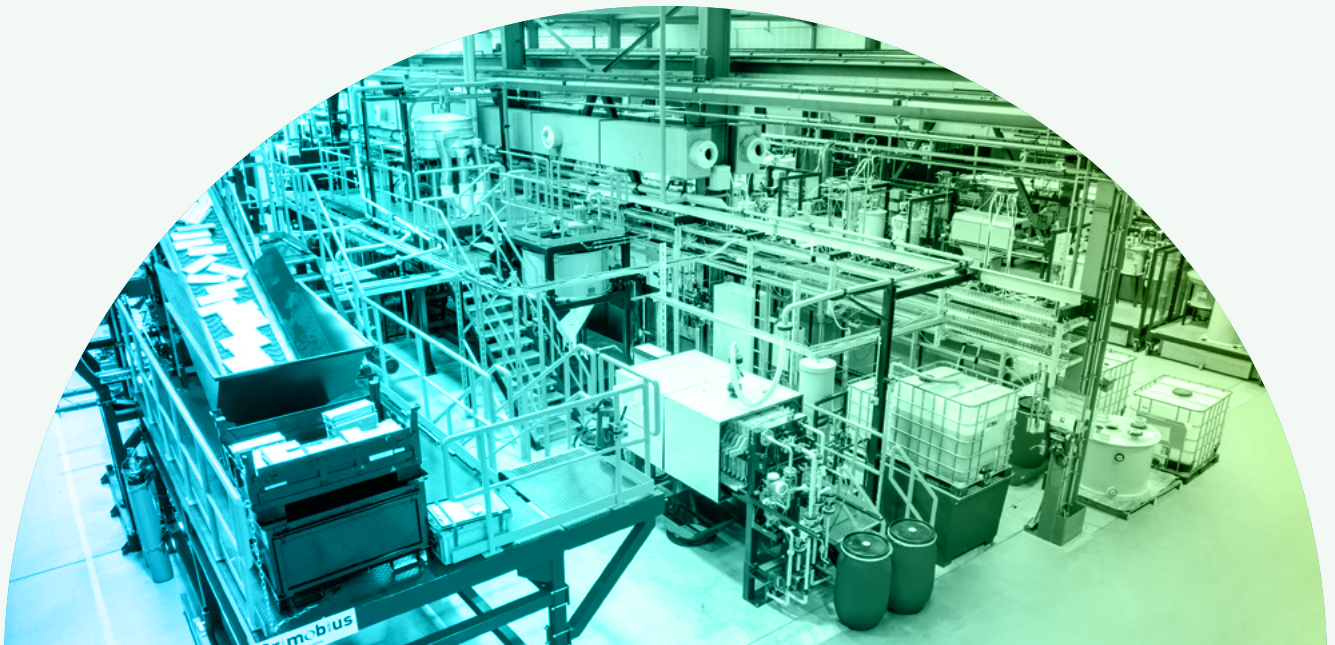
#### 2. Hub

Comprising of leaching, purification and crystallisation of the active materials suitable for use in production of LiB precursor, via a hydrometallurgical refining process.

## The Neometals high-level flowsheet



The flowsheet shows movement of materials from shredding and beneficiation (“Spoke”) through to refining (“Hub”) stages for the LiB Recycling Technology.







## ACTIVITY SUMMARY

During the year, Primobius made significant process improvements during Spoke ramp-up and Hub demonstration trials and further progressed engineering and commercial activities across the business unit. Consistent modest revenue was generated from the Hilchenbach Spoke and from front-end engineering and design services provided to Primobius' customers in preparation for the offer and award of recycling mechanical plant and equipment package supply agreements.

## Operations status

### Hilchenbach operations

The Spoke section of the demonstration plant in Hilchenbach Germany ("Hilchenbach Spoke") is currently being ramped up to the facility's maximum permit capacity of 9tpd of LiBs.

The Hilchenbach Spoke is providing commercial LiB disposal services and the hydrometallurgical refinery Hub continues to operate as a demonstration plant. For discrete trials for internal flowsheet optimisation and to generate customer product samples, Black Mass feedstock for Hub trials is diverted from Spoke instead of being sold.

During the year, the Hilchenbach Spoke produced intermediate mixed nickel/cobalt product ("Black Mass"). The typical LiB contains approximately 48% Black Mass which Primobius is currently recovering at high levels and selling to a number of global offtakers on a spot basis with pricing set according to nickel and cobalt content. Importantly, the Hilchenbach Spoke has switched to three shifts daily and is operating five days a week.

Primobius' current revenue model contemplates the following sources:

1. LiB disposal fees (for LiBs supplied by multiple waste aggregators delivering predominantly whole modules);
2. Sale of products from the Hilchenbach Spoke (metallic scrap, chemical intermediates and chemicals purchased by various recyclers and smelting customers); and
3. Mechanical plant and equipment package supply (Stelco and Mercedes) and associated technology licensing royalties.

## Significant activities comprised:

### Technical

- Ramp-up of the Hilchenbach Spoke and commencement of Black Mass sales to multiple off-takers;
- Successful completion of a dedicated 'end-to-end' customer demonstration trial for a German original equipment manufacturer ("OEM") in December 2022;
- Engineering Cost Study estimates were announced for a 50tpd Spoke ("Spoke ECS") with assumed greenfield in Germany;
- Successful completion of a demonstration trial for the refinery Hub engineering cost study ("Hub ECS");
- Demonstration trial of process improvements to the refinery Hub yielded outstanding recovery results exceeding European Union ("EU") Battery Regulation requirements. Nickel, cobalt and copper refining recoveries were greater than 95% and lithium results were pending (previously >83%);
- Completion of Hub ECS for a ~50tpd (21,000tpa) integrated LiB recycling plant; a green-fields site within an existing industrial park in Kaiserslautern, Germany. The hypothetical operation would process 50tpd LiB (30% cells and 70% modules) through the Spoke, producing 12,000tpa of Black Mass as feed to the Hub; and
- Activities associated with finalising front-end-engineering ("FEED") and mechanical package supply contracts for the 2,500tpa Mercedes-Benz Spoke and associated plant supply arrangements.

## Commercial activity background

Primobius' key near-term commercial agreements are summarised below:

- A Co-operation Agreement with Mercedes-Benz ("Mercedes") ("Mercedes Co-operation") for the engineering, plant and equipment supply and installation for a fully integrated, closed loop recycling plant ("Mercedes 2,500tpa Spoke" followed by "Mercedes 2,500tpa Hub"), a non-exclusive technology licence and long-term research collaboration<sup>1</sup>; and
- Technology licensing agreement and an option agreement to purchase up to 50% of a subsidiary of Stelco Inc. ("Stelco") ("Stelco Agreements") which plans to secure large volumes of end-of-life vehicles in North America for scrap steel and recycle LiBs in a proposed 50tpd integrated operation ("Stelco 50tpd Spoke" followed by "Stelco 50tpd Hub") at Stelco's Hamilton Works, Ontario, Canada<sup>2</sup>



### Commercial

- Secured 2023 baseload feedstock (end-of-life LiB) for the Hilchenbach Spoke from German OEM;
- Co-operation agreement signed with Mercedes including Primobius equipment supply and installation for a 2,500tpa integrated LiB recycling plant at Mercedes' Kuppenheim site, Germany;
- Modest revenue generation from Hilchenbach Spoke via disposal fees and Black Mass product sales as well as engineering and design activities;
- Extensive development work put Primobius in a position to offer of mechanical plant and equipment package supply contracts for 2,500tpa integrated (Spoke and Hub) recycling plants. 'Product Readiness' for the larger proposed 50tpd Spoke and Hubs to follow further to more detailed engineering studies being undertaken for Stelco; and
- Ongoing business development activities to build a global pipeline of potential future LiB recycling plants.

### Corporate

- Neometals formalised 50:50 ownership of the LiB Recycling IP with SMS to accelerate Primobius' commercial activities; and
- Continued recruitment activities to expand the Primobius technical, operational, commercial and management teams in line with corporate milestones and to be able to offer mechanical plant and equipment package supply contracts as demand grows.

<sup>1</sup>For full details refer to Neometals ASX announcement headlined "Co-operation Agreement with Mercedes Benz" released on 13th May 2022.

<sup>2</sup>For full details refer to Neometals ASX announcement headlined "Battery Recycling – Binding Agreements with Stelco for NA" released on 31st December 2021.

## Vanadium Recovery Business Unit



- Intellectual Property – 100% Neometals
- Neometals holds 72.5% equity in an incorporated JV with Critical Metals Ltd

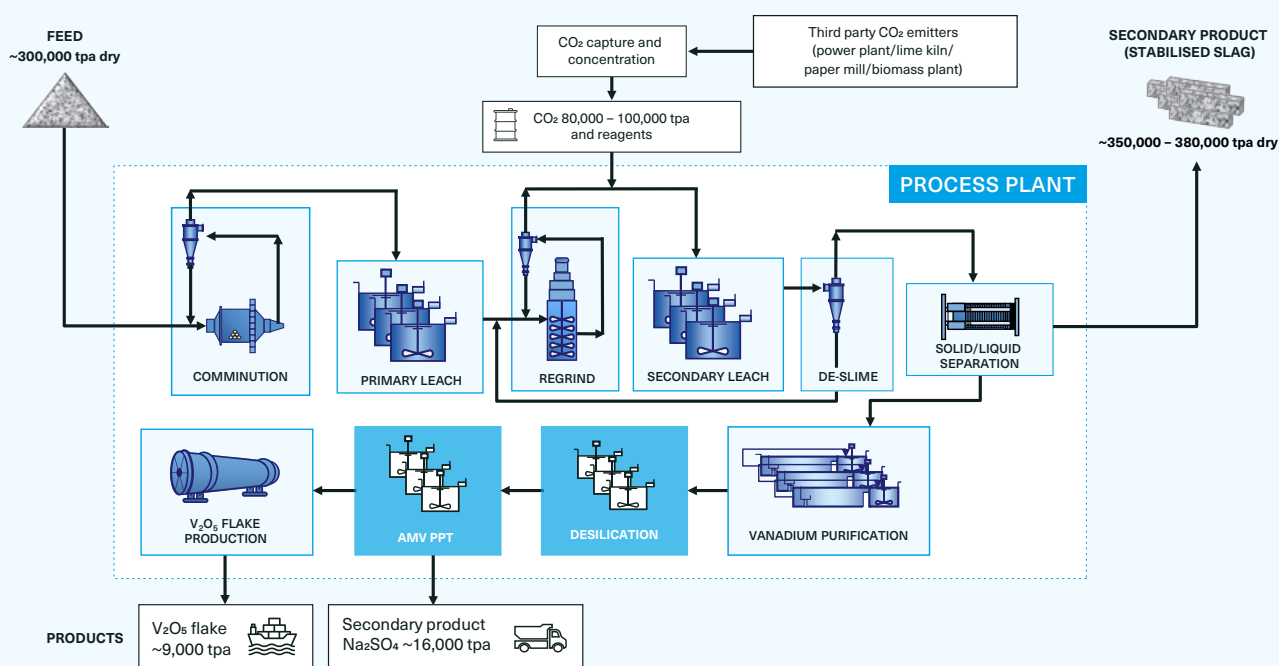
Neometals is commercialising its sustainable, proprietary vanadium recovery process (“VRP Technology”) to produce vanadium products for battery and aerospace alloying applications from stockpiles of vanadium-bearing steel making by-product.

Neometals is currently evaluating two distinct opportunities in Scandinavia and has ambitions to build a pipeline of suitable feedstock sources to increase future production:

1. ‘VRP 1’ (SSAB feedstocks, plant location Pori, Finland); and
2. ‘VRP 2’ (H2GS feedstock, plant location Boden, Sweden).

### Project flowsheet

Proposed VRP1 processing plant at Tahkoluoto port, Pori, Finland



VRP1 offers a compelling opportunity which is underpinned by:

- Access to very high-grade vanadium feedstocks without upstream mining costs/risk/carbon footprint;
- Potential for lowest-quartile operating costs<sup>3</sup>;
- A processing flowsheet utilising conventional equipment at atmospheric pressure, mild-temperatures, and non-exotic materials of construction; and
- Likely very low or net zero greenhouse gas footprint given the absence of mining and a processing route requiring the mineral sequestration of carbon dioxide ("CO<sub>2</sub>") into a potentially saleable carbonate by-product.

## VRP 1 (SSAB)

Neometals and unlisted Scandinavian-focused explorer, Critical Metals Ltd ("Critical"), are jointly evaluating the feasibility of recovering high-purity vanadium pentoxide ("V<sub>2</sub>O<sub>5</sub>") from high-grade vanadium-bearing steel by-product ("Slag") in Scandinavia. Neometals has funded and managed evaluation activities earning a 72.5% interest in an incorporated JV (Recycling Industries Scandinavia AB ("RISAB") with Critical.

*Note: An environmental permit has been granted by the Regional State Administrative Agency for Southern Finland for production of approximately 9,000tpa of V<sub>2</sub>O<sub>5</sub> at the VRP1 operation<sup>4</sup>.*

A take or pay VRP1 offtake agreement has been struck with Glencore International AG ("Glencore") and the project is at the financing stage ahead of a decision to construct and produce high-purity vanadium pentoxide from high-grade vanadium-bearing steel making by-product ("Slag") generated by SSAB EMEA AB and SSAB Europe Oy (collectively "SSAB") in Scandinavia.

### ACTIVITY SUMMARY

During the year, RISAB secured a permit for processing, delivered a cost study that confirmed potential for lowest quartile operating costs and advanced on the various milestones required for conclusion of project financing activities to enable a VRP1 financial investment decision.

### Significant activities comprised:

#### Technical

- Environmental permit secured from the Regional State Administrative Agency for Southern Finland<sup>4</sup>;
- VRP1 AACE<sup>®5</sup> Class 3 Engineering and Cost Study ("VRP1 ECS") confirmed potential for lowest quartile operating costs;
- Neometals announced results of a feasibility study ("VRP1 FS") based on the VRP1 ECS which was completed by Nordic engineering group Sweco Industry OY. The feasibility study confirmed the potential for lowest-quartile operating costs in a high-purity vanadium chemical operation with a low-to-negative carbon footprint;
- Equipment design and engineering equipment supply activities were ongoing with Metso; and
- Selection activities undertaken for the preferred VRP1 EPCM ("engineering, construction, procurement, maintenance") bidder.

<sup>3</sup>For full details refer to Neometals ASX announcement headlined "Vanadium Recovery Project Delivers Strong Feasibility Results" released 8 March 2023.

<sup>4</sup>For full details refer to Neometals ASX announcement headlined "Vanadium Recovery Project Environmental Permit Granted" released 24 October 2022.

<sup>5</sup>Association for the Advancement of Cost Engineering (AACE<sup>®</sup>)



## Key highlights

300,000dtpa

### Throughput rate

\$314.4m

### (US) Capital costs

19.1m lbs

### Product per annum

\$323m

### NVP10

24.8%

### IRR

\$4.19/lb

### (US) OPEX excl. royalty

5.7 years

### Simple payback

All figures are pre-tax and expressed on 100% ownership basis.

## Commercial

- SSAB “LD Slag” Supply Agreement amended to support a 10-year, 300,000tpa Finnish operation;
- Technology license agreed between Neometals and the project's incorporated JV company, RISAB;
- VRP1 offtake agreement signed with Glencore for 100% of vanadium products produced (“Offtake Agreement”)\*. Offtake Agreement covers an initial 5-year period, which can be automatically extended, by mutual agreement, in 2-year increments and removes volume risk on production to satisfy project financiers;
- Project financing, engineering and procurement activities advanced for VRP1 Financial Investment Decision (“FID”) deadline which was extended to align with approval timelines of banking syndicate led by the European Investment Bank; and
- Ongoing test-work with potential by-product (stabilised slag material, “SSM”) off-taker, Betolar, to progress towards a take or pay offtake agreement.

## Corporate

- Neometals formalised its interest in VRP1 from a formal starting position of 50% which was increased to 72.5% pursuant to the VRP1 JV shareholders agreement; and
- RISAB engaged leading Nordic investment banks SEB and Aventus Partners to lead the equity and project financing processes respectively. Strong interest was received from investment and commercial banks in Europe with debt due diligence led by the European Investment Bank and a preferred banking club. The Glencore Offtake Agreement has materially advanced the project financing process which will conclude to allow the FID.

\*For full details refer to Neometals ASX announcement headlined “Vanadium Recovery Project Offtake Executed with Glencore” released 12 July 2023.

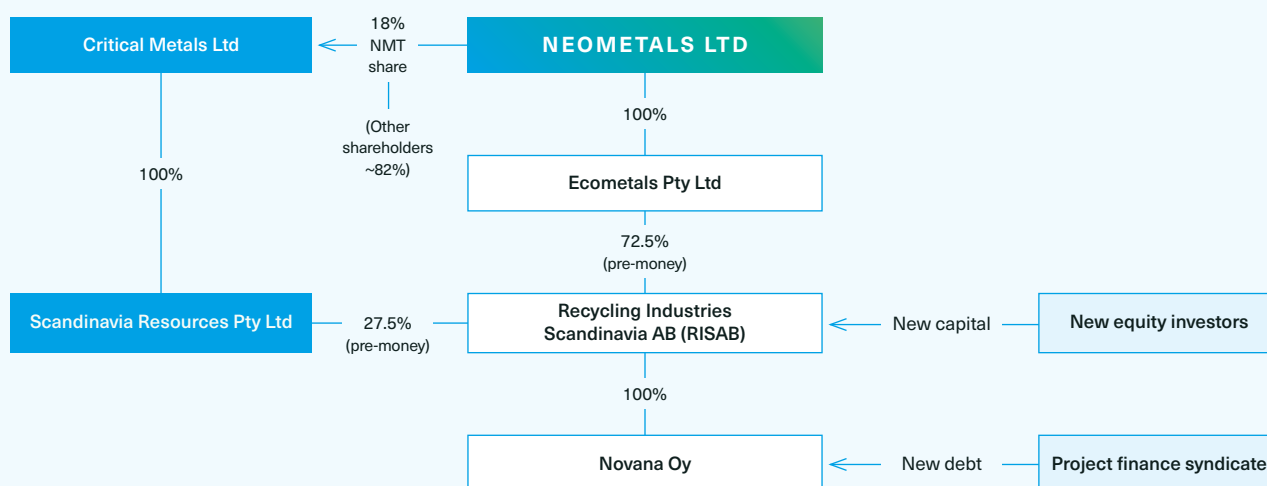


## VRP 2 (H2GS)

In early 2021, Neometals announced that Critical (via RISAB) entered into a non-binding memorandum of understanding with H2 Green Steel AB ("H2GS") ("H2GS MoU"). The H2GS MoU outlines an evaluation framework on a potential new source of vanadium bearing Slag that could underpin a second, larger vanadium production operation ("VRP2") capable of processing 400,000tpa of Slag. The H2GS MoU also outlines key commercial terms for a potential Slag supply agreement.



## VRP corporate structure



## Lithium Chemicals Business Unit



- Intellectual property held in Reed Advanced Materials PL (“RAM”) – Neometals 70%, Mineral Resources Ltd 30%
- RAM earning into 50:50 JV with Bondalti Chemicals SA

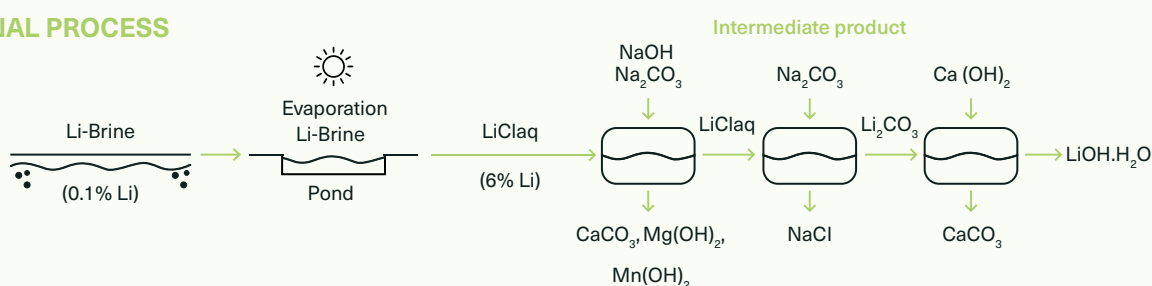
Neometals, through RAM, is commercialising its proprietary process ELi Processing Technology (“ELi™”) to produce lithium hydroxide from lithium chloride solutions using electrolysis.

A feasibility study in 2016 indicated the potential for ELi™ to significantly reduce the cost and carbon footprint associated with production, transport and consumption of the carbon-intensive reagents that are used in conventional lithium processes.

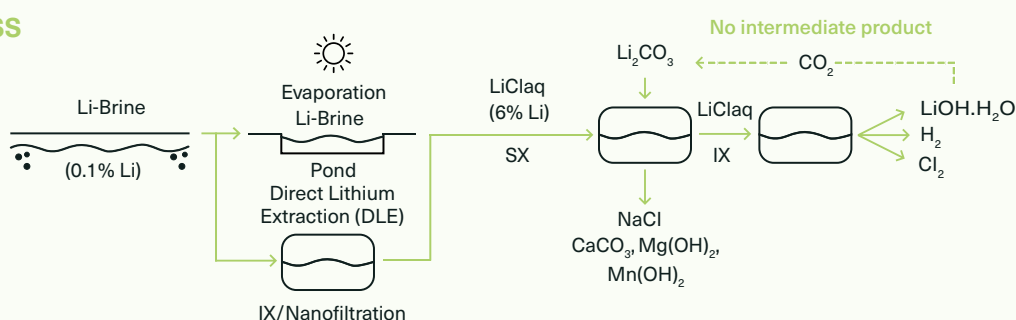
### Conventional vs ELi™ process

A comparison of the conventional flowsheet for production of lithium hydroxide from brines with the patented ELi™ process.

#### CONVENTIONAL PROCESS



#### ELI™ PROCESS



Neometals used ELi™ to convert lithium chloride solutions produced from both natural spodumene and brine feedstocks at semi-pilot scale. ELi™ has the flexibility to produce lithium hydroxide and lithium carbonate at a significantly lower operating cost than for conventional commercial production processes. ELi™'s key economic advantage lies in the potential to replace costly, imported bulk reagents for traditional carbonation and causticising processing steps with electricity and low-cost internally generated reagents. RAM holds 17 granted patents in the hard rock and brine producing countries and has a further 14 pending patent applications.

RAM can potentially deploy ELi™ as principal or in joint venture with other partners, to generate revenue from processing of lithium raw materials (such as the proposed Estarreja Lithium Refinery). Further, the business model also accommodates licensing ELi™ in return for royalty payments.

## Bondalti (Estarreja) project

In late 2021, RAM entered into a binding Co-operation Agreement ("ELi Co-operation") with Portugal's largest chlor-alkali producer, Bondalti. Bondalti is part of the Jose De Mello Group, one of Portugal's largest conglomerates, family owned and founded in 1898.

Bondalti and RAM are co-funding evaluation activities required for a decision to form a 50:50 incorporated joint venture ("JVCo") to construct and operate a lithium refinery ("Estarreja Lithium Refinery" or "ELR") adjacent to Bondalti's chlor-alkali operations in Estarreja, Portugal. The evaluation activities include pilot testing and completion of a feasibility study ("ELi™ Feasibility Study"). Upon completion of the ELi™ Feasibility Study, a decision to incorporate the JVCo will be made to enable the construction of a demonstration plant and commencement of the Front-End Engineering and Design Study ("ELi™ FEED Study"). Upon incorporation, RAM would issue JVCo a royalty-free commercial operations licence that is exclusive in the territory of the EU Patent Treaty.

### ACTIVITY SUMMARY

During the year Neometals secured Portugal's largest chemical company as partner to co-develop the ELi™ process with preparations for pilot trials materially complete and plans for subsequent European demonstration trials significantly advanced. Additionally, engineering cost study activities highlighted potential industry leading operating costs.

### Technical

- General activities to support evaluation on ~25,000tpa lithium hydroxide operation ("ELR") using RAM's ELi™ Process at Bondalti's Estarreja chlor-alkali operation in Portugal. Included advancing the design of the planned demonstration plant at Bondalti's Estarreja chlor-alkali operation;
- Completed brine purification and electrolysis bench-scale testing in Canada under supervision by RAM technical staff to assist with design of, and feedstock sourcing for, proposed pilot trials in Canada and subsequent demonstration plant in Estarreja, Portugal;
- Bench-scale test work on potential pilot trial feedstocks with salar brine concentrate sample secured;
- Commencement of pilot test work program in Canada with focus on brine purification stage before electrolysis; and
- Confirmation of potential industry-leading operating costs (€1,768/t lithium hydroxide) for the proprietary, patented ELi™ process in engineering cost study ("Lithium Chemical ECS") on the proposed 25,000tpa ELR in Portugal.

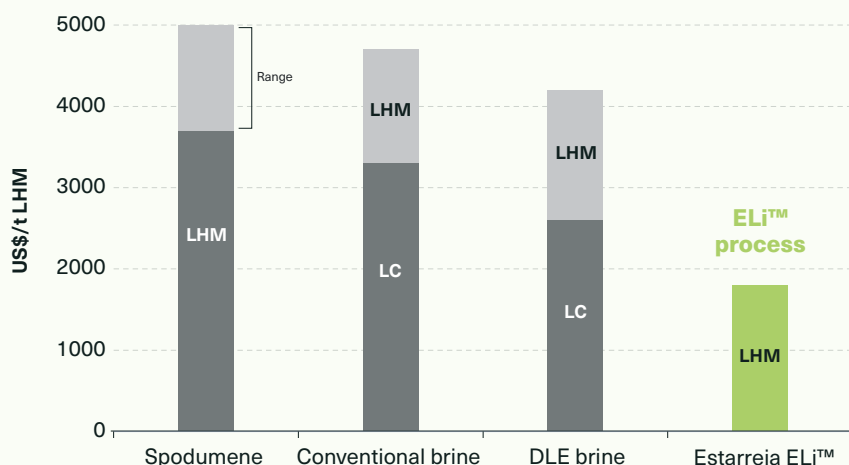
**Key ELR ECS metrics**

| ECS metrics<br>100% ownership basis          |                                          |
|----------------------------------------------|------------------------------------------|
| Annual production                            | 25,000tpa LHM                            |
| Annual throughput                            | 80,000 tpa brine @ 6% Li                 |
| Average operating cost ( $\pm 15\%$ )*       | €1,768/t (US\$1,945/t) LHM               |
| Total initial capital costs ( $\pm 15\%$ )** | €405m (US\$446m)                         |
| Capital Intensity***                         | €16,200/t (US\$17,840/t)<br>LHM capacity |

\* From receipt of 6% Li brine concentrate to packaged high purity “battery grade” lithium hydroxide product, excluding by-product credits.

\*\* Total of direct and indirect CAPEX including 15% contingency, EPC fees and design post-Class 3.

\*\*\* Based on total CAPEX and 25,000tpa lithium hydroxide monohydrate (“LHM”) capacity.

**Estimated OPEX comparison (conversion to LHM)**

ELR ECS OPEX comparison showing significantly reduced operating costs to generate LHM when compared to conventional brine and spodumene routes (noting that conventional brine processing is a two-stage process with lithium carbonate (“LC”) produced before additional processing into LHM).

Sources: LAC, AKE/ORE, E3 Li, PLL, ALB, Management estimates, ECS, Benchmark Mineral Intelligence.

**Commercial**

- Commercial dialogues were progressed with aspiring and existing producers of lithium brine concentrates to develop terms of supply to the ELR; and
- Commercial discussions progressed with potential lithium hydroxide offtake partners.



## Upstream: mineral extraction

### Barrambie Titanium/ Vanadium Business Unit



- Neometals 100%

The Barrambie vanadium and titanium project (“Barrambie”) in Western Australia is one of the largest vanadiferous-titanomagnetite (“VTM”) Mineral Resources globally (280.1Mt at 9.18%  $\text{TiO}_2$  and 0.44%  $\text{V}_2\text{O}_5$ )\*, containing the world’s second highest-grade hard rock titanium Mineral Resource (53.6Mt at 21.17%  $\text{TiO}_2$  and 0.63%  $\text{V}_2\text{O}_5$ ) and high-grade vanadium resource (64.9Mt at 0.82%  $\text{V}_2\text{O}_5$  and 16.9%  $\text{TiO}_2$ ) subsets (referred to as the Eastern and Central Bands respectively) based on the latest Neometals 2018 Mineral Resource Estimate<sup>1</sup>.

Barrambie is located approximately 80km north-west of Sandstone in Western Australia and the Mineral Resource is secured under a granted mining lease. Neometals secured environmental approval in 2012 to mine and construct a 3.2 million tonnes per annum (“Mtpa”) processing plant (Ministerial Statement 911), extended the timeframe for implementation in 2019 (Ministerial Statement 1119) and is currently in the process of securing a further extension of the timeframe for project implementation. The project also has a granted mining proposal to extract approximately 1.2Mtpa of mineralisation.

Neometals has invested in excess of \$A40 million in the acquisition, exploration and evaluation of Barrambie since 2003. The Company has in more recent times maintained a primary focus on recovering a titanium product from Barrambie to realise maximum value for shareholders.

In 2021 Neometals entered into a memorandum of understanding (“MoU”) regarding binding take-or-pay product offtake with Jiuxing Titanium Materials (Liaoning) Co. Ltd (“Jiuxing MoU”)<sup>2</sup> (“Jiuxing”). The Jiuxing MoU was been superseded by a term-sheet outlining key principles to form the basis for a binding take-or-pay offtake agreement (“Offtake Agreement”)<sup>3</sup>.

<sup>1</sup>For full details refer to ASX announcement headlined “Barrambie Project - Mineral Resource Update” released on 17 April 2018 and Table 3 (Appendix 1).

<sup>2</sup>For full details refer to Neometals ASX announcement headlined “MoU for Barrambie Concentrate Offtake” released on 16th April 2023 and Neometals ASX announcement headlined “Barrambie Pilot Plant and Offtake Update” released on 23rd December 2021.

<sup>3</sup>For full details refer to ASX announcements headlined “Offtake Term sheet with Jiuxing Titanium Executed” released on 20th April 2023.





Jiuxing is one of the leading chloride-grade titanium slag producers in China and is a key supplier to BAOTi Huashen Titanium Industry Co. Ltd., a joint-stock enterprise controlled by BAOTi. BAOTi Huashen is the most advanced sponge titanium full process large-scale smelting enterprise in China.

## ACTIVITY SUMMARY

Whilst Barrambie continued its progress towards securing binding offtake, a strategic review to determine the best pathway to return Barrambie value to shareholders continued in parallel.

### Technical

- Successful commercial-scale smelting trials conducted on blends of Barrambie mineral concentrates produced premium quality chloride grade titanium slag;
- Completion of AACE® Class 4 pre-feasibility study ("PFS") for production of titanium (ilmenite) and separate iron-vanadium concentrate delivered compelling financial metrics. Confirmed the viability of commercialising Barrambie with potential to supply in excess of 500,000 tpa of high-quality supply constrained ilmenite from the port of Geraldton in the first 10 years of the project;
- Completion of an update to the PFS for the production of direct shipping ore ("DSO") and mixed gravity concentrate ("MGC"). The DSO/MGC operation delivered ~\$A375 NPV10 over a 13-year operation with a 2.9-year payback at an internal rate of return ("IRR") of 45% p.a.
- PFS Update assumed mining from titanium-rich Eastern bands at Barrambie with a staged capital efficient approach to development:
  - Initial A\$78.1m capital requirement for one year production of DSO with mining, crushing, and screening only;
  - Followed by a further A\$137.2m to construct a crush, mill, beneficiate ("CMB") plant for a further 12 years of MGC production.

### Corporate

- In parallel with its evaluation and commercial activities, Neometals continues to assess the optimal strategy to return Barrambie value to shareholders.

### Commercial

- Negotiations were ongoing for a binding offtake agreement and mining and crushing contractors to minimise capital outlay and maximise intrinsic value of Barrambie for shareholders. Data from smelting trials and the Barrambie PFS Update data sets were shared with potential mining, crushing, and screening contractors for a potential DSO operation and the same is being used by 'build-own-operate-transfer' partners for the planned CMB plant at Barrambie. This development model was used successfully by Neometals and its partners to develop its former Mt Marion Lithium Project in 2015, which is now the world's second largest producer of spodumene (hard-rock lithium); and
- Neometals has interest from a number of Chinese and Western titanium producers for offtake of both MGC and ilmenite products.



### Key highlights

280.1Mt

Mineral resource\*  
at 9.18% TiO<sub>2</sub>

27.6Mt

Ore reserve\*\*  
at 22.3% TiO<sub>2</sub>

13 years

Life of mine

A\$195/t

OPEX (product)

2.9 years

Payback

A\$215.3m

Capital costs

A\$374.9m

Pre-tax NPV10  
IRR 45%

A\$1,106m

Total free cashflow\*\*\*  
First 5 years: A\$103.3m

1Mt

Product:  
Year 1  
DSO

1Mtpa

Product:  
Years 2–13  
MGC

\*Refer to Neometals ASX release dated 17 April 2018 titled "Barrambie Mineral Resource Update".

\*\*Probable \*\*\*Free cashflow is pre-tax and undisclosed. Note: USD\$: A\$0.70 average sales price A\$275/t.

# Annual mineral resource statement

## Barrambie mineral resource estimate

| Classification | Tonnes (Mt)  | TiO <sub>2</sub> (%) | V <sub>2</sub> O <sub>5</sub> (%) |
|----------------|--------------|----------------------|-----------------------------------|
| Indicated      | 187.1        | 9.61                 | 0.46                              |
| Inferred       | 93.0         | 8.31                 | 0.40                              |
| <b>Total</b>   | <b>280.1</b> | <b>9.18</b>          | <b>0.44</b>                       |

Reporting criteria:  $\geq 10\%$  TiO<sub>2</sub> or  $\geq 0.2\%$  V<sub>2</sub>O<sub>5</sub>; small discrepancies may occur due to rounding

See ASX Release 17 April 2018 titled: Updated Barrambie Mineral Resource Estimate

There has been no change in the Barrambie Mineral Resource estimate since the 2022 Annual Statement.

# Annual ore reserve statement

## Barrambie ore reserve estimate

| Classification | Tonnes (Mt) | TiO <sub>2</sub> (%) | V <sub>2</sub> O <sub>5</sub> (%) | Fe <sub>2</sub> O <sub>3</sub> (%) | SiO <sub>2</sub> (%) | Al <sub>2</sub> O <sub>3</sub> (%) |
|----------------|-------------|----------------------|-----------------------------------|------------------------------------|----------------------|------------------------------------|
| Probable       | 27.6        | 22.3                 | 0.57                              | 43.7                               | 16.5                 | 10.4                               |

Note tonnes and grades are as at the run of mine ("ROM") and are dry.

Cut-off is based on achieving an average concentrate grade of 32% TiO<sub>2</sub>. To achieve this these filters were applied:

- TiO<sub>2</sub> head grade  $> 0.37 \times$  Fe<sub>2</sub>O<sub>3</sub> head grade; and
- SiO<sub>2</sub> head grade  $< 30\%$ .

See ASX Release 15 May 2023 titled: Barrambie Titanium Project PFS and Ore Reserve Update

No ore reserve was reported in the 2022 Annual Statement.



### Competent persons statement

The Barrambie Mineral Resource statement has been approved by Mr Michael Andrew, who consents to the inclusion in the report of the matters based on this information in the form and context in which it appears. Mr Andrew is a full-time employee of Snowden Optiro and is a Fellow of the Australasian Institute of Mining and Metallurgy.

The Barrambie Ore Reserve statement has been approved by Mr Frank Blanchfield, who consents to the inclusion in the report of the matters based on this information in the form and context in which it appears. Mr Blanchfield is an employee of Snowden Optiro and is a Fellow of the Australasian Institute of Mining and Metallurgy.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons "findings are presented are not materially different from the original market announcement."



# Sustainability summary

**Sustainability objective** To optimise finite resources with circular practices to benefit society and the environment for a sustainable future.

## Sustainability pillars



**Environmental care**  
Minimise negative impact on people and the planet.



**Community benefit**  
Create shared value.



**People**  
Foster an environment where employees are valued and supported to fulfil their potential.



**Ethics and accountability**  
Continually operate in an ethical and transparent manner.



## Sustainability approach

The Neometals' FY23 Sustainability Report marks the fourth year of annual reporting on sustainability topics that are material to the Company and its stakeholders.

The report provides an overview of the Company's sustainability approach and performance for the 12-month reporting period from 1 July 2022 to 30 June 2023 and can be found at: [www.neometals.com.au/esg](http://www.neometals.com.au/esg)

Sustainability at Neometals begins with its Purpose and Values – both of which are fundamental to how the Company operates. Neometals recognises that its projects

should be developed in a sustainable and ethical manner. The Board holds overall responsibility for overseeing the Company's approach to sustainability and performance. To ensure effective management of ESG issues, the Risk and Sustainability Committee sets and monitors sustainability objectives and targets in line with international frameworks and regulation. Neometals' sustainability framework is underpinned by its Economic, Environmental, Social and Governance (EESG) Policy and the sustainability pillars that sit beneath: Environmental care; Community benefits; People; and Ethics and accountability. It reflects the Company's projects, key environmental, social, governance and other sustainability risks, external frameworks and regulatory governance.

## 2022-23 Achievements

### ENVIRONMENTAL CARE

Maintained Carbon Neutral status

ISO-compliant lifecycle assessment for VRP1 completed

### PEOPLE

**10**  
new positions created to support growth

**50%**  
of new employees in FY23 were female

### COMMUNITY BENEFIT

**\$125.5k**  
community contributions spend

Launched Employee Donations Nominations initiative

### ETHICS AND ACCOUNTABILITY

Published Human Rights Policy

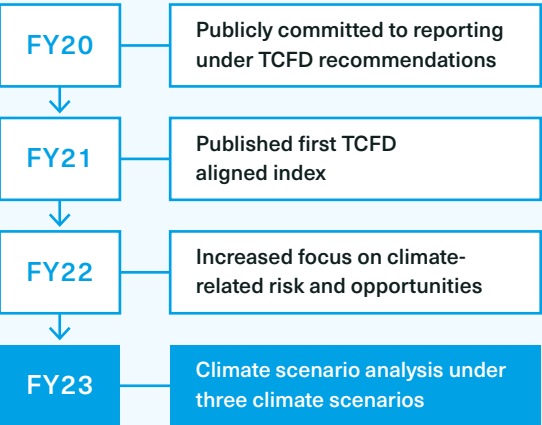
**Zero**  
incidents of anti-bribery and corruption



## Environmental care

Minimise negative impact on people and the planet

For Neometals, ‘environmental care’ includes the sustainable consumption of resources (including water and energy) and minimising non-circular waste streams and emissions to land, air and water. The Company values the environments in which it operates and where its projects are located. By the very nature of Neometals’ business (green processing technologies generating products for green applications), it is well positioned to contribute to global decarbonisation, minimise transitional risks and the Company is already taking advantage of opportunities. Climate-related risks and opportunities are considered in the annual strategic business planning workshop and incorporated into the risk management framework. In line with Neometals’ Task Force for Climate-related Financial Disclosures (TCFD) roadmap, in FY23 the Company conducted its first climate change scenario analysis considering three climate change scenarios: Sustainable development; Delayed transition; and Climate inaction. Building on the climate risk assessment completed in FY22, Neometals’ senior leadership team considered the relevant climate-related risks and opportunities under each scenario. The results are largely aligned with the identified climate-related risks and opportunities and detailed in our FY23 Sustainability Report.



## Community benefit

Created shared value

Neometals supports the development of resilient local economies and communities by contributing to projects that improve the social, environmental, and economic wellbeing of the regions where it operates, and society at large. The Company’s approach includes respecting local culture and heritage, building lasting relationships with the communities where it operates, investing in meaningful community projects through its social investment strategy, and be open and transparent on its engagement. Throughout FY23, Neometals’ social investment and community contributions were largely focussed on West Australian endeavours, given the location of its headquarters. Employees also donated their time and resources to a variety of community and/or non-profit organisations including, but not limited to Starting Over Support (SOS), Foodbank WA, Chrohn’s & Colitis Australia (CCA). Neometals knows its employees are generous passionate people that donate their time, resources and talents to make a difference outside of its business hours. To show the Company’s appreciation, it expanded its social investment to include employee donation nomination initiatives – a program that encourages employees that either volunteer in their personal time, or make a personal donation, to request an equal monetary donation from the Company in line with its social investment strategy and criteria.





## People

Foster an environment where employees are valued and supported to fulfill their potential

The Company recognises that showing its employees respect, treating them fairly and fostering their development is in line with Neometals' core values: S.T.R.I.D.E. The Company's 'people' responsibilities include occupational health and safety; employee wellbeing; diversity and inclusion; employee development, and a fair and equitable workplace. Neometals promotes an inclusive working environment that is free from any form of harassment, abuse, or threats and expects all employees (including its contractors) to treat each other with respect and courtesy in line with the Company's Values. Neometals' culture and values are integral to its workforce and how the Company operates as a responsible business. The Company is in development and growth phases for its key projects and it is expected that the number of employees will increase in the coming years. Due to Neometals' business strategy, and the rapid global change associated with the energy transition, relevant skills are not constant. Continuous development and learning of its people are key to the Company's success. Neometals embraces diversity, equality and inclusion; provides fair and competitive compensation and benefits; invests in talent and professional development; and gives back to its communities. A key achievement in FY23 was the launch of the Company's Employee Assistance Program (EAP) in partnership with BSS Psychology. Through this program, all employees are now connected with free and confidential access to counselling sessions for themselves or their immediate family members.



Photo: Matagarup Zip+Climb



## Ethics and accountability

Continually operate in an ethical and transparent manner

Neometals recognises and respects people's human rights, cultural heritage and the connection that First Nations have to land, waters and the environment. The Company knows it also has the potential to impact human rights of its employees, workers in its supply chains and the people in the communities where it operates either directly through its operations and indirectly through its relationships with joint ventures, contractors, and suppliers. To fight against pressing issues like human rights abuses and climate change, Neometals requires greater understanding of its suppliers and their activities. Having projects in lower-risk jurisdictions reduces the risk that the Company's suppliers' business conduct is at odds with robust environmental and social legislation and regulations.

In the reporting year, the Company commenced a program to hold its suppliers accountable for responsible conduct and performance by complying with applicable laws and regulations. Neometals developed a Supplier Code of Conduct (approved by the Risk and Sustainability Committee and the Board) which sets out the minimum standards of behaviour the Company expects from its suppliers in the areas of human rights and labour, health and safety, environment and climate, and governance and business ethics. In the coming years, Neometals will commence a supply-chain due diligence program.



# Directors' report

The directors of Neometals Ltd submit their report for the financial year ended 30 June 2023.

The names and particulars of the directors of the Company during or since the end of the financial year are:

## Current Directors

### Steven Cole

#### Non-executive Chairman

Steven Cole has over 40 years of professional, corporate and business experience through senior legal consultancy, as well as a range of executive management and non-executive appointments.

His extensive boardroom and board sub-committee experience includes ASX listed, statutory, proprietary and non-for-profit ("NFP") organisations covering the industrial, financial, educational, professional services, agribusiness, health and resources sectors.

Steven's professional qualifications include:

- LLB (Hons) University of Western Australia
- AICD Company Directors Diploma and Fellow;
- Wharton Business School – University of Pennsylvania – Corporate Governance Program 2010
- Harvard – Corporate Governance Program 2015

**Appointed:** 24 July 2008

**Special responsibilities:** Chairman of each of the Nomination and Remuneration Committees and member of each of the Audit and Risk Committees.

**Directorships of other listed companies:** Non-executive Director Matrix Composites and Engineering Ltd

### Christopher J Reed

#### Managing Director

Christopher Reed is an accountant with over 25 years' experience in the resource industry including more than 15 years in corporate administration and management. Christopher served as Managing Director of Reed Resources Ltd (now Neometals Ltd) from September 2007 until May 2012 at which time he assumed the role executive director. Christopher resumed the role as Managing Director from 1 October 2013.

Mr. Reed holds a Bachelor of Commerce from the University of Notre Dame and a Graduate Certificate in Mineral Economics from the WA School of Mines. He is a member of the AusIMM.

**Appointed:** 20 December 2001

**Special responsibilities:** CEO



#### Dr Natalia Streltsova

##### Non-executive Director

Natalia Streltsova is a PhD qualified chemical engineer with over 25 years' experience in the minerals industry, including over 10 years in senior technical and corporate roles with mining majors - WMC, BHP and Vale. She has a strong background in mineral processing, technology commercialisation, innovation management and project development in multiple commodities. During her executive career she managed projects that specifically targeted the development of low carbon emission technologies and environmental clean-up through tailings and mineralised waste re-processing.

Dr Streltsova has considerable international experience covering project development and acquisitions in South America, Africa and Central Asia. In the last 10 years, since finishing full-time executive roles, her focus has been on non-executive board memberships and consulting.

**Appointed:** 14 April 2016

**Special responsibilities:** Chair of the Risk Committee and member of each of the Remuneration and Audit Committees.

**Directorships of other listed companies:** Ramelius Resources Limited (Chair of Risk and Sustainability Committee), Centaurus Metals Limited and Australian Potash Limited

#### Mr Douglas Ritchie

##### Non-executive Director

Doug has over four decades experience working in the mining industry, including as a member of Rio Tinto's Executive Committee, and the Group Executive responsible for China, Doug's expertise across the industry is extensive.

He has previously been an Executive Director of Jinchuan Group International Resources (HKSE), Rossing Uranium Limited, Coal & Allied Limited (ASX 50), and Director of various other ASX listed companies. He was also formerly Chairman of the Coal Industry Advisory Board to the International Energy Agency, a Director of the World Coal Association and a Director of the Queensland Resources Council. Between 2013 and April 2016, Doug was Chairman of UniQuest, the main commercialisation vehicle of the University of Queensland.

Doug is a Fellow of the Australian Institute of Mining and Metallurgy and a Fellow of the Australian Institute of Company Directors.

**Appointed:** 14 April 2016

**Special responsibilities:** Chairman of the Audit Committee and Member of each of the Nomination and Risk Committees.

**Directorships of other listed companies:** Chair and member of Audit and Risk Committee, Metro Mining Limited



**Dr Jenny Purdie****Non-executive Director**

Dr Purdie's extensive career has seen her hold roles in engineering, senior technology, strategy and operations for leading international mining companies. Dr Purdie is currently Asset president for BHP, managing the Olympic Dam copper/gold/silver/uranium project in South Australia. This involves budgetary and overall leadership accountability for the Olympic Dam asset inclusive of non-financial metrics relevant to ESG performance. Dr Purdie previously served as a senior executive for Jemena Management Holdings – Executive General Manager Gas Distribution, CEO of Adani Renewables Australia, Executive Vice President - Enterprise Services at Aurizon, Global Practice Leader for Rio Tinto's Technology and Innovation team (leading a global network of in-house technologists and suppliers to deploy innovative technologies across Rio Tinto operations) and she filled engineering and management roles with Rio Tinto, Alcoa and Altona Petrochemical.

Dr Purdie has worked in a number of senior management and operational roles and has been deeply immersed in technology development. She has a PhD and Bachelor of Engineering (Chemical and Materials, Hons 1) from Auckland University and an Executive MBA from the University of Queensland. She is a fellow of the Institution of Chemical Engineers and a graduate of the Australian Institute of Company Directors and was previously a committee member of Women in Mining and Resources Queensland.

**Appointed:** 27 September 2018

**Special responsibilities:** Member of each of the Audit and Nomination Committees.

**Directorships of other listed companies:** Nil

**Mr Les Guthrie****Non-executive Director**

Mr Guthrie is an engineer with over 45 years experience in the project delivery space. He has held corporate executive and project management roles, across the UK, Australia, North America and Asia. It is a background steeped in the strategy, development and delivery of major capital programs spanning mining, infrastructure and oil & gas.

He is Managing Director of Bedford Road Associates, where he has provided advice and delivery support to clients in Mongolia, South Korea, New Zealand as well as in Australia.

Prior to establishing Bedford Road Mr Guthrie was Vice President Projects for BHP Billiton. Previously he held roles as Group Head of Capital Projects and President LNG for BG Group in the UK, President of Aker Kvaerner Inc. in the US, and Managing Director of Aker Kvaerner Australia.

Mr Guthrie was a founding contributor to the John Grill Centre for Project Leadership at Sydney University and was previously engaged as a subject matter expert by EY Advisory. He holds a B.Sc. from the University of West of Scotland and is a member of the Australian Institute of Company Directors.

**Appointed:** 27 September 2018

**Special responsibilities:** Member of the Risk Committee and Remuneration Committee.

**Directorships of other listed companies:**

DRA Global Ltd (Chair of People, Culture and Remuneration Committee, and member of Sustainability, Safety, Health and Environmental Committee), Advanced Braking Technology Ltd (effective 1 August 2023) and Australian Mines Ltd (member of Risk Committee; resigned July 2023)

## Company Secretary

**Jason Carone**

### Chief Financial Officer and Company Secretary

Mr Carone is a Chartered Accountant with over 20 years' experience in accounting and company administration in Australia and South East Asia.

Mr Carone holds a Bachelor of Commerce in Accounting and Business Law from Curtin University and is a member of the Chartered Accountants Australia & New Zealand, and Chartered Secretaries Australia.

**Appointed:** 4 March 2009

## Review of operations

The consolidated profit after income tax for the year attributable to members of Neometals Ltd was \$34.8 million loss (2022: 11.2 million loss). A detailed review of the Company's operations during the financial year can be found on pages 8 to 23 of this Annual Financial Report.

## Changes in state of affairs

During the financial year the Consolidated Entity's primary focus was the continuous development and commercialisation of our proprietary innovative technologies with strong global partners to generate value through sustainable production of battery materials.

In particular, the Company has continued to actively pivot away from reliance on hard rock mining and explorations towards circular, sustainable materials recovery and recycling opportunities. Having sold its stake in the Mt Marion mine in 2019 and its remaining Mt Marion offtake rights in FY21 (for \$30 million in consideration), the Company continued the trend with the demerger of its Mt Edwards nickel project during FY22 via an in-specie share distribution to Neometals shareholders (\$26 million based on capital raising price). This is enabling Neometals to keep focus on decarbonising the battery minerals supply chain with eco-friendly processing solutions.

There have not been any significant changes in the affairs of the Consolidated Entity from the previous year.

## Principal activities

The Consolidated Entity's principal activities during the year centred on continuous development and commercialisation of our proprietary innovative technologies with strong global partners to generate value through sustainable production of battery materials.

## Events after the reporting period

On 12 July 2023, Neometals announced the execution of a binding offtake agreement between Novana Oy and Glencore for the Vanadium Recovery Project.

On 1 August 2023, Neometals announced the successful completion by Primobius GmbH of the Battery Recycling 'Hub' Engineering cost study results for a 21,000 tonne per annum fully integrated LiB recycling plant.

On 22 August 2023, Neometals announced that Primobius received a purchase order for supply of a 10 tonne per day spoke with Mercedes for installation at Kuppenheim in southern Germany.

Other than stated above, no matters or circumstances have arisen since the end of the financial year that have significantly affected, or may significantly affect the operations, results of operations or state of affairs of the Group in subsequent financial years.

## Future developments

The Consolidated Entity intends to continue its focus on disciplined development and commercialisation of its four core assets, Lithium-ion Battery Recycling, Vanadium Recovery, Lithium Chemicals Project and the Barrambie Vanadium and Titanium Project. These core projects are characterised by a combination of proven and innovative process flow sheets and large JORC – compliant Resources in relation to the Barrambie Project.

## Environmental regulations

As required by section 299(1)(f) of the Corporations Act the Company confirms that it has performed all of its environmental obligations in accordance with applicable environmental regulations.

## Dividends

No dividends were paid during the year.

## Indemnification of officers and auditors

During the financial year the Company paid a premium in respect of a contract insuring the directors and officers of the Company and of any related body corporate against a liability incurred as a director or officer, 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.

The Company has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Group or of any related body corporate against a liability incurred as such an officer or auditor.

### Unissued shares under option

There were no unissued ordinary shares of the company, Neometals Ltd, under option at the date of this report.

No shares of the Company were issued during or since the end of the financial year as a result of the exercise of an option over the unissued shares of the Company.

Please refer to the Remuneration Report at page 38 below for details of Performance rights issued as part of KMP remuneration.

### Directors' security holdings

The following table sets out each director's relevant interest in shares, debentures, and rights or options in shares or debentures of the Company or a related body corporate as at the date of this report:

| Director      | Fully paid<br>ordinary<br>shares | Share options | Performance<br>rights |
|---------------|----------------------------------|---------------|-----------------------|
|               | Number                           | Number        | Number                |
| S. Cole       | 1,951,771                        | -             | 216,588               |
| C. Reed       | 7,868,589                        | -             | 2,470,707             |
| D. Ritchie    | 335,269                          | -             | 132,050               |
| N. Streltsova | 280,269                          | -             | 132,050               |
| J. Purdie     | 471,732                          | -             | 162,442               |
| L. Guthrie    | 231,357                          | -             | 33,501                |

### Directors' meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, 9 board meetings, 2 nomination committee meeting, 1 remuneration committee meetings, 3 Risk and Sustainability committee and 3 audit committee meetings were held.

| Director      | Board of<br>Directors |          | Nomination<br>Committee |          | Remuneration<br>Committee |          | Risk and<br>Sustainability<br>Committee |          | Audit<br>Committee |          |
|---------------|-----------------------|----------|-------------------------|----------|---------------------------|----------|-----------------------------------------|----------|--------------------|----------|
|               | Held                  | Attended | Held <sup>(1)</sup>     | Attended | Held <sup>(1)</sup>       | Attended | Held <sup>(2)</sup>                     | Attended | Held               | Attended |
| S. Cole       | 9                     | 9        | 2                       | 2        | 1                         | 1        | 3                                       | 3        | 3                  | 3        |
| C. Reed       | 9                     | 9        | n/a                     | n/a      | n/a                       | n/a      | n/a                                     | n/a      | n/a                | n/a      |
| N. Streltsova | 9                     | 8        | n/a                     | n/a      | n/a                       | n/a      | 3                                       | 3        | 3                  | 2        |
| D. Ritchie    | 9                     | 9        | 2                       | 2        | 1                         | 1        | 3                                       | 2        | 3                  | 3        |
| J. Purdie     | 9                     | 9        | 2                       | 2        | n/a                       | n/a      | n/a                                     | n/a      | 3                  | 3        |
| L. Guthrie    | 9                     | 8        | n/a                     | n/a      | n/a                       | n/a      | 3                                       | 3        | n/a                | n/a      |

Meeting numbers in the "Held" column are the number of meetings held whilst the relevant director was a member of the Board or committee.

(1) Excludes several informal meetings of the members of the Nomination and Remuneration Committees to discuss matters including the establishment of executive KPIs for incentive-based remuneration and the TSR comparator group, board evaluation and board succession planning.

(2) Excludes several informal meetings of the members of the Risk and Sustainability Committee and management to discuss matters including the Company's strategic direction and resultant changes in risk exposure.

## Proceedings on behalf of the company

No person has applied for leave of the 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 part of those proceedings. The Company was not a party to any such proceedings during the year.

## Corporate Governance Statement

The Company is committed to high standards of corporate governance designed to enable the Company to meet its performance objectives and better manage its risks.

The Company has adopted a comprehensive governance framework in the form of a formal corporate governance charter together with associated policies, protocols and related instruments (together "Charter").

The Company's Charter is based on a template which has been professionally verified to be complementary to and in alignment with the ASX Corporate Governance Council Principles and Recommendations 4th Edition 2019 ("ASX CGC P&R") in all material respects. The Charter also substantially addresses the suggestions of good corporate governance mentioned in the "Commentary" sections of the ASX CGC P&R.

The Charter was formally adopted by the Board on 19 December 2019 and subsequently updated for the Companies compliance listing on the London Stock Exchange and adopted by the Board on 16 February 2022.

The Board of Neometals is responsible for the corporate governance of the company and its subsidiaries. The Board has governance oversight of all matters relating to the strategic direction, corporate governance, policies, practices, management and operations of Neometals with the aim of delivering value to its Shareholders and respecting the legitimate interest of its other valued stakeholders, including employees, suppliers and joint venture partners.

Under ASX Listing Rule 4.10.3, Neometals is required to provide in its annual report details of where shareholders can obtain a copy of its Corporate Governance Statement, disclosing the extent to which the Company has followed the ASX Corporate Governance Council Principles and Recommendations in the reporting period. Neometals has published its Corporate Governance Statement on the Corporate section of its website:

[neometals.com.au/investors/corporate-governance](https://neometals.com.au/investors/corporate-governance)

## Statements as to risk appetite and tolerance

Neometals accepts that to meet its Strategic Objectives including for the benefit of its stakeholders generally as well as delivering appropriate returns and value for its shareholders, it must accept and prudentially manage risks.

To this end Neometals has adopted and applied a comprehensive and cohesive risk identification, assessment, management and mitigation framework ("Risk Framework" or "RF") consistent with prudential professional Australian and international standards; ASX Corporate Governance Principles and Recommendations 7 and ISO31000 guidance.

The Board of Neometals is prepared to accept a certain level of risk assessed under its RF to further its Strategic Objectives. In doing so the Company sets boundaries as to the degree of assessed risk that it is prepared to accept for that purpose ("Risk Appetite"). In some instances, identified and assessed risks are outside the assessed boundary of Neometals' Risk Appetite but nevertheless Neometals' is prepared to accept the risk, perhaps with some qualifications. That is Neometals' Risk Tolerance. There are two categories where this may be contemplated:

- i) Where the Neometals Board, by properly considered and duly passed resolution, is prepared to accept as being within its Risk Appetite a designated risk that is inherently essential to its Strategic Objectives notwithstanding the assessment of the risk being beyond its Risk Appetite boundary (e.g. international commodity pricing over which Neometals may have little control, influence or mitigation means);
- ii) Where a designated risk is currently assessed as being beyond Neometals' Risk Appetite boundary but would be assessed as being within such boundary within the next 6 month period (or such longer period specifically approved of by the Board with respect to that risk) should extra "control effectiveness" to mitigate the risk be implemented within that period and Neometals commits to appropriate resources being deployed to achieve that outcome.

Notwithstanding the above, as a matter of policy, matters identified as impacting health, safety, environment and communities ("HSEC") risks and which are assessed beyond Neometals' Risk Appetite generally will not be accepted as within the Company's Risk Tolerance unless the mitigations to address the risk are actively being progressed with every confidence of the likelihood rating being materially reduced in early course.

## Overarching risk management

The Company is exposed to a range of market, financial, operational, environmental, and socio-political risks that could have an adverse effect on the Company's future performance. The nature and potential impact of these risks can change over time and vary in the degree to the extent the Company can control them.

During the reporting period, the Risk and Sustainability Committee reviewed the effectiveness of the Company's risk management policy, risk framework, and the processes required to govern risk identification, assessment, monitoring, and reporting with due regard to the Company's risk appetite and tolerance levels.

The Company considers that any material exposure to environmental, social, or other sustainability risks it may have are addressed in the following observations:

### a) Economic risks:

The Company operates in a global market for mineral commodities with their pricing and supply/demand attributes inherently the subject of many factors beyond the absolute control of the Company.

The majority of the Company's technologies and battery material projects are also in development phase with anticipated future capital requirements for their commercialisation. The Company will be dependent on future raisings (equity and debt) from the capital markets to support the ongoing development of those projects.

It is noted and accepted that "unfavourable commodity prices" and "dysfunctional capital markets" are material risks for the Company and inherently essential to its Strategic Objectives.

### b) Environmental and sustainability risks:

The Company's focus is on the continuing development and commercialisation of proprietary innovative technologies relating to the sustainable production of battery materials to meet the demands of an energy transitioning world from fossil fuel dependence. The nature and design of the Company's technologies prioritise safety, environmental footprint, process efficiency and economics. The technologies are anticipated to produce key battery materials with lowest quartile operating costs and carbon footprint from processing of recycled and waste feedstocks. Given the Company's strategic and operating approach, downside outcomes arising from environmental and climate change risks have been duly considered and assessed towards the lower end of the spectrum.

In fact, risks relating to environmental and climate change issues pose more as opportunities than risks and which the Company is seeking to leverage against. Please also refer to the Company's Annual Sustainability Report for further details.

### c) Social risks:

The Company's primary business operations are in jurisdictions with robust environmental and social legislation and regulations including labour and employment practices, human rights and cultural heritage.

The Company endeavours to identify and prevent or mitigate any social risks including human rights impacts resulting from its business activities through the application of robust strategies, maintaining strong relationships with communities and delivering on commitments made. With respect to the Company's Barrambie Project, recently enacted (and now repealed) Aboriginal Cultural Heritage legislation may have posed some procedural process delay risk but with the repeal of that legislation such risk has been reasonably ameliorated.

The Company places significant value on the protection of the health, safety and wellbeing of the workforce.



## Business unit risk management approach

During the reporting period each business unit regularly reviews the risks relating to its specific business. A six-monthly review is undertaken of risk registers with high risks and mitigating actions reviewed monthly and reported through to the CEO. Should any new high risks emerge this is reported through to the Board at the next available opportunity depending on the seriousness and severity of the new risk.

A consistent approach applies across Neometals' business units:

| Type                         | Risk areas/causes                                                                                                                                                                                                                                            | Controls/mitigation approach                                                                                                                                                                                                                                                                                         |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Technical feasibility</b> | <ul style="list-style-type: none"> <li>• Geological and mining risk</li> <li>• Processing risk</li> </ul>                                                                                                                                                    | <ul style="list-style-type: none"> <li>• Focus on recycling and waste recovery as feedstock source - 'urban mining'</li> <li>• Dedicated experienced technical personnel inhouse</li> <li>• Apply a disciplined Technology Readiness Level ("TRL") and stage gating approach – pilot/demonstration plants</li> </ul> |
| <b>Economic viability</b>    | <ul style="list-style-type: none"> <li>• Operating Costs – reagent supply chain, workforce attraction/retention, inflation</li> <li>• Capital Costs - inflation</li> <li>• Marketing – offtake/feedstock</li> <li>• Price risk – commodity prices</li> </ul> | <ul style="list-style-type: none"> <li>• Apply a disciplined TRL and stage gating approach – AACE® Engineering Cost Studies</li> <li>• Dedicated business analysts, human resources ("HR") and marketing personnel in-house</li> <li>• Specialised external advisors where necessary</li> </ul>                      |
| <b>Financing</b>             | <ul style="list-style-type: none"> <li>• Capital markets – short selling, dysfunctional markets.</li> <li>• Geopolitical risk – government policy changes, global conflict and turmoil</li> </ul>                                                            | <ul style="list-style-type: none"> <li>• Conservative investment policy and cash management initiatives</li> <li>• Engage specialised corporate advisors</li> <li>• Dedicated corporate development and investor relations personnel in-house</li> </ul>                                                             |
| <b>Operational</b>           | <ul style="list-style-type: none"> <li>• Health, safety and environmental ("HSE") risks</li> <li>• ESG landscape/requirements</li> <li>• Stakeholder relation risks</li> <li>• Intellectual property ("IP") risks and Freedom to Operate</li> </ul>          | <ul style="list-style-type: none"> <li>• Develop environmental and safety systems</li> <li>• Dedicated HR, ESG, investor relations ("IR") and IP personnel inhouse</li> </ul>                                                                                                                                        |

# Remuneration report (audited)

## Key management personnel

The following persons were deemed to be Key Management Personnel ("KMP") during or since the end of the financial year for the purpose of Section 300A of the Corporations Act 2001 and unless otherwise stated were KMP for the entire reporting period.

### Non-executive Directors

|                    |                                     |
|--------------------|-------------------------------------|
| Steven Cole        | Non-executive Director/<br>Chairman |
| Natalia Streltsova | Non-executive Director              |
| Douglas Ritchie    | Non-executive Director              |
| Jenny Purdie       | Non-executive Director              |
| Les Guthrie        | Non-executive Director              |

### Executive Directors

|                  |                           |
|------------------|---------------------------|
| Christopher Reed | Managing Director and CEO |
|------------------|---------------------------|

### Other executives

|                 |                                                                 |
|-----------------|-----------------------------------------------------------------|
| Jason Carone    | Chief Financial Officer<br>and Company Secretary <sup>(i)</sup> |
| Michael Tamlin  | Chief Operating Officer                                         |
| Darren Townsend | Chief Development Officer                                       |
| Merrill Gray    | Head of Recycling                                               |

(i) Ms Rachel Rees held office as Joint Company Secretary from 9 May 2022 to 9 September 2022 to assist while Mr Carone was on long service leave.

## Remuneration policy for key management personnel

### Non-executive Directors

The Board's policy is to remunerate Non-executive Directors at market rates for comparable companies for time, commitment and responsibilities. The remuneration committee on behalf of the Board determines payments to the Non-executive Directors and reviews their remuneration annually, based on market practice, shareholder sentiment, board workload, company cashflow capacity and corporate performance generally. Independent external advice and/or benchmark comparisons are sought when required. The maximum aggregate amount of fees that can be paid to Non-executive Directors is \$800,000 as approved by shareholders at the Annual General Meeting on 30 November 2021. Fees for Non-executive Directors are not linked to the performance of the economic entity. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and invited to salary sacrifice fees for performance rights pursuant to the Company's Performance Rights Plan ("PRP").

### General

The Remuneration Policy for employees is developed by the Remuneration Committee taking into account market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

The Company adopted a revised PRP for its staff, executive KMP and Non-executive Directors in November 2020 and shareholders reapproved the issue of securities under the plan in November 2020. The Board believes that the PRP will assist the Consolidated Entity in remunerating and providing ongoing incentives to employees of the Group.

The rules of the PRP enable the Company to issue performance rights to eligible personnel subject to performance and vesting conditions determined by the Company. Each performance right entitles the holder, for nil cash consideration, to one fully paid ordinary share in the Company for every performance right offered, if the applicable performance and vesting conditions set for that holder are satisfied.

During the financial year a total of 944,284 (2022: 1,573,173) performance rights were offered to and accepted by KMP. Of this amount 607,188 performance rights are subject to relative and absolute Total Shareholder Return ("TSR") and other strategic hurdles, details of which can be found in the "Service agreements - performance based remuneration" section below. Testing undertaken for the period ended 31 December 2022 resulted in no performance rights subject to the TSR criteria vesting. Testing undertaken for the period ended 30 June 2023 resulted in 3,209,743 (2022: 2,259,401) performance rights subject to the TSR criteria vesting. The remaining amount will be retested at 31 December 2023.

The Group's Remuneration Policy for executive KMPs seeks to balance its desire to attract, retain and motivate high quality personnel with the need to ensure that remuneration incentivises them to pursue growth and success of the Company without taking undue risks and without it being excessive remuneration.

To align the interests of the executive with that of the company remuneration packages for executive KMPs contain the following key elements:

- a) **Fixed base salary** – salary, superannuation and non-monetary benefits;
- b) **Short term incentives** – cash incentives applied to a maximum percentage of Fixed Base Salary

and structured against relative satisfaction (at the reasonable discretion of the Board) of certain corporate and personally related key performance indicators of the executive.

- c) **Long Term Incentives** – the grant of performance rights in the Company, with value capped to a maximum percentage of Fixed Base Salary, vesting progressively while the executive remains employed, with the degree of vesting structured against the Company's relative and absolute TSR performance against a comparator group of companies as well as other strategic hurdles.

The Company's remuneration is specifically designed to encourage loyalty and longevity of employment as well as aligning the employee's interests with those of the Company and the creation of genuine long term sustainable value for security holders.

All remuneration provided to KMP in the form of share based payments are valued pursuant to AASB 2 Share-based Payment at fair value on grant date and are expensed on a pro rata basis over the vesting period of the relevant security.

### Relationship between the remuneration policy and company performance

The table below sets out summary information about the Consolidated Entity's earnings and movements in shareholder wealth for the five years to June 2023:

|                                               | 30 June 2023<br>\$ | 30 June 2022<br>\$ | 30 June 2021<br>\$ | 30 June 2020<br>\$ | 30 June 2019<br>\$ |
|-----------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Revenue <sup>(i)</sup>                        | -                  | -                  | -                  | -                  | -                  |
| Net profit/(loss) before tax <sup>(ii)</sup>  | (36,179,024)       | (16,234,234)       | 20,976,747         | (19,837,973)       | (19,242,733)       |
| Net profit/(loss) after tax <sup>(iii)</sup>  | (34,804,369)       | 4,360,700          | 16,343,172         | (14,553,693)       | 76,178,556         |
| Share price at start of year                  | 0.91               | 0.48               | 0.16               | 0.21               | 0.30               |
| Share price at end of year                    | 0.50               | 0.91               | 0.48               | 0.16               | 0.21               |
| Market capitalisation at year end (undiluted) | 273,606,882        | 496,280,638        | 261,768,607        | 87,122,706         | 114,234,596        |
| Basic profit/(loss) per share                 | (0.063)            | 0.80               | 0.030              | (0.027)            | 0.140              |
| Diluted profit/(loss) per share               | (0.063)            | 0.79               | 0.030              | (0.027)            | 0.140              |
| Dividends paid                                | -                  | -                  | -                  | 10,890,338         | 10,879,485         |

(i) Although one financial year has returned a net profit before tax there has been no revenues from ordinary activities. The Group was profitable in that financial year from profits booked from the Mt Marion project in 2021.

(ii) Exclusive of profits resulting from discontinued operations.

(iii) Inclusive of profits resulting from discontinued operations.

## Key management personnel remuneration

The KMP received the following amounts during the year as compensation for their services as directors and executives of the Company and/or the Group.

| 2023                    | Short-term employee benefits |                   |                                |          | Post-employment benefits | Share based payments |                       | Total     | Remuneration linked to performance % |
|-------------------------|------------------------------|-------------------|--------------------------------|----------|--------------------------|----------------------|-----------------------|-----------|--------------------------------------|
|                         | Salary and fees \$           | Bonus FY 22'23 \$ | Non-monetary <sup>(1)</sup> \$ | Other \$ | Super-annuation \$       | Shares \$            | Performance rights \$ |           |                                      |
| Non-executive directors |                              |                   |                                |          |                          |                      |                       |           |                                      |
| S. Cole                 | 135,747                      | -                 | -                              | -        | 14,253                   | -                    | 60,000                | 210,000   | -                                    |
| N. Streltsova           | 72,398                       | -                 | -                              | -        | 7,602                    | -                    | 45,000                | 125,000   | -                                    |
| D. Ritchie              | 72,398                       | -                 | -                              | -        | 7,602                    | -                    | 45,000                | 125,000   | -                                    |
| J. Purdie               | 72,398                       | -                 | -                              | -        | 7,602                    | -                    | 45,000                | 125,000   | -                                    |
| L. Guthrie              | 104,977                      | -                 | -                              | -        | 11,023                   | -                    | 9,000                 | 125,000   | -                                    |
|                         | 457,918                      | -                 | -                              | -        | 48,082                   | -                    | 204,000               | 710,000   | -                                    |
| Executive directors     |                              |                   |                                |          |                          |                      |                       |           |                                      |
| C. Reed                 | 624,708                      | 146,250           | 30,397                         | 67,182   | 25,292                   | -                    | 351,132               | 1,244,961 | 40                                   |
|                         | 624,708                      | 146,250           | 30,397                         | 67,182   | 25,292                   | -                    | 351,132               | 1,244,961 | -                                    |
| Other executives        |                              |                   |                                |          |                          |                      |                       |           |                                      |
| M. Tamlin               | 394,708                      | 75,600            | 46,701                         | 1,457    | 25,292                   | -                    | 162,274               | 706,032   | 34                                   |
| J. Carone               | 392,500                      | 110,250           | 31,495                         | (44,664) | 27,500                   | -                    | 153,566               | 670,647   | 39                                   |
| D. Townsend             | 394,708                      | 126,000           | 29,461                         | (1,582)  | 25,292                   | -                    | 159,822               | 733,701   | 39                                   |
| M. Gray                 | 398,208                      | 104,816           | -                              | 18,968   | 25,292                   | -                    | 34,077                | 581,361   | 24                                   |
|                         | 1,580,124                    | 416,666           | 107,657                        | (25,821) | 103,376                  | -                    | 509,739               | 2,691,741 | -                                    |
| Total                   | 2,662,750                    | 562,916           | 138,054                        | 41,361   | 176,750                  | -                    | 1,064,871             | 4,646,702 |                                      |

| 2022                    | Short-term employee benefits |                   |                                |          | Post-employment benefits | Share based payments |                       | Total \$  | Remuneration linked to performance % |
|-------------------------|------------------------------|-------------------|--------------------------------|----------|--------------------------|----------------------|-----------------------|-----------|--------------------------------------|
|                         | Salary and fees \$           | Bonus FY 20'21 \$ | Non-monetary <sup>(1)</sup> \$ | Other \$ | Super-annuation \$       | Shares \$            | Performance rights \$ |           |                                      |
| Non-executive directors |                              |                   |                                |          |                          |                      |                       |           |                                      |
| S. Cole                 | 90,909                       | -                 | -                              | -        | 9,091                    | -                    | 50,000                | 150,000   | -                                    |
| D. Reed <sup>(2)</sup>  | 34,091                       | -                 | -                              | -        | 3,409                    | -                    | -                     | 37,500    | -                                    |
| N. Streltsova           | 40,909                       | -                 | -                              | -        | 4,091                    | -                    | 45,000                | 90,000    | -                                    |
| D. Ritchie              | 40,909                       | -                 | -                              | -        | 4,091                    | -                    | 45,000                | 90,000    | -                                    |
| J. Purdie               | 40,909                       | -                 | -                              | -        | 4,091                    | -                    | 45,000                | 90,000    | -                                    |
| L. Guthrie              | 73,636                       | -                 | -                              | -        | 7,364                    | -                    | 9,000                 | 90,000    | -                                    |
|                         | 321,363                      | -                 | -                              | -        | 32,137                   | -                    | 194,000               | 547,500   | -                                    |
| Executive directors     |                              |                   |                                |          |                          |                      |                       |           |                                      |
| C. Reed                 | 545,000                      | 228,000           | 42,062                         | 76,689   | 25,000                   | -                    | 283,990               | 1,200,741 | 43                                   |
|                         | 545,000                      | 228,000           | 42,062                         | 76,689   | 25,000                   | -                    | 283,990               | 1,200,741 | -                                    |
| Other executives        |                              |                   |                                |          |                          |                      |                       |           |                                      |
| M. Tamlin               | 375,000                      | 95,000            | 55,145                         | 24,657   | 25,000                   | -                    | 129,476               | 704,278   | 32                                   |
| J. Carone               | 335,000                      | 95,000            | 31,495                         | 4,871    | 25,000                   | -                    | 115,113               | 606,479   | 35                                   |
| D. Townsend             | 375,000                      | 115,800           | 29,461                         | 9,960    | 25,000                   | -                    | 126,547               | 681,768   | 35                                   |
|                         | 1,085,000                    | 305,800           | 116,101                        | 39,488   | 75,000                   | -                    | 371,136               | 1,992,525 | -                                    |
| Total                   | 1,951,363                    | 533,800           | 158,163                        | 116,177  | 132,137                  | -                    | 849,126               | 3,740,766 |                                      |

(1) Relates to fringe benefits received by key management personnel

(2) David Reed resigned from his position as Non-Executive Director on 30 November 2021

## Service agreements – performance based remuneration

The KMP of the Company, other than Non-executive Directors, are employed under service agreements. A summary of performance conditions for relevant KMP are detailed below

### Mr J Carone

#### Chief Financial Officer/Company Secretary

**Term:** No defined term

**Termination:** 3 months notice period and 3 months termination payment

#### Incentive based remuneration

##### Short term incentive

Each financial year during the term of his service agreement the Board, at its sole discretion, may award the KMP a cash bonus up to 35% of the KMP's annual salary package (\$420,000 inclusive of superannuation for 2022-23). The STI for 2022-23 was set at a maximum of \$147,000 of which 75% or \$110,250 was acknowledged and agreed by the CEO and Mr J Carone. The basis for calculating the STI will be a range of criteria including both the KMP's personal performance and the Company's sustainability and financial performance/ position and share price.

##### Long term incentive

Each financial year during the term of his service agreement the KMP is entitled to receive performance rights granted under the Company's Performance Rights Plan. The number of performance rights to which the KMP may be granted is based on the following calculation and vesting of the performance rights are subject to further criteria which are also set out below.

#### Calculation of potential entitlement to performance rights

$$P = \frac{40}{100} \times \frac{S}{\text{VWAP}}$$

Where: P is the potential performance rights entitlement  
S is the KMP's annual salary package for the applicable period

VWAP is the 30 day volume weighted average price of ordinary shares in Neometals Ltd for the period ended 30 June of the preceding financial year.

### Mr C Reed

#### Managing Director

**Term:** Expiry date of 30 June 2026

**Termination notice period:** 6 months by executive

#### Incentive based remuneration

##### Short term incentive

Each financial year during the term of his service agreement the Board, at its sole discretion, may award the KMP a cash bonus of up to 50% of the KMP's annual salary package (\$650,000 inclusive of superannuation for 2022-23). The STI for 2022-23 was set at a maximum of \$325,000 of which 45% or \$146,250 was acknowledged and agreed by the Board and Mr C Reed. The basis for calculating the STI will be a range of criteria including both the KMP's personal performance and the Company's sustainability and financial performance/ position and share price.

##### Long term incentive

Each financial year during the term of his service agreement the KMP is entitled to receive performance rights granted under the Company's Performance Rights Plan. The maximum number of performance rights to which the KMP may be granted is based on the following calculation and vesting of the performance rights are subject to further criteria which are also set out below, as approved by shareholders.

#### Calculation of potential entitlement to performance rights

$$P = \frac{50}{100} \times \frac{S}{\text{VWAP}}$$

Where: P is the potential performance rights entitlement  
S is the KMP's annual salary package for the applicable period

VWAP is the 60 day volume weighted average price of ordinary shares in Neometals Ltd for the period ended 30 June of the preceding financial year.



**Mr M Tamlin****Chief Operating Officer****Term:** No defined term**Termination notice period:** 6 months**Incentive based remuneration****Short term incentive**

Each financial year during the term of his service agreement the Board, at its sole discretion, may award the KMP a cash bonus of up to 40% of the KMP's annual salary package (\$420,000 inclusive of superannuation for 2022-23). The STI for 2022-23 was set at a maximum of \$168,000 of which 45% or \$75,600 was acknowledged and agreed by the CEO and Mr M Tamlin. The basis for calculating the STI will be a range of criteria including both the KMP's personal performance and the Company's sustainability and financial performance/ position and share price.

**Long term incentive**

Each financial year during the term of his service agreement the KMP is entitled to receive performance rights granted under the Company's Performance Rights Plan. The maximum number of performance rights to which the KMP may be granted is based on the following calculation and vesting of the performance rights are subject to further criteria which are also set out below, as approved by shareholders.

**Calculation of potential entitlement to performance rights**

$$P = \frac{35}{100} \times \frac{S}{VWAP}$$

Where: P is the potential performance rights entitlement  
S is the KMP's annual salary package for the applicable period

VWAP is the 30 day volume weighted average price of ordinary shares in Neometals Ltd for the period ended 30 June of the preceding financial year.

**Mr D Townsend****Chief Development Officer****Term:** No defined term**Termination notice period:** 6 months**Incentive based remuneration****Short term incentive**

Each financial year during the term of his service agreement the Board, at its sole discretion, may award the KMP a cash bonus of up to 40% of the KMP's annual salary package (\$420,000 inclusive of superannuation for 2022-23). The STI for 2022-23 was set at a maximum of \$168,000 of which 75% or \$126,000 was acknowledged and agreed by the CEO and Mr D Townsend. The basis for calculating the STI will be a range of criteria including both the KMP's personal performance and the Company's sustainability and financial performance/ position and share price.

**Long term incentive**

Each financial year during the term of his service agreement the KMP is entitled to receive performance rights granted under the Company's Performance Rights Plan. The maximum number of performance rights to which the KMP may be granted is based on the following calculation and vesting of the performance rights are subject to further criteria which are also set out below, as approved by shareholders.

**Calculation of potential entitlement to performance rights**

$$P = \frac{35}{100} \times \frac{S}{VWAP}$$

Where: P is the potential performance rights entitlement  
S is the KMP's annual salary package for the applicable period

VWAP is the 60 day volume weighted average price of ordinary shares in Neometals Ltd for the period ended 30 June of the preceding financial year.

**Ms M Gray****Head of Recycling****Term:** No defined term**Termination notice period:** 3 months**Incentive based remuneration****Short term incentive**

Each financial year during the term of his service agreement the Board, at its sole discretion, may award the KMP a cash bonus of up to 33% of the KMP's annual salary package (\$423,500 inclusive of superannuation for 2022-23). The STI for 2022-23 was set at a maximum of \$139,755 representing approximately 33% of the annual base salary package of which 75% or \$104,816 was acknowledged and agreed by the CEO and Ms M Gray. The basis for calculating the STI will be a range of criteria including both the KMP's personal performance and the Company's sustainability and financial performance/position and share price.

**Long term incentive**

Each financial year during the term of his service agreement the KMP is entitled to receive performance rights granted under the Company's Performance Rights Plan. The maximum number of performance rights to which the KMP may be granted is based on the following calculation and vesting of the performance rights are subject to further criteria which are also set out below, as approved by shareholders.

**Calculation of potential entitlement to performance rights**

$$P = \frac{33}{100} \times \frac{S}{VWAP}$$

Where: P is the potential performance rights entitlement  
S is the KMP's annual salary package for the applicable period

VWAP is the 60 day volume weighted average price of ordinary shares in Neometals Ltd for the period ended 30 June of the preceding financial year.

**Criteria**

The grant of Performance Rights is designed to reward long term sustainable business performance measured over a three year period with an opportunity for the performance conditions to be re-measured six months later should they not vest at the first vesting date. The KMP's entitlement to the performance rights is dependent on 3 criteria:

- (a) Tranche 1 – Relative TSR (issued during financial years ending 2021-2023)

The performance conditions of 40% of Performance Rights will be measured as at each vesting date by comparing the Company's total shareholder return (TSR) with that of a comparator group of resource companies over the relevant period.

The Performance Rights will vest depending on the Company's percentile ranking within the comparator group on the relevant Vesting Date as follows:

- If the Company ranks below the 50th percentile, none of the Performance Rights will vest.
- If the Company ranks at the 50th percentile, 50% of the Performance Rights will vest.
- For each 1% ranking at or above the 51st percentile, an additional 2% of the Performance Rights will vest, with 100% vesting where the Company ranks at or above the 75th percentile.

- (b) Tranche 2 – Absolute TSR (issued during financial years ending 2021-2023)

The performance conditions of 40% of Performance Rights will be measured as at each vesting date by calculating the Company's TSR calculated over the period commencing on the Comparator Start Date and ending on the relevant Vesting Date (Absolute TSR).

The Performance Rights will vest depending on the Company's Absolute TSR on the relevant Vesting Date as follows:

- If the Company's Absolute TSR is less than 15%, none of the Performance Rights will vest.
- If the Company's Absolute TSR is 15%, 50% of the Performance Rights will vest.
- For each additional 1% TSR above 15% Absolute TSR, an additional 10% of the Performance Rights will vest, with 100% vesting where the Company's Absolute TSR is at or above 20%.

(c) Tranche 3 – Business plan (issued during financial year ending 2021, except for CEO)

The performance conditions of 20% of Performance Rights will be measured as at each Vesting Date as follows:

10% will vest if the combined market capitalisation of Neometals and any entity demerged from the Neometals Group and separately listed on the ASX would meet the threshold for entry into the ASX/S&P 200 Index.

10% will vest if any two of the following are at least under construction via direct investment or joint venture involvement (as assessed by the Board):

- a LiOH plant;
- a Li-Battery recycling;
- a Titanium/Vanadium mining or process.

(d) Tranche 3 – Business plan (issued during financial years ending 2021 (CEO only), 2022-2023)

The performance conditions of 20% of Performance Rights will be measured as at each Vesting Date as follows:

10% will vest if the combined market capitalisation of Neometals and any entity demerged from the Neometals Group and separately listed on the ASX would meet the threshold for entry into the ASX/S&P 200 Index.

10% to vest at the discretion of the Board based on the overall achievement by NMT of its strategic objectives (both financial and non-financial) under the leadership of the CEO and in delivering value to NMT's shareholders and broader stakeholders.

Performance rights granted to the KMP have a vesting period of 3 years from grant date and will lapse on the KMP ceasing to be an employee of the Group prior to the vesting date.

The Company provides the KMP with performance based incentives in order to incentivise KMP to pursue strategies that are aligned with the overall business strategy and the interests of the shareholders. Where deemed appropriate the Company has set specific Key Performance Indicators as performance criteria for staff that have a direct role/responsibility in achieving a specific outcome. To ensure that KMP are also incentivised to pursue longer term strategies that increase shareholder wealth a portion of the KMP's remuneration is linked to a "comparative TSR model" which links the level of the KMP remuneration to the Company's performance against a group of comparable ASX listed entities, using Total Shareholder Return as the basis of comparison. KMP are also issued with performance rights with service conditions as vesting criteria which assist the company retain staff as well as aligning the interests of the KMP with shareholders. The Company has deemed the issue of service based performance rights as an appropriate form of remuneration due to the uncertain nature of the Group's business, that is, mineral exploration, mining and developing new mineral processing technologies.

The comparator group adopted by the company for LTI granted in 2021 (vest 2023) is as follows:

|                               |                |
|-------------------------------|----------------|
| Albermale                     | NYSE: ALB      |
| Global X Lithium ETF          | NYSE Arca: LIT |
| TNG Ltd                       | ASX: TNG       |
| S&P ASX Small Resources Index | ASXR: ASX      |
| AMG Metallurgical Group NV    | AMS: AMG       |
| S&P ASX 300                   | ASX: XKO       |
| Iluka Resources Limited       | ASX: ILU       |
| Lithium Australia NL          | ASX: LIT       |
| Bushveld Minerals             | LSE: BMN       |
| Piedmont Lithium Inc.         | ASX: PLL       |
| Umicore Belgium               | BSE: UMI       |

The comparator group adopted by the company for LTI granted in 2022 (vest 2024) is as follows:

|                               |                |
|-------------------------------|----------------|
| Albermale                     | NYSE: ALB      |
| Global X Lithium ETF          | NYSE Arca: LIT |
| TNG Ltd                       | ASX: TNG       |
| S&P ASX Small Resources Index | ASXR: ASX      |
| AMG Metallurgical Group NV    | AMS: AMG       |
| S&P ASX 300                   | ASX: XKO       |
| Iluka Resources Limited       | ASX: ILU       |
| Lithium Australia NL          | ASX: LIT       |
| Bushveld Minerals             | LSE: BMN       |
| Standard Lithium Inc.         | TSX: SLI       |
| Umicore Belgium               | BSE: UMI       |

The comparator group adopted by the company for LTI granted in 2023 (vest 2025) is as follows:

|                                     |            |
|-------------------------------------|------------|
| Albermale                           | NYSE: ALB  |
| Global X Lithium ETF                | NYSE: LIT  |
| TNG Ltd                             | ASX: TNG   |
| S&P ASX 300                         | ASX: XKO   |
| AMG Metallurgical Group NV          | AMS: AMG   |
| Li-Cycle Holdings Corp              | NYSE: LICY |
| Iluka Resources Limited             | ASX: ILU   |
| Umicore Belgium                     | BSE: UMI   |
| Bushveld Minerals                   | LSE: BMN   |
| Standard Lithium Inc.               | TSX: SLI   |
| American Battery Technology Company | OTC: ABML  |

The Company has selected the above group of companies as the comparator group for the following reasons:

1. It represents a reasonable cross section of resource companies with reasonably comparable market capitalisation, resource base and stage of development to that of the Company
2. The group is primarily focused on developing industrial minerals projects.

The Company's performance rights plan was approved by shareholders at the 2020 AGM.

## Performance rights issued as part of KMP remuneration

### Performance rights granted to key management personnel

The following tables summarises information relevant to the current financial year in relation to the grant of performance rights to KMP as part of their remuneration. Performance rights are issued by Neometals Ltd.

|                              | During the financial year |             |            |                                         |                        |                                   |
|------------------------------|---------------------------|-------------|------------|-----------------------------------------|------------------------|-----------------------------------|
| Name                         | Grant date                | No. granted | No. vested | Fair value at grant date <sup>(3)</sup> | Earliest exercise date | Consideration payable on exercise |
| KMP                          |                           |             |            |                                         |                        |                                   |
| C. Reed <sup>(1)</sup>       | 5/09/2022                 | 239,904     | -          | 276,034                                 | 30/06/2025             | -                                 |
| J. Carone <sup>(1)</sup>     | 5/09/2022                 | 144,919     | -          | 166,744                                 | 30/06/2025             | -                                 |
| M. Tamlin <sup>(1)</sup>     | 5/09/2022                 | 126,804     | -          | 145,901                                 | 30/06/2025             | -                                 |
| D. Townsend <sup>(1)</sup>   | 5/09/2022                 | 126,804     | -          | 145,901                                 | 30/06/2025             | -                                 |
| M. Gray <sup>(1)</sup>       | 5/09/2022                 | 120,554     | -          | 138,709                                 | 30/06/2025             | -                                 |
| N. Streltsova <sup>(2)</sup> | 4/08/2022                 | 40,875      | 40,875     | 45,000                                  | 30/06/2023             | -                                 |
| D. Ritchie <sup>(2)</sup>    | 4/08/2022                 | 40,875      | 40,875     | 45,000                                  | 30/06/2023             | -                                 |
| S. Cole <sup>(2)</sup>       | 4/08/2022                 | 54,499      | 54,499     | 60,000                                  | 30/06/2023             | -                                 |
| J. Purdie <sup>(2)</sup>     | 4/08/2022                 | 40,875      | 40,875     | 45,000                                  | 30/06/2023             | -                                 |
| L. Guthrie <sup>(2)</sup>    | 4/08/2022                 | 8,175       | 8,175      | 9,000                                   | 30/06/2023             | -                                 |
| Total                        |                           | 944,284     | 185,299    | 1,077,289                               |                        |                                   |

(1) The number of performance rights that will actually vest, if any, is determined by the Company's performance based on Neometals relative and absolute TSR compared to the comparative group of companies over a 3 year period and Business Plan strategic objectives.

(2) These Non-executive Directors have forgone Directors Fees for performance rights pursuant to the company's PRP.

(3) These values have been calculated using the Monte Carlo valuation method.

Details of performance rights held by KMP and of shares issued during the financial year as a result of the vesting of performance rights:

|                              | Balance at<br>01/07/22 | Grant date | Granted        | Fair value<br>of rights<br>at grant<br>date <sup>(3)</sup> | Forfeited/<br>lapsed<br>during the<br>financial<br>year | Ordinary<br>shares<br>issued on<br>exercise of<br>rights | Balance at<br>30/06/2023 <sup>(4)</sup> | Vested<br>during the<br>financial<br>year |
|------------------------------|------------------------|------------|----------------|------------------------------------------------------------|---------------------------------------------------------|----------------------------------------------------------|-----------------------------------------|-------------------------------------------|
| 2023                         | No.                    |            | No.            | \$                                                         | No.                                                     | No.                                                      | No.                                     | No.                                       |
| <b>KMP</b>                   |                        |            |                |                                                            |                                                         |                                                          |                                         |                                           |
| C. Reed <sup>(1)</sup>       | 3,463,824              | 5/09/2022  | 239,904        | 276,034                                                    | (246,604)                                               | (986,417)                                                | 2,470,707                               | 1,491,079                                 |
| J. Carone <sup>(1)</sup>     | 1,395,275              | 5/09/2022  | 144,919        | 166,744                                                    | (98,667)                                                | (394,668)                                                | 1,046,859                               | 532,844                                   |
| M. Tamlin <sup>(1)</sup>     | 1,577,475              | 5/09/2022  | 126,804        | 145,901                                                    | (111,942)                                               | (447,769)                                                | 1,144,568                               | 604,536                                   |
| D. Townsend <sup>(1)</sup>   | 1,526,883              | 5/09/2022  | 126,804        | 145,901                                                    | (107,637)                                               | (430,547)                                                | 1,115,503                               | 581,284                                   |
| M. Gray <sup>(1)</sup>       | -                      | 5/09/2022  | 120,554        | 138,709                                                    | -                                                       | -                                                        | 120,554                                 | -                                         |
| N. Streltsova <sup>(2)</sup> | 55,450                 | 4/08/2022  | 40,875         | 45,000                                                     | -                                                       | (55,450)                                                 | 40,875                                  | 40,875                                    |
| D. Ritchie <sup>(2)</sup>    | 55,450                 | 4/08/2022  | 40,875         | 45,000                                                     | -                                                       | (55,450)                                                 | 40,875                                  | 40,875                                    |
| S. Cole <sup>(2)</sup>       | 61,611                 | 4/08/2022  | 54,499         | 60,000                                                     | -                                                       | (61,611)                                                 | 54,499                                  | 54,499                                    |
| J. Purdie <sup>(2)</sup>     | 55,450                 | 4/08/2022  | 40,875         | 45,000                                                     | -                                                       | (55,450)                                                 | 40,875                                  | 40,875                                    |
| L. Guthrie <sup>(2)</sup>    | 11,090                 | 4/08/2022  | 8,175          | 9,000                                                      | -                                                       | (11,090)                                                 | 8,175                                   | 8,175                                     |
| <b>Total</b>                 | <b>8,202,508</b>       |            | <b>944,284</b> | <b>1,077,289</b>                                           | <b>(564,850)</b>                                        | <b>(2,498,452)</b>                                       | <b>6,083,490</b>                        | <b>3,395,042</b>                          |

(1) The number of performance rights that will actually vest, if any, is determined by the Company's performance based on Neometals relative and absolute TSR compared to the comparative group of companies over a 3 year period and Business Plan strategic objectives. Of the Performance Rights that vested at 30 June 2023, 10% for Chris Reed and 20% for remaining KMP's remain unvested and will be retested at 31 December 2023.

(2) Under the Performance Rights Plan, Non-Executive Directors were invited to forgo part of their fees for their services in exchange for performance rights.

(3) These values have been calculated using the Monte Carlo valuation method.

(4) Includes vested performance rights that have not been exercised at 30 June 2023.

|                              | Balance at<br>01/07/21 | Grant date | Granted          | Fair value<br>of rights<br>at grant<br>date <sup>(3)</sup> | Forfeited/<br>lapsed<br>during the<br>financial<br>year | Ordinary<br>shares<br>issued on<br>exercise of<br>rights | Balance at<br>30/06/2022 <sup>(4)</sup> | Vested<br>during the<br>financial<br>year |
|------------------------------|------------------------|------------|------------------|------------------------------------------------------------|---------------------------------------------------------|----------------------------------------------------------|-----------------------------------------|-------------------------------------------|
| 2022                         | No.                    |            | No.              | \$                                                         | No.                                                     | No.                                                      | No.                                     | No.                                       |
| <b>KMP</b>                   |                        |            |                  |                                                            |                                                         |                                                          |                                         |                                           |
| C. Reed <sup>(1)</sup>       | 3,725,114              | 11/10/2021 | 574,049          | 442,592                                                    | (167,068)                                               | (668,271)                                                | 3,463,824                               | 986,417                                   |
| J. Carone <sup>(1)</sup>     | 1,466,546              | 11/10/2021 | 235,885          | 181,867                                                    | (61,431)                                                | (245,725)                                                | 1,395,275                               | 394,668                                   |
| M. Tamlin <sup>(1)</sup>     | 1,698,711              | 11/10/2021 | 262,094          | 202,074                                                    | (76,666)                                                | (306,664)                                                | 1,577,475                               | 447,769                                   |
| D. Townsend <sup>(1)</sup>   | 1,633,376              | 11/10/2021 | 262,094          | 202,074                                                    | (73,717)                                                | (294,870)                                                | 1,526,883                               | 430,547                                   |
| N. Streltsova <sup>(2)</sup> | 49,911                 | 11/10/2021 | 55,450           | 45,000                                                     | -                                                       | (49,911)                                                 | 55,450                                  | 55,450                                    |
| D. Ritchie <sup>(2)</sup>    | 49,911                 | 11/10/2021 | 55,450           | 45,000                                                     | -                                                       | (49,911)                                                 | 55,450                                  | 55,450                                    |
| S. Cole <sup>(2)</sup>       | 207,962                | 11/10/2021 | 61,611           | 50,000                                                     | -                                                       | (207,962)                                                | 61,611                                  | 61,611                                    |
| J. Purdie <sup>(2)</sup>     | 83,185                 | 11/10/2021 | 55,450           | 45,000                                                     | -                                                       | (83,185)                                                 | 55,450                                  | 55,450                                    |
| L. Guthrie <sup>(2)</sup>    | 41,592                 | 11/10/2021 | 11,090           | 9,000                                                      | -                                                       | (41,592)                                                 | 11,090                                  | 11,090                                    |
| <b>Total</b>                 | <b>8,956,308</b>       |            | <b>1,573,173</b> | <b>1,222,607</b>                                           | <b>(378,882)</b>                                        | <b>(1,948,091)</b>                                       | <b>8,202,508</b>                        | <b>2,498,452</b>                          |

(1) The number of performance rights that will actually vest, if any, is determined by the Company's performance based on Neometals relative and absolute TSR compared to the comparative group of companies over a 3 year period and Business Plan strategic objectives.

(2) Under the Performance Rights Plan, Non-Executive Directors were invited to sacrifice part of their fees for their services in exchange for performance rights.

(3) These values have been calculated using the Monte Carlo valuation method.

(4) Includes vested performance rights that have not been exercised at 30 June 2022.



The performance rights granted entitle the grantee to one fully paid ordinary share in Neometals Ltd for nil cash consideration on satisfaction of the vesting criteria.

### Other transactions and balances with key management personnel

There were no loans made to key management personnel or their personally related parties during the current or prior financial year. There were no other transactions with key management personnel.

### Use of remuneration consultants

During the year no remuneration consultants were used in relation to the company's Performance Rights Plan. Remuneration consultants were used to provide insight into general KMP remuneration for a cost of \$5,000.

This is the end of the audited remuneration report.

### Auditor's Independence Declaration

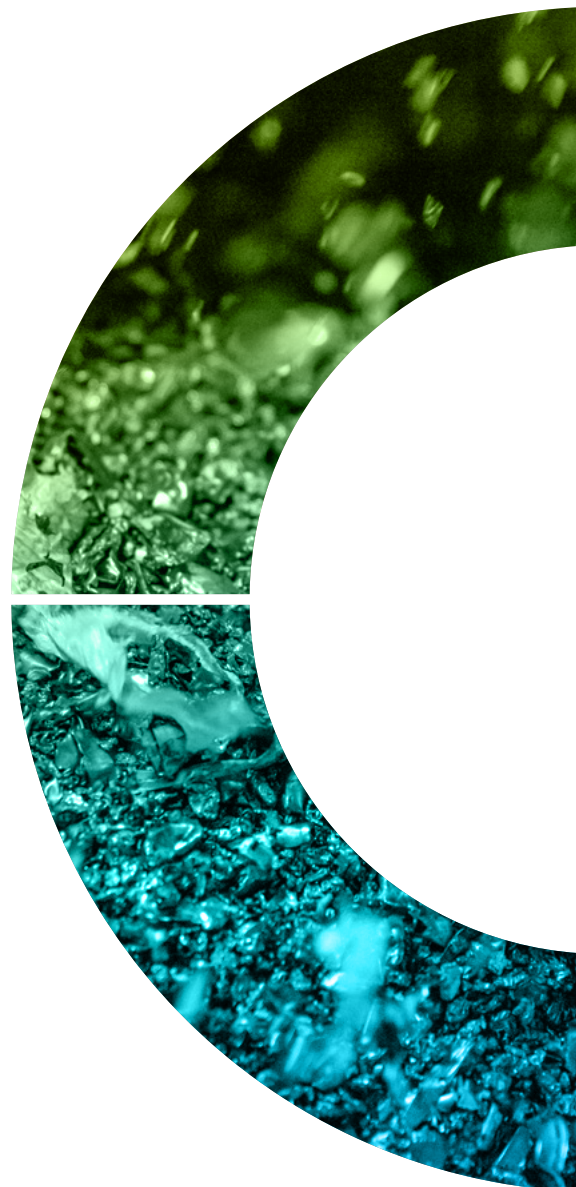
The auditor's independence declaration is included on page 52 of the Annual Financial Report.

Signed in accordance with a resolution of directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the directors of Neometals Ltd,



**Mr Christopher Reed**  
Managing Director  
West Perth WA  
29 September 2023



# Independent auditor's report



Deloitte Touche Tohmatsu  
ABN 74 490 121 060

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## Independent Auditor's Report to the members of Neometals Ltd

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Neometals Ltd (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss, 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 other explanatory information, and the directors' declaration.

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

- 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
- 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 & 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 2 in the financial report, which indicates that the Group has incurred losses of \$34,804,369 (30 June 2022: \$11,167,939) and experienced net cash outflows from operating and investing activities of 35,330,442 (30 June 2022: \$37,471,376) for the year ended 30 June 2023. These conditions, along with other matters set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt over 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 for 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. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

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| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | How the scope of our audit responded to the Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Non-current financial assets measured at FVTPL</b></p> <p>As disclosed in Note 12, the Group holds investments in unlisted entities measured at fair value through profit or loss with a carrying value of \$4.4 million and an investment by way of a convertible note with a carrying value of \$0.7 million as at 30 June 2023.</p> <p>The fair value of these investments was determined by management's independent expert using the following valuation methodologies:</p> <ul style="list-style-type: none"> <li>• a market approach which considered precedent equity transactions and resource multiples where applicable;</li> <li>• a cost or net assets value approach; and</li> <li>• an income approach using a discounted cash flow model in assessing the fair value of the Group's investment in Critical Metals which represents a significant portion of the unlisted investments held by the Group.</li> </ul> <p>Due to the lack of available observable inputs in relation to the valuation of these investments, the valuation includes a number of estimates and judgements including the appropriate valuation methodology and all key assumptions underpinning the valuation approach.</p> | <p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> <li>• evaluating the independence, competency and objectivity of management's experts;</li> <li>• performing in conjunction with our internal valuation specialist, the following <ul style="list-style-type: none"> <li>- held inquiries with management and management's experts in relation to the key assumptions made in determining the fair values of the unlisted investments;</li> <li>- assessed the appropriateness of the valuation methodologies applied;</li> <li>- assessed the reasonableness of the discount rate adopted to value Critical Metals Ltd under the discounted cash flow methodology as well as the reasonableness of the long-term pricing assumptions used by management's experts;</li> <li>- considered and assessed the reasonableness of cross-checks and where applicable agreeing recent market transactions to supporting documentation;</li> <li>- assessed the reasonableness of sensitivity analysis as performed by management's experts and independently performing sensitivity analysis on key inputs; and</li> <li>- on a sample basis, tested the number of shares held to underlying supporting documentation.</li> </ul> </li> </ul> <p>We have also assessed the adequacy of the disclosures made in Note 12.</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 we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



#### *Responsibilities of the Directors for the Financial Report*

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

In preparing the financial report, the directors are responsible for assessing the 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's 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.

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 38 to 47 of the Directors' Report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Neometals Ltd 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.

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU

**Peter Rupp**

Partner

Chartered Accountants

Perth, 29 September 2023



# Auditor's independence declaration



Deloitte Touche Tohmatsu  
ABN 74 490 121 060

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The Board of Directors  
Neometals Ltd  
Level 1, 1292 Hay Street  
West Perth WA 6005

29 September 2023

Dear Board Members,

## Auditor's Independence Declaration to Neometals Ltd

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the Directors of Neometals Ltd.

As lead audit partner for the audit of the financial report of Neometals Ltd for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully

A handwritten signature in blue ink that reads "Deloitte Touche Tohmatsu".

DELOITTE TOUCHE TOHMATSU

A handwritten signature in blue ink that reads "Peter Rupp".

**Peter Rupp**  
Partner  
Chartered Accountants

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# Directors' report

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
- (b) the attached financial statements are in compliance with International Financial Reporting Standards as stated in note 2 to the financial statements;
- (c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity; and
- (d) the directors have been given the declarations required by s.295A of the Corporations Act 2001.

Signed in accordance with a resolution of the directors made pursuant to s. 298(2) and s.295(5) of the Corporations Act 2001.

On behalf of the directors of Neometals Ltd,



**Mr Christopher Reed**  
Managing Director  
29 September 2023



# Financial statements

FY 2022-23

# Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2023

|                                                                                | Note                    | 2023<br>\$          | 2022<br>\$          |
|--------------------------------------------------------------------------------|-------------------------|---------------------|---------------------|
| <b>Continuing operations</b>                                                   |                         |                     |                     |
| Interest and other income                                                      | 5 (a)                   | 1,061,585           | 1,166,904           |
| Employee expenses                                                              | 5 (b)                   | (11,155,509)        | (8,778,942)         |
| Occupancy expenses                                                             |                         | (188,662)           | (211,087)           |
| AIM listing fee                                                                |                         | -                   | (2,986,844)         |
| Finance costs                                                                  |                         | (29,859)            | (76,163)            |
| Other expenses                                                                 | 5 (b)                   | (10,563,595)        | (10,697,790)        |
| Marketing expenses                                                             |                         | (450,914)           | (518,084)           |
| Foreign exchange gain/(loss)                                                   |                         | 61,466              | (20,915)            |
| Impairment (expense)/reversal on investment in associate                       | 23                      | (1,273,045)         | 7,079,641           |
| Impairment (expense)/reversal on investment in joint ventures                  | 22 <sup>(i)</sup>       | (2,716,703)         | -                   |
| Share of loss in associate                                                     | 23                      | (3,412,514)         | (318,287)           |
| Share of loss in joint ventures                                                | 22 <sup>(ii)(iii)</sup> | (7,298,801)         | (872,667)           |
| Loss on disposal of subsidiary                                                 | 22 <sup>(iv)</sup>      | (212,473)           | -                   |
| Loss before income tax                                                         |                         | (36,179,024)        | (16,234,234)        |
| Income tax benefit                                                             | 8                       | 1,374,655           | 5,066,295           |
| <b>Loss for the year from continuing operations</b>                            |                         | <b>(34,804,369)</b> | <b>(11,167,939)</b> |
| <b>Discontinued operations</b>                                                 |                         |                     |                     |
| Profit for the year from discontinuing operations                              | 6 and 7                 | -                   | 15,528,639          |
| <b>(Loss)/profit for the year from continuing and discontinuing operations</b> |                         | <b>(34,804,369)</b> | <b>4,360,700</b>    |
| <b>Other comprehensive income</b>                                              |                         | <b>-</b>            | <b>-</b>            |
| <b>Total comprehensive (loss)/profit for the year</b>                          |                         | <b>(34,804,369)</b> | <b>4,360,700</b>    |
| <b>(Loss)/earnings per share</b>                                               |                         |                     |                     |
| From continuing and discontinued operations:                                   |                         |                     |                     |
| Basic (cents per share)                                                        | 19                      | (6.30)              | 0.80                |
| Diluted (cents per share)                                                      | 19                      | (6.30)              | 0.79                |

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



# Consolidated statement of financial position

For the year ended 30 June 2023

|                                        | Note   | 2023<br>\$        | 2022<br>\$         |
|----------------------------------------|--------|-------------------|--------------------|
| <b>Current assets</b>                  |        |                   |                    |
| Cash and cash equivalents              | 28 (a) | 24,438,695        | 60,158,159         |
| Trade and other receivables            | 11     | 2,031,604         | 518,007            |
| Other financial assets                 | 12     | 763,650           | 2,229,500          |
| <b>Total current assets</b>            |        | <b>27,233,949</b> | <b>62,905,666</b>  |
| <b>Non-current assets</b>              |        |                   |                    |
| Loan to joint ventures                 | 22     | -                 | 350,000            |
| Exploration and evaluation expenditure | 13     | 47,364,711        | 41,415,749         |
| Intangibles                            |        | 945,994           | 999,270            |
| Investments in joint ventures          | 22     | 5,449,045         | 5,458,508          |
| Investment in associate                | 23     | 9,677,933         | 13,668,977         |
| Other financial assets                 | 12     | 5,298,971         | 5,298,971          |
| Right of use assets                    | 21     | 895,690           | 293,266            |
| Property, plant and equipment          | 14     | 877,269           | 650,132            |
| <b>Total non-current assets</b>        |        | <b>70,509,613</b> | <b>68,134,873</b>  |
| <b>Total assets</b>                    |        | <b>97,743,562</b> | <b>131,040,539</b> |
| <b>Current liabilities</b>             |        |                   |                    |
| Trade and other payables               | 15     | 2,190,866         | 2,236,332          |
| Provisions                             | 16     | 1,021,613         | 1,053,518          |
| Lease liability                        | 21     | 285,625           | 371,756            |
| <b>Total current liabilities</b>       |        | <b>3,498,104</b>  | <b>3,661,606</b>   |
| <b>Non-current liabilities</b>         |        |                   |                    |
| Provisions                             | 16     | 72,685            | -                  |
| Lease liability                        | 21     | 652,049           | -                  |
| Deferred tax liability                 | 8      | -                 | 782,904            |
| <b>Total non-current liabilities</b>   |        | <b>724,734</b>    | <b>782,904</b>     |
| <b>Total liabilities</b>               |        | <b>4,222,838</b>  | <b>4,444,510</b>   |
| <b>Net assets</b>                      |        | <b>93,520,724</b> | <b>126,596,029</b> |
| <b>Equity</b>                          |        |                   |                    |
| Issued capital                         | 17     | 146,234,171       | 145,564,286        |
| Reserves                               | 18     | 10,835,122        | 9,775,943          |
| Accumulated losses                     |        | (63,548,569)      | (28,744,200)       |
| <b>Total equity</b>                    |        | <b>93,520,724</b> | <b>126,596,029</b> |

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

# Consolidated statement of changes in equity

For the year ended 30 June 2023

|                                                               | Issued<br>capital<br>\$ | Investment<br>revaluation<br>reserve<br>\$ | Other equity<br>reserve<br>\$ | Share based<br>payments<br>reserve<br>\$ | Accumulated<br>losses<br>\$ | Total<br>\$        |
|---------------------------------------------------------------|-------------------------|--------------------------------------------|-------------------------------|------------------------------------------|-----------------------------|--------------------|
| Balance at 30/06/21                                           | 154,634,997             | 1,019,637                                  | 300,349                       | 7,721,414                                | (16,908,128)                | 146,768,269        |
| Gain for the period                                           | -                       | -                                          | -                             | -                                        | 4,360,700                   | 4,360,700          |
| Total comprehensive income<br>for the period                  | -                       | -                                          | -                             | -                                        | 4,360,700                   | 4,360,700          |
| Recognition of share-based<br>payments (see note 10 and 18)   | -                       | -                                          | -                             | 1,474,081                                | -                           | 1,474,081          |
| Recognition of shares issued<br>under performance rights plan | 739,538                 | -                                          | -                             | (739,538)                                | -                           | -                  |
| In-specie distribution                                        | (9,803,228)             | -                                          | -                             | -                                        | (16,196,772)                | (26,000,000)       |
| Share issue costs, net of tax                                 | (7,021)                 | -                                          | -                             | -                                        | -                           | (7,021)            |
| <b>Balance at 30/06/22</b>                                    | <b>145,564,286</b>      | <b>1,019,637</b>                           | <b>300,349</b>                | <b>8,455,957</b>                         | <b>(28,744,200)</b>         | <b>126,596,029</b> |
| Loss for the period                                           | -                       | -                                          | -                             | -                                        | (34,804,369)                | (34,804,369)       |
| Total comprehensive income<br>for the period                  | -                       | -                                          | -                             | -                                        | (34,804,369)                | (34,804,369)       |
| Recognition of share-based<br>payments (see note 10 and 18)   | -                       | -                                          | -                             | 1,747,438                                | -                           | 1,747,438          |
| Recognition of shares issued<br>under performance rights plan | 688,259                 | -                                          | -                             | (688,259)                                | -                           | -                  |
| Share issue costs, net of tax                                 | (18,374)                | -                                          | -                             | -                                        | -                           | (18,374)           |
| <b>Balance at 30/06/23</b>                                    | <b>146,234,171</b>      | <b>1,019,637</b>                           | <b>300,349</b>                | <b>9,515,136</b>                         | <b>(63,548,569)</b>         | <b>93,520,724</b>  |

This consolidated statement of changes in equity should be read in conjunction with the accompanying notes

# Consolidated statement of cash flows

For the year ended 30 June 2023

|                                                                         | Note   | 2023<br>\$          | 2022<br>\$          |
|-------------------------------------------------------------------------|--------|---------------------|---------------------|
| <b>Cash flows from operating activities</b>                             |        |                     |                     |
| Research and development refund                                         |        | -                   | 1,796,876           |
| Payments to suppliers and employees                                     |        | (20,398,542)        | (25,626,023)        |
| Payments to suppliers – discontinued operations                         |        | -                   | (1,248,630)         |
| <b>Net cash used in operating activities</b>                            | 28 (b) | <b>(20,398,542)</b> | <b>(25,077,777)</b> |
| <b>Cash flows from investing activities</b>                             |        |                     |                     |
| Payments for property, plant & equipment                                |        | (435,530)           | (210,820)           |
| Payments for intellectual property                                      |        | (159,198)           | (244,190)           |
| Payments for exploration and evaluation                                 |        | (5,827,390)         | (4,882,350)         |
| Payments for exploration and evaluation – discontinued operations       |        | -                   | (505,680)           |
| Interest received                                                       |        | 1,050,819           | 257,359             |
| Payments for purchase of investments                                    |        | (425,838)           | (3,741,729)         |
| Receipts from sale of investments                                       |        | 1,215,791           | 2,771,705           |
| Investment in associate                                                 |        | (694,515)           | (2,038,056)         |
| Investment in joint ventures                                            | 22     | (9,656,039)         | (3,799,838)         |
| <b>Net cash used in by investing activities</b>                         |        | <b>(14,931,900)</b> | <b>(12,393,599)</b> |
| <b>Cash flows from financing activities</b>                             |        |                     |                     |
| Share issue costs                                                       |        | (18,374)            | (7,022)             |
| Amounts received for security deposits                                  |        | -                   | 4,000,000           |
| Lease payments                                                          |        | (347,854)           | (328,420)           |
| Interest and other finance costs paid                                   |        | (26,999)            | (53,537)            |
| <b>Net cash generated by/(used in) financing activities</b>             |        | <b>(393,227)</b>    | <b>3,611,021</b>    |
| <b>Net (decrease)/increase in cash and cash equivalents</b>             |        | <b>(35,723,669)</b> | <b>(33,860,355)</b> |
| <b>Cash and cash equivalents at the beginning of the financial year</b> |        | <b>60,158,159</b>   | <b>93,984,074</b>   |
| <b>Effect of exchange rates on cash balances</b>                        |        | <b>4,205</b>        | <b>34,440</b>       |
| <b>Cash and cash equivalents at the end of the financial year</b>       | 28 (a) | <b>24,438,695</b>   | <b>60,158,159</b>   |

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

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# Notes to the consolidated financial statements

## 1. General information

Neometals Ltd is a limited public company incorporated in Australia and listed on the Australian Securities Exchange. The principal activities of the Consolidated Entity are development and commercialisation of environmentally-friendly processing technologies. Neometals Ltd is the ultimate parent.

### Registered office and principal place of business

Level 1, 1292 Hay Street, West Perth WA 6005

## 2. Significant accounting policies

### Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law. The financial statements comprise the consolidated financial statements of the Consolidated Entity, comprising Neometals Ltd and its controlled entities. For the purpose of preparing the financial statements the consolidated entity is a for-profit entity.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards ("IFRS").

The financial statements were authorised for issue by the directors of Neometals Ltd on 29 September 2023.

### Basis of preparation

The financial report has been prepared on a going concern basis. These accounting policies are consistent with Australian Accounting Standards and with IFRS.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Boards ("AASB") that are relevant to its operations and effective for the current reporting period beginning 1 July 2022.

The financial report has been prepared on the basis of historical cost except for the revaluation of certain non-financial assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

### Going concern

The Directors believe that Neometals Ltd will continue as a going concern, and as a result the financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group incurred losses after tax from continuing operations of \$34,804,369 (30 June 2022: \$11,167,939) and experienced net cash outflows from operating and investing activities of \$35,330,442 (30 June 2022: \$37,471,376) for the year ended 30

June 2023. As at 30 June 2023 the Group had cash and cash equivalents of \$24,438,695 (30 June 2022: \$60,158,159) and net current assets of \$23,735,845 (30 June 2022: \$59,244,060).

The directors recognise that additional funding is required to meet the Group's budgeted ongoing activities. The directors have prepared a cash flow forecast for the period ending 30 September 2024 which indicates minimum funding of \$15 million will be required progressively from February 2024 by way of debt, equity or other forms of funding to continue to progress its projects through to 30 September 2024. The forecast assumes expenditures on the development and expansion of all of the Group's core projects including required expenditures to advance the Group's Vanadium Recovery and Barrambie Titanium/Vanadium projects towards a final investment decision. However, the cash flow forecast does not assume that development activities commence in relation to any of the Group's projects in the period ending 30 September 2024. Further, Neometals has the ability to defer discretionary expenditure should adequate funding not be secured by February 2024, however, additional funding will still be required during the period to 30 September 2024.

Should a final investment decision be made with respect to the Group's projects, the cash flow forecast will be updated to identify any additional funding required for development, be this in the form of debt, equity or other forms of funding, or a combination of these options.

Based on the advanced nature of discussions with various parties and the directors' expectation that the additional funding will be secured within the required timeframe, the directors reasonably believe that they will achieve the matters set out above and therefore the going concern basis of preparation is appropriate.

Should the Group be unable to achieve the additional funding referred to above, there is a material uncertainty that may cast significant doubt as to whether the Group will be able to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business.

No adjustments have been made to the financial statements relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

### Standards and interpretations adopted in the current year

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2022.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group include:

- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments
- AASB 2021-7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections



## 2. Significant accounting policies (cont.)

### Standards and interpretations issued but not yet effective

At the date of authorisation of the financial statements, the following Australian Accounting Standards and Interpretations have been issued or amended but are not yet effective and have not been adopted by the Group for the year ended 30 June 2023:

| Standard                                                                                                                                                                                                                                                                   | Effective for annual reporting periods beginning on or after | Expected to be initially applied in the financial year ending |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|---------------------------------------------------------------|
| AASB 2014-10 'Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128' | 1 January 2025                                               | 30 June 2026                                                  |
| AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date   | 1 January 2024                                               | 30 June 2025                                                  |
| AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates                                                                                                                                       | 1 January 2023                                               | 30 June 2024                                                  |

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2023. The Company is assessing the impact of the new standards, however does not expect them to have a material impact on the Company in the current of future reporting periods and on foreseeable future transactions.

### Critical accounting judgments and key sources of estimation uncertainty

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Refer to note 3 for a discussion of critical judgments in applying the entity's accounting policies, and key sources of estimation uncertainty.

### Significant accounting policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

#### (a) Cash and cash equivalents

Cash comprises cash on hand and term deposits with a 30 day cancellation policy. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### (b) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

#### (c) Foreign currency translation

##### Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollar (\$), which is Neometals Ltd's functional and presentation currency.

## 2. Significant accounting policies (cont.)

### Transactions and balances

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

All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.

### (d) Financial instruments issued by the company

#### Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

#### Financial assets

Financial instruments and non-financial assets such as investments in unlisted entities, are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed immediately.

Financial instruments are subsequently measured at fair value through profit or loss (FVTPL), amortised cost using the effective interest rate method or at cost. Fair value represents 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. Quoted prices in an active market are used to determine fair value where possible. The group does not designate any interest in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

Amortised cost instruments are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

By default, all other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL).

The Group classifies its financial assets into the following categories: those to be measured subsequently at fair value (either through other comprehensive income 'FVOCI' or through the income statement 'FVTPL') and those to be held at amortised cost. The classification depends on the Group's business model for managing its financial assets and the contractual terms of the cash flows.

All assets for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

Level 1 – Quoted market prices in active markets for identical assets.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

External valuers are involved for valuation of unlisted investments and unquoted financial assets. Involvement of external valuers is determined annually with selection criteria including market knowledge, reputation, independence and whether professional standards are maintained.

#### Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt and equity instruments that are measured at amortised cost, FVTPL or at FVTOCI. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group recognises lifetime ECL (expected credit loss) when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for these financial assets.

#### Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities.

#### Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss where the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is held for trading if:

- It has been incurred principally for the purpose of repurchasing in the near future; or
- It is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument

## 2. Significant accounting policies (cont.)

A financial liability other than a financial liability held for trading is designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 9 'Financial Instruments' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

### Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

### Transaction costs on the issue of equity instruments

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

### Interest and dividends

Interest and dividends are classified as expenses or as distributions of profit consistent with the balance sheet classification of the related debt or equity instruments or component parts of compound instruments.

### (e) Goods and service tax

Other income, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except:

- i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

- ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

### (f) Non-current assets held for sale

Non-current assets and their disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less cost to sell.

### (g) Impairment of non-financial assets

At each reporting date, the consolidated entity reviews the carrying amounts of its tangible and intangible assets, excluding exploration and evaluation assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

## 2. Significant accounting policies (cont.)

### (h) Income tax

#### Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

#### Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the consolidated entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company/Consolidated Entity intends to settle its current tax assets and liabilities on a net basis.

#### Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the profit and loss statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or gain on a bargain purchase.

#### Tax consolidation

The Company and all its wholly-owned Australian resident entities are part of a tax-consolidated group under Australian taxation law. Neometals Ltd is the head entity in the tax-consolidated group. Income tax expense/benefit, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax consolidated group using a 'group allocation' approach based on the allocation specified in the tax funding arrangement.

The tax funding arrangement requires a notional current and deferred tax calculation for each entity as if it were a taxpayer in its own right, except that unrealised profits, distributions made and received and capital gains and losses and similar items arising on transactions within the tax consolidated group are treated as having no consequence. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax consolidated group are recognised by the Company (as head entity in the tax consolidated group).

Due to the existence of a tax funding arrangement between the entities in the tax consolidated group, amounts are recognised as payable to or receivable by the Company and each member of the group in relation to the tax contribution amounts paid or payable between the parent and the other members of the tax consolidated group in accordance with the arrangement. In addition to the Company own current and deferred tax amounts, the company does not recognise the losses of the members of the tax consolidated group as intercompany liabilities, it is recognised as part of the equity of the company. When the company becomes reasonably certain that it will have to reimburse the subsidiary for its losses, the company recognises an intercompany liability.

Where the tax contribution amount recognised by each member of the tax consolidated group for a particular period is different to the aggregate of the current tax liability or asset and any deferred tax asset arising from the unused tax losses and tax credits in respect of that period, the difference is recognised as a contribution from, or distribution to, equity participants.

#### Research and development tax offset

In respect of Research and Development tax offsets, the Income tax approach (AASB 112) of accounting has been utilised, where the tax benefit is presented within the tax line in the Statement of Comprehensive Income.

## 2. Significant accounting policies (cont.)

### (i) Exploration and evaluation expenditure

Exploration and evaluation expenditures, excluding general overhead, in relation to separate areas of interest are capitalised in the year in which they are incurred and are carried at cost less accumulated impairment losses where the following conditions are satisfied;

- i) the rights to tenure of the area of interest are current; and
- ii) at least one of the following conditions is also met:
  - the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
  - exploration and evaluation 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.

Capitalised exploration costs for each area of interest (considered to be the cash generating unit) are reviewed each reporting date to test whether an indication of impairment exists. If any such indication exists, the recoverable amount of the capitalised exploration costs is estimated to determine the extent of the impairment loss (if any). The recoverable amount for capitalised exploration costs has been determined as the fair value less costs to sell by reference to an active market. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development, accumulated expenditure is tested for impairment and transferred to capitalised development and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

### Development expenditure

Development expenditure is recognised at cost less any impairment losses. Where commercial production in an area of interest has commenced, the associated costs are amortised over the life of the reserves associated with the area of interest. Changes in factors such as estimates of proved and probable reserves that effect unit-of-production calculations are dealt with on a prospective basis.

### (j) Payables

Trade payables and other accounts payable are recognised when the Consolidated Entity becomes obliged to make future payments resulting from the purchase of goods and services.

### (k) Principles of consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the Consolidated Entity, being the Company (the parent entity) and its subsidiaries as defined in Accounting Standard AASB 10 'Consolidated Financial Statements'. A list of subsidiaries appears in note 24 to the financial statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after reassessment, the fair value of the identifiable net assets acquired exceeds the cost of acquisition, the excess is credited to profit and loss in the period of acquisition. The consolidated financial statements include the information and results of each subsidiary from the date on which the Company obtains control and until such time as the Company ceases to control such entity. In preparing the consolidated financial statements, all inter-company balances and transactions, and unrealised profits arising within the consolidated entity are eliminated in full.

### (l) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, costs are determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is calculated on a diminishing value basis so as to write off the net cost or other re-valued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period with the effect of any changes recognised on a prospective basis.

The following estimated useful lives are used in the calculation of depreciation:

|                        |             |
|------------------------|-------------|
| Furniture and fittings | 5-20 years  |
| Plant and equipment    | 2-10 years  |
| Buildings              | 10-20 years |

An item of property, plant and equipment is derecognised upon disposal when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit and loss.



## 2. Significant accounting policies (cont.)

### (m) Intangibles

#### Patents, trademarks, licences and customer contracts

Separately acquired patents, trademarks and licences are shown at historical cost. Patents, trademarks, licenses and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

#### Research and development

Research expenditure is recognised as an expense as incurred. Development expenditure is recognised as an asset as incurred if the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Research and development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

### (n) Provisions

Provisions are recognised when the consolidated entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

#### Provision for onerous contract

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

### (o) Revenue recognition

The Company recognises revenue through its equity accounted share of loss in joint venture entity Primobius GmbH from the following sources:

- LiB disposal fees (for LiBs supplied by multiple waste aggregators delivering predominantly whole modules);
- Sale of products from the Hilchenbach Spoke (metallic scrap, chemical intermediates and chemicals purchased by various recyclers and smelting customers); and
- Mechanical plant and equipment package supply (Stelco and Mercedes) and associated technology licensing royalties.

For the supply of services, revenue is recognised progressively as contractually agreed services have been performed.

For the sale of products, revenue is recognised when control of the goods has been transferred to the customer, being the point at which the customer has received the goods.

### (p) Income recognition

Other income is measured at the fair value of the consideration received or receivable.

#### Dividend and interest revenue

Dividend revenue from investments is recognised when the shareholder's right to receive the payment has been established. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

### (q) Share-based payments

Equity-settled share-based payments to employees and others providing services to the Group are measured at fair value at the date of grant.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Consolidated Entity's estimate of shares that will eventually vest, with a corresponding increase in equity.

Equity-settled share-based payments transactions with parties other than employees are measured at the fair value of the goods or services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counter party renders the service. The fair value of performance rights are measured using a Monte Carlo Simulation.

### (r) Leased assets

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee.

## 2. Significant accounting policies (cont.)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

### (s) Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with AASB 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired. Any increase in percentage shareholding is accounted for in the cost of the investment.

If there is objective evidence that the Group's net investment in an associate or joint venture is impaired, the requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with AASB 136 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with AASB 136 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with AASB 9. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no re-measurement to fair value upon such changes in ownership interests.

## 2. Significant accounting policies (cont.)

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

## 3. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 2, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### 3.1 Critical judgments in applying the entity's accounting policies

The following are the critical judgments that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

#### (a) Recovery of capitalised exploration and evaluation expenditure

The Group capitalises exploration and evaluation expenditure incurred on ongoing projects. The recoverability of this capitalised exploration expenditure is entirely dependent upon returns from the successful development of mining operations or from surpluses from the sale of the projects or the subsidiary companies that control the projects. At the point that it is determined that any capitalised exploration expenditure is definitely not recoverable, it is written off.

#### (b) Share-based payments

Equity-settled share-based payments granted are measured at fair value at the date of grant. The fair value of share options is measured by use of the Monte Carlo model and requires substantial judgement. Management has made its best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioural considerations.

The fair value of performance rights issued during the period was made with reference to the Company's closing share price on the date of grant. Management has been required to estimate the probability that the Company will meet the performance criteria determined by the board.

#### (c) Unlisted investment

The investments in non-listed shares, being financial assets, are required to be fair valued at each reporting date in accordance with the Accounting Standards. The valuation of shares held in non-listed companies includes a number of estimates and judgements as, generally, limited information exists on such non-listed companies and their underlying assets or projects. Accordingly, management has engaged an external valuation specialist in assessing the fair value of all investments in non-listed shares.

#### 4. Parent entity disclosure

|                                          | 2023<br>\$          | 2022<br>\$        |
|------------------------------------------|---------------------|-------------------|
| <b>Financial position</b>                |                     |                   |
| <b>Assets</b>                            |                     |                   |
| Current assets                           | 26,199,905          | 55,115,437        |
| Non-current assets                       | 30,012,521          | 35,308,379        |
| <b>Total assets</b>                      | <b>56,212,426</b>   | <b>90,423,816</b> |
| <b>Liabilities</b>                       |                     |                   |
| Current liabilities                      | 3,198,663           | 3,224,412         |
| Non-current liabilities                  | 519,747             | 782,904           |
| <b>Total liabilities</b>                 | <b>3,718,410</b>    | <b>4,007,316</b>  |
| <b>Net assets</b>                        | <b>52,494,016</b>   | <b>86,416,500</b> |
| <b>Equity</b>                            |                     |                   |
| Issued capital                           | 146,234,171         | 145,564,286       |
| Retained earnings                        | (103,555,639)       | (67,904,092)      |
| <b>Reserves</b>                          |                     |                   |
| Share based payments                     | 9,815,484           | 8,756,306         |
| <b>Total equity</b>                      | <b>52,494,016</b>   | <b>86,416,500</b> |
| <b>Financial performance</b>             |                     |                   |
| <b>Profit for the year</b>               | <b>(27,642,526)</b> | <b>6,392,622</b>  |
| Other comprehensive income               | -                   | -                 |
| <b>Total comprehensive (loss)/income</b> | <b>(27,642,526)</b> | <b>6,392,622</b>  |

## 5. (Loss)/profit for the year continuing operations

|                                                                                            | Note              | 2023<br>\$          | 2022<br>\$          |
|--------------------------------------------------------------------------------------------|-------------------|---------------------|---------------------|
| <b>(a) Income</b>                                                                          |                   |                     |                     |
| Income from operations consisted of the following items:                                   |                   |                     |                     |
| <b>Other income:</b>                                                                       |                   |                     |                     |
| Net fair value realised gain on financial assets                                           |                   | -                   | 576,661             |
| Net fair value unrealised gain on financial assets                                         |                   | -                   | 233,418             |
| Other income                                                                               |                   | 5,000               | 102,778             |
| Interest revenue                                                                           |                   | 1,056,585           | 254,047             |
| <b>Total</b>                                                                               |                   | <b>1,061,585</b>    | <b>1,166,904</b>    |
| <b>(b) Profit/(loss) before income tax</b>                                                 |                   |                     |                     |
| Profit/(loss) before income tax has been arrived at after charging the following expenses: |                   |                     |                     |
| <b>Employee benefits expense:</b>                                                          |                   |                     |                     |
| Equity settled share-based payments                                                        | 10                | (1,747,438)         | (1,474,081)         |
| Superannuation expense                                                                     |                   | (743,997)           | (509,427)           |
| Employee salaries                                                                          |                   | (7,578,550)         | (5,769,680)         |
| Other employee benefits                                                                    |                   | (1,085,524)         | (1,025,754)         |
| <b>Total</b>                                                                               |                   | <b>(11,155,509)</b> | <b>(8,778,942)</b>  |
| <b>Impairments:</b>                                                                        |                   |                     |                     |
| Impairment (expense)/reversal of associate                                                 | 23                | (1,273,045)         | 7,079,641           |
| Impairment (expense)/reversal of joint venture                                             | 22 <sup>(i)</sup> | (2,716,703)         | -                   |
| <b>Total</b>                                                                               |                   | <b>(3,989,748)</b>  | <b>7,079,641</b>    |
| <b>Other expenses</b>                                                                      |                   |                     |                     |
| Consultant fees                                                                            |                   | (2,564,209)         | (4,740,532)         |
| Legal fees                                                                                 |                   | (1,944,369)         | (1,048,363)         |
| Travel                                                                                     |                   | (1,237,470)         | (418,850)           |
| Insurances                                                                                 |                   | (642,782)           | -                   |
| Depreciation of non-current assets                                                         |                   | (523,023)           | -                   |
| Net fair value unrealised loss on financial assets                                         |                   | (512,769)           | (411,720)           |
| ASX/AIM fees                                                                               |                   | (433,444)           | (457,126)           |
| Accounting fees                                                                            |                   | (392,250)           | (299,392)           |
| Research and development expense                                                           |                   | (303,719)           | (305,577)           |
| Net fair value realised loss on financial assets                                           |                   | (150,247)           | (1,450,138)         |
| Other expenses                                                                             |                   | (1,859,313)         | (1,566,092)         |
| <b>Total</b>                                                                               |                   | <b>(10,563,595)</b> | <b>(10,697,790)</b> |



## 6. Gain on demerger

|                                                                   | 2023<br>\$ | 2022<br>\$        |
|-------------------------------------------------------------------|------------|-------------------|
| Shares issued on demerger – in specie distribution <sup>(1)</sup> | -          | 26,000,000        |
| Less: net assets disposed <sup>(2)</sup>                          | -          | (11,938,961)      |
| Less: demerger costs                                              | -          | (1,248,630)       |
| Attributable tax benefit                                          | -          | 2,716,230         |
| <b>Gain on demerger<sup>(3)</sup></b>                             | <b>-</b>   | <b>15,528,639</b> |

- (1) On 18 August 2021, Neometals Ltd shareholders approved the demerger of Widgie Nickel Limited ("Widgie Nickel"), a dedicated nickel exploration and development company holding Neometals' Mt Edwards nickel assets, via a \$26 million capital reduction and in-specie distribution of 100% of Widgie Nickel's shares. Neometals distributed the Widgie Nickel shares to eligible Neometals shareholders, pro rata to their shareholding in Neometals on the record date of 24 August 2021. The \$26 million was the fair value of the shares distributed to shareholders and has been accounted for in accordance with interpretation 17. \$9.8 million of the in specie distribution relates to a return of capital, with the remaining \$16.2 million being classed as a deemed dividend.
- (2) Expenditure incurred by the demerged entities for the period up to the time of the demerger amounted to \$197,750. This amount is included within the consolidated statement of profit or loss.
- (3) Per Class Ruling 2021/72, demerger rollover relief applied such that any capital gain from Capital Gains Tax (CGT) event A1 on the disposal of shares in Widgie Nickel Limited is disregarded for the Neometals Tax Consolidated Group. Furthermore, an exit allocable cost amount ("ACA") calculation was prepared, with the exit ACA being a positive balance such that CGT event L5 did not arise. Accordingly, there were no CGT implications for Neometals Ltd.

## 7. Discontinued operations

(i) On 1 July 2021, Neometals announced intention to demerge Mt Edwards Nickel Project into a new company "Widgie Nickel Limited". Therefore, at 30 June 2021, Mt Edwards Lithium Pty Ltd was classified as a non-current asset held for sale. The results of the discontinued operation which have been included in the financial statements for the year were as follows:

|                                                                    | 2023<br>\$ | 2022<br>\$ |
|--------------------------------------------------------------------|------------|------------|
| <b>Results of discontinued operations</b>                          |            |            |
| Gain/(loss) from discontinued operations                           | -          | 15,528,639 |
| <b>Cash flows from discontinued operations</b>                     |            |            |
| Cashflows from investing activities                                | -          | (505,680)  |
| Cashflows from operating activities                                | -          | (197,750)  |
| <b>Effect on the financial position of the group</b>               |            |            |
| Assets classified as held for sale                                 | -          | -          |
| Liabilities associated with the assets classified as held for sale | -          | -          |

## 8. Income taxes

|                                                                                                                                                                         | 2023<br>\$         | 2022<br>\$         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| <b>(a) Income tax (expense)/benefit recognised in profit or loss</b>                                                                                                    |                    |                    |
| <b>Current income tax:</b>                                                                                                                                              |                    |                    |
| Current income tax benefit – R&D claim                                                                                                                                  | (591,751)          | (1,797,096)        |
| Deferred tax                                                                                                                                                            | (782,904)          | (3,269,199)        |
| <b>Total tax (benefit)/expense</b>                                                                                                                                      | <b>(1,374,655)</b> | <b>(5,066,295)</b> |
| The prima facie income tax expense on pre-tax accounting profit from continuing operations reconciles to the income tax benefit in the financial statements as follows: |                    |                    |
| (Loss)/profit before income tax                                                                                                                                         | (36,179,024)       | (16,234,234)       |
| Income tax calculated at 30%                                                                                                                                            | (10,853,707)       | (4,870,270)        |
| Effect of income and expenses that are not deductible in determining taxable profit                                                                                     | 3,384,630          | 619,240            |
| Effect of income and expenses that are not recognised as deferred tax assets                                                                                            | 6,493,707          | -                  |
| Adjustments for current tax of prior periods                                                                                                                            | 192,466            | 981,831            |
| Refund of prior year R&D claim                                                                                                                                          | (591,751)          | (1,797,096)        |
| <b>Income tax balances in profit or loss</b>                                                                                                                            | <b>(1,374,655)</b> | <b>(5,066,295)</b> |

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable income under Australian tax law. There has been no change in the corporate tax rate during the reporting period.

### (b) Deferred tax balances

The net deferred tax balance as presented in the statement of financial position is detailed below:

|                                 |              |                  |
|---------------------------------|--------------|------------------|
| Deferred tax liabilities        | (16,529,051) | (16,724,165)     |
| Deferred tax assets             | 16,529,051   | 15,941,261       |
| <b>Net deferred tax balance</b> | <b>-</b>     | <b>(782,904)</b> |

|                            | Exploration and<br>evaluation expenditure<br>\$ | Investment in<br>associate<br>\$ | Other<br>\$      | Tax losses<br>\$  | Total<br>\$      |
|----------------------------|-------------------------------------------------|----------------------------------|------------------|-------------------|------------------|
| Balance at 30/06/21        | (13,790,940)                                    | (1,393,059)                      | 1,382,914        | 7,032,751         | (6,768,334)      |
| Discontinued operations    | 2,716,231                                       | -                                | -                | -                 | 2,716,231        |
| Charge to profit or loss   | (1,350,042)                                     | (2,123,893)                      | (209,705)        | 6,952,839         | 3,269,199        |
| <b>Balance at 30/06/22</b> | <b>(12,424,751)</b>                             | <b>(3,516,952)</b>               | <b>1,173,209</b> | <b>13,985,590</b> | <b>(782,904)</b> |
| Charge to profit or loss   | (1,784,661)                                     | 1,197,313                        | (281,547)        | 1,651,799         | 782,904          |
| <b>Balance at 30/06/23</b> | <b>(14,209,412)</b>                             | <b>(2,319,639)</b>               | <b>891,662</b>   | <b>15,637,389</b> | <b>-</b>         |

### (c) Deferred tax assets not brought to account

At 30 June 2023 the amount of tax losses not recognised was \$6,493,707 (June 2022: \$1,861,059). The utilisation of tax losses depends upon the generation of future taxable profits and can be carried indefinitely while also being subject to relevant tax legislation associated with recoupment.

## Tax consolidation

### Relevance of tax consolidation to the consolidated entity

The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group and are therefore taxed as a single entity. The head entity within the tax-consolidated group is Neometals Ltd. The members of the tax-consolidated group are identified at note 24.

### Nature of tax funding arrangements and tax sharing agreements

Entities within the tax-consolidated group have entered into a tax funding arrangement and a tax sharing agreement with the head

entity. Under the terms of the tax funding arrangement, Neometals Ltd and each of the entities in the tax consolidation group has agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax assets of the entity. Such amounts are reflected in amounts receivable from or payable to each entity in the tax consolidated group, and are eliminated on consolidation. The tax sharing agreement entered into between the members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its payment obligations or if an entity should leave the tax-consolidated group. The effect of the tax sharing agreement is that each member's tax liability for tax payable by the tax-consolidated group is limited to the amount payable to the head entity under the tax funding arrangement.

## 9. Key management personnel compensation

Details of key management personnel compensation are provided on pages 38 to 47 of the Directors' Report.

The aggregate compensation made to key management personnel of the Group is set out below:

|                              | 2023<br>\$       | 2022<br>\$       |
|------------------------------|------------------|------------------|
| Short-term employee benefits | 3,405,081        | 2,759,503        |
| Post-employment benefits     | 176,750          | 132,137          |
| Share-based payments         | 1,064,871        | 849,126          |
| <b>Total</b>                 | <b>4,646,702</b> | <b>3,740,766</b> |

## 10. Share based payments

Neometals Ltd has an ownership based remuneration scheme for executives and employees.

### Performance Rights Plan ("PRP")

In accordance with the provisions of the PRP, as approved by shareholders at the Company's AGM on 25 November 2020, employees, Non-Executive Directors and consultants may be offered performance rights at such times and on such terms as the board considers appropriate.

All performance rights issued under the PRP are measured over a three year period with an opportunity for the performance conditions to be re-measured six months later should they not vest at the first vesting date. The vesting of the performance rights is dependent on 3 criteria:

- (a) Tranche 1 – The performance conditions of 40% of Performance Rights will be measured as at each vesting date by comparing the Company's total shareholder return (TSR) with that of a comparator group of resource companies over the relevant period.

The Performance Rights will vest depending on the Company's percentile ranking within the comparator group on the relevant Vesting Date as follows:

- If the Company ranks below the 50th percentile, none of the Performance Rights will vest.
- If the Company ranks at the 50th percentile, 50% of the Performance Rights will vest.
- For each 1% ranking at or above the 51st percentile, an additional 2% of the Performance Rights will vest, with 100% vesting where the Company ranks at or above the 75th percentile.

- (b) Tranche 2 – The performance conditions of 40% of Performance Rights will be measured as at each vesting date by calculating the Company's TSR calculated over the period commencing on the Comparator Start Date and ending on the relevant Vesting Date (Absolute TSR).

The Performance Rights will vest depending on the Company's Absolute TSR on the relevant Vesting Date as follows:

- If the Company's Absolute TSR is less than 15%, none of the Performance Rights will vest.
- If the Company's Absolute TSR is 15%, 50% of the Performance Rights will vest.
- For each additional 1% TSR above 15% Absolute TSR, an additional 10% of the Performance Rights will vest, with 100% vesting where the Company's Absolute TSR is at or above 20%.

- (c) Tranche 3 (except for CEO) – The performance conditions of 20% of Performance Rights will be measured as at each Vesting Date as follows:

10% will vest if the combined market capitalisation of Neometals and any entity demerged from the Neometals Group and separately listed on the ASX would meet the threshold for entry into the ASX/S&P 200 Index.

10% will vest if any two of the following are at least under construction via direct investment or joint venture involvement (as assessed by the Board):

- a LiOH plant;
- a Li-Battery recycling;
- a titanium/vanadium mining or process.

- (d) Tranche 3 (CEO only) – The performance conditions of 20% of Performance Rights will be measured as at each Vesting Date as follows:

10% will vest if the combined market capitalisation of Neometals and any entity demerged from the Neometals Group and separately listed on the ASX would meet the threshold for entry into the ASX/S&P 200 Index.

10% to vest at the discretion of the Board based on the overall achievement by NMT of its strategic objectives (both financial and non-financial) under the leadership of the CEO and in delivering value to NMT's shareholders and broader stakeholders.

## 10. Share based payments (cont.)

General terms of performance rights granted under the PRP:

- The performance rights will not be quoted on the ASX.
- Performance rights can only be granted to employees, Non-Executive Directors and consultants of the Company.
- Performance rights are transferable to eligible nominees.
- Performance rights not exercised on or before the vesting date will lapse.
- All shares allotted upon the vesting of performance rights rank equally in all respects to all previously issued shares.
- Performance rights confer no right to vote, attend meetings, participate in a distribution of profit or a return of capital or another participating rights or entitlements on the grantee unless and until the performance rights vest.

The following share-based payment arrangements in relation to performance rights were in existence at the end of the period:

| 2023                                 | Grant date | Number            | Vesting date | Expiry date | Grant date<br>share<br>price | Expected<br>volatility | Risk-free<br>rate | Fair value<br>at grant<br>date |
|--------------------------------------|------------|-------------------|--------------|-------------|------------------------------|------------------------|-------------------|--------------------------------|
| Chris Reed <sup>(1)</sup>            | 7-Dec-20   | 1,656,754         | 30/06/2023   | 31/12/2023  | 0.230                        | 50%                    | 0.10%             | 0.18                           |
| Jason Carone <sup>(2)</sup>          | 7-Dec-20   | 666,055           | 30/06/2023   | 31/12/2023  | 0.230                        | 50%                    | 0.10%             | 0.18                           |
| Mike Tamlin <sup>(2)</sup>           | 7-Dec-20   | 755,670           | 30/06/2023   | 31/12/2023  | 0.230                        | 50%                    | 0.10%             | 0.18                           |
| Darren Townsend <sup>(2)</sup>       | 7-Dec-20   | 726,605           | 30/06/2023   | 31/12/2023  | 0.230                        | 50%                    | 0.10%             | 0.18                           |
| Staff and consultants <sup>(2)</sup> | 7-Dec-20   | 3,457,189         | 30/06/2023   | 31/12/2023  | 0.230                        | 50%                    | 0.10%             | 0.18                           |
| Chris Reed                           | 11-Oct-21  | 574,049           | 30/06/2024   | 31/12/2024  | 0.855                        | 55%                    | 0.34%             | 0.77                           |
| Jason Carone                         | 11-Oct-21  | 235,885           | 30/06/2024   | 31/12/2024  | 0.855                        | 55%                    | 0.34%             | 0.77                           |
| Mike Tamlin                          | 11-Oct-21  | 262,094           | 30/06/2024   | 31/12/2024  | 0.855                        | 55%                    | 0.34%             | 0.77                           |
| Darren Townsend                      | 11-Oct-21  | 262,094           | 30/06/2024   | 31/12/2024  | 0.855                        | 55%                    | 0.34%             | 0.77                           |
| Staff and consultants                | 11-Oct-21  | 1,178,431         | 30/06/2024   | 31/12/2024  | 0.855                        | 55%                    | 0.34%             | 0.77                           |
| Chris Reed                           | 5-Sep-22   | 239,904           | 30/06/2025   | 31/12/2025  | 1.310                        | 61%                    | 3.26%             | 1.15                           |
| Merrill Gray                         | 5-Sep-22   | 120,554           | 30/06/2025   | 31/12/2025  | 1.310                        | 61%                    | 3.26%             | 1.15                           |
| Jason Carone                         | 5-Sep-22   | 144,919           | 30/06/2025   | 31/12/2025  | 1.310                        | 61%                    | 3.26%             | 1.15                           |
| Mike Tamlin                          | 5-Sep-22   | 126,804           | 30/06/2025   | 31/12/2025  | 1.310                        | 61%                    | 3.26%             | 1.15                           |
| Darren Townsend                      | 5-Sep-22   | 126,804           | 30/06/2025   | 31/12/2025  | 1.310                        | 61%                    | 3.26%             | 1.15                           |
| Staff and consultants                | 5-Sep-22   | 693,110           | 30/06/2025   | 31/12/2025  | 1.310                        | 61%                    | 3.26%             | 1.15                           |
| Steven Cole <sup>(3)</sup>           | 4-Aug-22   | 54,499            | 30/06/2023   | 30/06/2023  | 1.205                        | n/a                    | n/a               | 1.10                           |
| Doug Ritchie <sup>(3)</sup>          | 4-Aug-22   | 40,875            | 30/06/2023   | 30/06/2023  | 1.205                        | n/a                    | n/a               | 1.10                           |
| Natalia Streltsova <sup>(3)</sup>    | 4-Aug-22   | 40,875            | 30/06/2023   | 30/06/2023  | 1.205                        | n/a                    | n/a               | 1.10                           |
| Jenny Purdie <sup>(3)</sup>          | 4-Aug-22   | 40,875            | 30/06/2023   | 30/06/2023  | 1.205                        | n/a                    | n/a               | 1.10                           |
| Les Guthrie <sup>(3)</sup>           | 4-Aug-22   | 8,175             | 30/06/2023   | 30/06/2023  | 1.205                        | n/a                    | n/a               | 1.10                           |
| <b>Total</b>                         |            | <b>11,412,220</b> |              |             |                              |                        |                   |                                |

The valuation of the Non-executive Directors performance rights has been based on the amount of their fees that have been forgone calculated using a 5-day VWAP. The fair value of other KMP performance rights issued have been independently valued by a third party using a Monte Carlo simulation to determine fair value. A dividend yield of 0% has been applied to all share-based payments. The total expense recognised for the period arising from share-based payment transactions and accounted for as equity-settled share-based payment transactions is \$1,747,438 (2022: \$1,474,081).

(1) 90% (1,491,079) of these performance rights have vested at 30 June 2023 and remain unexercised as at the date of this report. 10% remain unvested and will be retested at 31 December 2023.

(2) 80% (4,084,415) of these performance rights have vested at 30 June 2023 of which 566,761 have been converted into ordinary shares and the remaining amount are unexercised as at the date of this report. 20% remain unvested and will be retested at 31 December 2023.

(3) 100% (185,299) of these performance rights have vested at 30 June 2023 and remain unexercised.

## 10. Share based payments (cont.)

The following reconciles the outstanding performance rights granted at the beginning and end of the financial year:

|                                                                | 2023<br>Performance<br>rights No. | 2022<br>Performance<br>rights No. |
|----------------------------------------------------------------|-----------------------------------|-----------------------------------|
| Balance at beginning of the financial year                     | 15,293,385                        | 16,016,135                        |
| Granted during the financial year as compensation              | 1,705,325                         | 2,900,521                         |
| Exercised during the financial year <sup>(i)</sup>             | (4,364,780)                       | (3,025,130)                       |
| Lapsed during the financial year <sup>(ii)</sup>               | (956,433)                         | (598,141)                         |
| Forfeited during the financial year <sup>(iii)</sup>           | (265,277)                         | -                                 |
| <b>Balance at the end of the financial year<sup>(iv)</sup></b> | <b>11,412,220</b>                 | <b>15,293,385</b>                 |

(i) 4,364,780 shares in the Company were issued on vesting of performance rights at a fair value of \$688,259 at grant (2022: 3,025,130 for a fair value of \$739,538 at grant ). Refer to note 17.

(ii) 956,432 performance rights lapsed during the financial year (2022: 589,141).

(iii) 265,277 performance rights were forfeited on cessation of employment (2022: nil)

(iv) 5,760,793 of this balance is exercisable at the end of the period

## 11. Trade and other receivables

|                               | 2023<br>\$       | 2022<br>\$     |
|-------------------------------|------------------|----------------|
| <b>Current</b>                |                  |                |
| Sundry debtors <sup>(i)</sup> | 1,008,422        | 208,499        |
| Other receivables             | 720,376          | 129,186        |
| Prepayments                   | 302,806          | 180,322        |
| <b>Total</b>                  | <b>2,031,604</b> | <b>518,007</b> |

(i) Sundry debtors is inclusive of \$859,083 owed from Primobius GmbH for reimbursement of expenditure paid for by Neometals.



## 12. Other financial assets

|                                                    | 2023<br>\$       | 2022<br>\$       |
|----------------------------------------------------|------------------|------------------|
| <b>Current</b>                                     |                  |                  |
| Financial assets measured at FVTPL <sup>(i)</sup>  | 763,650          | 2,229,500        |
| <b>Total current</b>                               | <b>763,650</b>   | <b>2,229,500</b> |
| <b>Non-current</b>                                 |                  |                  |
| Financial assets measured at FVTPL <sup>(ii)</sup> | 4,429,896        | 4,429,896        |
| Convertible note <sup>(iii)</sup>                  | 669,075          | 669,075          |
| Rental bond term deposit                           | 200,000          | 200,000          |
| <b>Total non-current</b>                           | <b>5,298,971</b> | <b>5,298,971</b> |
| <b>Total</b>                                       | <b>6,062,621</b> | <b>7,528,471</b> |

(i) The Group has invested in a portfolio of listed shares which are held for trading. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The valuation technique and key inputs used to determine the fair value are quoted bid prices in an active market.

(ii) The Group has invested in a portfolio of non-listed shares which are not actively traded. The fair values of these investments have been determined by external valuation specialists using various valuation techniques, including but not limited to the market approach, the cost or net assets value approach and the income approach. Within this balance, Neometals has an equity interest in Critical Metals Limited which was valued using the income approach using a discounted cash flow model. The feasibility study results of the Vanadium Recovery Project have been used to apply the methodologies under the income approach of valuation using the discounted cashflow methodology. As (unadjusted) quoted prices in active markets are unavailable, consideration was also given to precedent transactions involving the sale of the company's shares, as a basis to assess the value of the equity investment.

(iii) The Group has invested US\$500,000 in a financing round for private US start up, Tyfast Energy Corp. The investment is by way of convertible note providing the Group with the ability to obtain a minority equity stake in Tyfast.

## 13. Exploration and evaluation expenditure

|                                | Consolidated<br>Capitalised exploration and<br>evaluation expenditure<br>\$ |
|--------------------------------|-----------------------------------------------------------------------------|
| <b>Gross carrying amount</b>   |                                                                             |
| <b>Balance at 30 June 2021</b> | <b>42,079,554</b>                                                           |
| Additions                      | 5,096,915                                                                   |
| <b>Balance at 30 June 2022</b> | <b>47,176,469</b>                                                           |
| Additions                      | 5,948,962                                                                   |
| <b>Balance at 30 June 2023</b> | <b>53,125,431</b>                                                           |
| <b>Accumulated impairment</b>  |                                                                             |
| <b>Balance at 30 June 2021</b> | <b>5,760,720</b>                                                            |
| <b>Balance at 30 June 2022</b> | <b>5,760,720</b>                                                            |
| <b>Balance at 30 June 2023</b> | <b>5,760,720</b>                                                            |
| <b>Net book value</b>          |                                                                             |
| <b>As at 30 June 2022</b>      | <b>41,415,749</b>                                                           |
| <b>As at 30 June 2023</b>      | <b>47,364,711</b>                                                           |

## 14. Property, plant and equipment

|                                 | Consolidated                      |
|---------------------------------|-----------------------------------|
|                                 | Plant and equipment at cost<br>\$ |
| <b>Gross carrying amount</b>    |                                   |
| <b>Balance at 30 June 2021</b>  | <b>1,022,197</b>                  |
| Additions                       | 210,818                           |
| <b>Balance at 30 June 2022</b>  | <b>1,233,015</b>                  |
| Additions                       | 454,133                           |
| Written off                     | (147,524)                         |
| <b>Balance at 30 June 2023</b>  | <b>1,539,624</b>                  |
| <b>Accumulated depreciation</b> |                                   |
| <b>Balance at 30 June 2021</b>  | <b>431,482</b>                    |
| Depreciation expense            | 151,401                           |
| <b>Balance at 30 June 2022</b>  | <b>582,883</b>                    |
| Depreciation expense            | 190,205                           |
| Written off                     | (110,733)                         |
| <b>Balance at 30 June 2023</b>  | <b>662,355</b>                    |
| <b>Net book value</b>           |                                   |
| <b>As at 30 June 2022</b>       | <b>650,132</b>                    |
| <b>As at 30 June 2023</b>       | <b>877,269</b>                    |

## 15. Trade and other payables

|                  | 2023<br>\$       | 2022<br>\$       |
|------------------|------------------|------------------|
| Trade payables   | 322,691          | 916,809          |
| Accrued expenses | 1,868,175        | 1,319,523        |
| <b>Total</b>     | <b>2,190,866</b> | <b>2,236,332</b> |

The average credit period on purchases is 30 days. No interest is charged on the trade payables. The Group has financial risk management policies in place to help ensure that all payables are paid within the settlement terms.

## 16. Provisions

|                          | 2023<br>\$       | 2022<br>\$       |
|--------------------------|------------------|------------------|
| <b>Current</b>           |                  |                  |
| Annual leave             | 847,923          | 682,334          |
| Long service leave       | 173,690          | 371,184          |
| <b>Total current</b>     | <b>1,021,613</b> | <b>1,053,518</b> |
| <b>Non-current</b>       |                  |                  |
| Long service leave       | 72,685           | -                |
| <b>Total non-current</b> | <b>72,685</b>    | <b>-</b>         |
| <b>Total</b>             | <b>1,094,298</b> | <b>1,053,518</b> |

## 17. Issued capital

|                                                                   | 2023<br>\$         | 2022<br>\$         |
|-------------------------------------------------------------------|--------------------|--------------------|
| <b>552,741,176 fully paid ordinary shares (2022: 548,376,396)</b> | <b>146,234,171</b> | <b>145,564,286</b> |

|                                                 | 2023               |                    | 2022               |                    |
|-------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                                 | No.                | \$                 | No.                | \$                 |
| <b>Fully paid ordinary shares</b>               |                    |                    |                    |                    |
| Balance at beginning of financial year          | 548,376,396        | 145,564,286        | 545,351,266        | 154,634,997        |
| Share issue costs                               | -                  | (18,374)           | -                  | (7,021)            |
| Return of capital                               | -                  | -                  |                    | (9,803,228)        |
| Other share based payments (see note 10)        | 4,364,780          | 688,259            | 3,025,130          | 739,538            |
| <b>Balance at the end of the financial year</b> | <b>552,741,176</b> | <b>146,234,171</b> | <b>548,376,396</b> | <b>145,564,286</b> |

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

### Share options

At balance date there were no share options in existence over ordinary shares (2022: nil).

### Performance rights

At balance date there were 11,412,220 performance rights in existence over ordinary shares (2022: 15,293,385).

## 18. Reserves

The share-benefits reserve arises on the grant of share options and performance rights for the provision of services by consultants and to executives and employees under the employee share option plan, performance rights plan, employment contracts or as approved by shareholders. Amounts are transferred out of the reserve and into issued capital when the options are exercised or when shares are issued pursuant to the terms of the performance rights. Further information about share-based payments to employees is provided in note 10 to the financial statements.

|                                                  | 2023<br>\$        | 2022<br>\$       |
|--------------------------------------------------|-------------------|------------------|
| <b>Share based payments reserve:</b>             |                   |                  |
| Balance at the beginning of the financial year   | 8,455,957         | 7,721,414        |
| Increase in share based payments                 | 1,747,438         | 1,474,081        |
| Amounts transferred to share capital on exercise | (688,259)         | (739,538)        |
| <b>Balance at the end of the financial year</b>  | <b>9,515,136</b>  | <b>8,455,957</b> |
| <b>Convertible note reserve:</b>                 |                   |                  |
| Balance at the beginning of the financial year   | 300,349           | 300,349          |
| <b>Balance at the end of the financial year</b>  | <b>300,349</b>    | <b>300,349</b>   |
| <b>Investment revaluation reserve:</b>           |                   |                  |
| Balance at the beginning of the financial year   | 1,019,637         | 1,019,637        |
| <b>Balance at the end of the financial year</b>  | <b>1,019,637</b>  | <b>1,019,637</b> |
| <b>Total reserves</b>                            | <b>10,835,122</b> | <b>9,775,943</b> |

## 19. Earnings per share

|                                        | 2023<br>Cents per share | 2022<br>Cents per share |
|----------------------------------------|-------------------------|-------------------------|
| <b>Basic earnings per share:</b>       |                         |                         |
| Continuing operations                  | (6.30)                  | (2.04)                  |
| Continuing and discontinued operations | (6.30)                  | 0.80                    |
| <b>Diluted earnings per share:</b>     |                         |                         |
| Continuing operations                  | (6.30)                  | (2.04)                  |
| Continuing and discontinued operations | (6.30)                  | 0.79                    |

## 19. Earnings per share (cont.)

### Basic and diluted profit/(loss) per share

The profit/(loss) and weighted average number of ordinary shares used in the calculation of basic and diluted profit/(loss) per share are as follows:

|                                                                                               | 2023<br>\$   | 2022<br>\$   |
|-----------------------------------------------------------------------------------------------|--------------|--------------|
| <b>Profit/(loss)<sup>(a)</sup></b>                                                            |              |              |
| Continuing operations                                                                         | (34,804,369) | (11,167,939) |
| Continuing and discontinued operations                                                        | (34,804,369) | 4,360,700    |
|                                                                                               |              |              |
|                                                                                               | 2023<br>No.  | 2022<br>No.  |
| Weighted average number of ordinary shares for the purpose of basic profit/(loss) per share   | 552,167,746  | 548,285,227  |
| Weighted average number of ordinary shares for the purpose of diluted profit/(loss) per share | 552,167,746  | 550,375,191  |

(a) Profit/(loss) used in the calculation of profit/(loss) per share reconciles to net profit/(loss) in the consolidated statement of comprehensive income.

## 20. Commitments for expenditure

### (a) Exploration and evaluation expenditure commitments

The Consolidated Entity holds mineral exploration licences in order for it to undertake its exploration and evaluation activities. To continue to hold tenure over these areas the Group is required to undertake a minimum level of expenditure on or in relation to the leases. Minimum expenditure commitments for the exploration and mining leases for the 2023 financial year are outlined in the table below.

|                                            | 2023<br>\$ | 2022<br>\$ |
|--------------------------------------------|------------|------------|
| <b>Exploration expenditure commitments</b> |            |            |
| Not longer than 1 year <sup>(i)</sup>      | 707,509    | 676,885    |

(i) Due to the nature of this expenditure, in that the expenditure commitments may be reduced by the relinquishment of tenements, estimates for the commitment have not been forecast beyond June 2024.

### (b) Joint venture commitments

Pursuant to the shareholders agreement providing shareholders funding, in July 2023, Neometals subsidiary Ecometals Pty Ltd entered into a shareholder loan agreement to provide Recycling Industries Scandinavia AB \$725,000. which is to be repaid in full, together with accrued interest, on 31 October 2023. The loan attracts a fixed interest rate of 8% per annum. The Borrower shall use the Loan for the purposes of continuing evaluation activities.

In addition, \$1,143,956 has been committed to the Reed Advanced Materials joint venture as part of ongoing funding requirements.

## 21. Leases

### Leasing arrangements

Leases relate to the lease of commercial premises in West Perth, Welshpool, and a photocopier. The lease agreement for the Company's West Perth premises was entered into on 1 July 2019 for a 48 month period expiring on 30 June 2023, this has been renewed until 30 June 2026. The lease of a photocopier is for a period of 12 months expiring in June 2023. The Welshpool lease expired in February 2023 and was renewed until February 2026. A lease was entered into in June 2023 for another floor in the West Perth office until 30 June 2026. The commitments are based on the fixed monthly lease payment.

|                            | 30 June 2023    |                 |                |
|----------------------------|-----------------|-----------------|----------------|
|                            | Buildings<br>\$ | Equipment<br>\$ | Total<br>\$    |
| <b>Right-of-use assets</b> |                 |                 |                |
| Cost                       | 1,813,441       | 9,044           | 1,822,485      |
| Accumulated depreciation   | (917,751)       | (9,044)         | (926,795)      |
| <b>Carrying amount</b>     | <b>895,690</b>  | <b>-</b>        | <b>895,690</b> |
| <b>Lease liability</b>     |                 |                 |                |
| Current                    | 285,625         | -               | 285,625        |
| Non-current                | 652,049         | -               | 652,049        |
| <b>Total</b>               | <b>937,674</b>  | <b>-</b>        | <b>937,674</b> |

|                            | 30 June 2022    |                 |                |
|----------------------------|-----------------|-----------------|----------------|
|                            | Buildings<br>\$ | Equipment<br>\$ | Total<br>\$    |
| <b>Right-of-use assets</b> |                 |                 |                |
| Cost                       | 878,200         | 9,044           | 887,244        |
| Accumulated depreciation   | (593,978)       | -               | (593,978)      |
| <b>Carrying amount</b>     | <b>284,222</b>  | <b>9,044</b>    | <b>293,266</b> |
| <b>Lease liability</b>     |                 |                 |                |
| Current                    | 362,712         | 9,044           | 371,756        |
| Non-current                | -               | -               | -              |
| <b>Total</b>               | <b>362,712</b>  | <b>9,044</b>    | <b>371,756</b> |

|                                              | 2023<br>\$     | 2022<br>\$     |
|----------------------------------------------|----------------|----------------|
| <b>Amounts recognised in profit and loss</b> |                |                |
| Depreciation expense on right-of-use asset   | 332,817        | 305,725        |
| Interest expense on lease liabilities        | 26,999         | 19,783         |
| <b>Total</b>                                 | <b>359,816</b> | <b>325,508</b> |



## 22. Joint arrangements

| Name of operation                              | Principal activity                      | Interest  |           |
|------------------------------------------------|-----------------------------------------|-----------|-----------|
|                                                |                                         | 2023<br>% | 2022<br>% |
| Reed Advanced Materials Pty Ltd <sup>(i)</sup> | Evaluation of lithium hydroxide process | 70        | 70        |

The Consolidated Entity's interest in assets employed in the above joint ventures is detailed below.

### (i) Reed Advanced Materials Pty Ltd ("RAM")

On 6 October 2015 Neometals and Process Minerals International Pty Ltd entered into a shareholders agreement for the purposes of establishing and operating a joint venture arrangement through RAM to operate a business of researching, designing and developing the capabilities and technology relating to the processing of lithium hydroxide. Following the execution of the shareholders agreement RAM was held 70:30 between Neometals and Process Minerals International.

|                                                                        | 2023<br>\$         | 2022<br>\$       |
|------------------------------------------------------------------------|--------------------|------------------|
| <b>Summarised financial information for the joint venture:</b>         |                    |                  |
| Carrying value of investment in the joint venture                      | 1                  | 1                |
| Opening loan to joint venture                                          | 350,000            | 70,000           |
| Loan to joint venture during the period                                | 2,366,703          | 280,000          |
| Impairment of loan to joint venture                                    | (2,716,703)        | -                |
| Closing loan to joint venture                                          | -                  | 350,000          |
| <b>Share of loss of joint venture not recognised in profit or loss</b> | <b>(1,532,266)</b> | <b>(176,242)</b> |

### Reed Advanced Materials Pty Ltd summary balance sheet

|                         | 2023<br>\$  | 2022<br>\$  |
|-------------------------|-------------|-------------|
| Current assets          | 1,332,031   | 199,505     |
| Non-current assets      | 678,909     | 612,399     |
| Current liabilities     | (46,052)    | (38,954)    |
| Non-current liabilities | (6,062,571) | (2,681,568) |

## 22. Joint arrangements (cont.)

| Name of operation              | Principal activity        | Interest  |           |
|--------------------------------|---------------------------|-----------|-----------|
|                                |                           | 2023<br>% | 2022<br>% |
| Primobius GmbH <sup>(ii)</sup> | Lithium battery recycling | 50        | 50        |

The Consolidated Entity's interest in assets employed in the above joint ventures is detailed below.

**(ii) Primobius GmbH**

On 31 July 2020, Neometals and SMS group GmbH entered into a formal agreement to establish a 50:50 JV ('Primobius GmbH') to commercialise Neometals proprietary lithium battery recycling process.

|                                                                | 2023<br>\$       | 2022<br>\$       |
|----------------------------------------------------------------|------------------|------------------|
| <b>Summarised financial information for the joint venture:</b> |                  |                  |
| Opening balance of investment in joint venture                 | 5,458,508        | 2,811,338        |
| Cash contributions                                             | 3,091,947        | 3,519,837        |
| Share of loss of joint venture recognised in profit or loss    | (3,851,175)      | (872,667)        |
| <b>Carrying value of investment in the joint venture</b>       | <b>4,699,280</b> | <b>5,458,508</b> |

**Primobius GmbH summary balance sheet**

|                                                             | 2023<br>\$  | 2022<br>\$  |
|-------------------------------------------------------------|-------------|-------------|
| Current assets <sup>(a)</sup>                               | 6,200,733   | 3,489,421   |
| Non-current assets                                          | 8,667,753   | 9,280,979   |
| Current liabilities                                         | (5,307,806) | (2,438,582) |
| Non-current liabilities                                     | -           | (20,826)    |
| Revenue                                                     | 1,567,123   | -           |
| Expenses <sup>(b)</sup>                                     | (9,269,473) | (1,745,334) |
| Loss from continuing operations                             | (7,702,350) | (1,745,334) |
| Share of loss of joint venture recognised in profit or loss | (3,851,175) | (872,667)   |

(a) The current asset balance is inclusive of cash and cash equivalents of \$5,566,896 (2022: 3,488,429)

(b) The expenses balance is inclusive of depreciation of \$2,472,877 (2022: 908,331)

## 22. Joint arrangements (cont.)

| Name of operation                                    | Principal activity | Interest  |           |
|------------------------------------------------------|--------------------|-----------|-----------|
|                                                      |                    | 2023<br>% | 2022<br>% |
| Recycling Industries Scandinavia AB <sup>(iii)</sup> | Vanadium recovery  | 72.5      | -         |

The Consolidated Entity's interest in assets employed in the above joint ventures is detailed below.

**(iii) Recycling Industries Scandinavia AB ("RISAB")**

In March 2023, Neometals and Critical Metals Ltd executed an agreement to formalise a 50:50 Vanadium Recovery Project JV (RISAB). In April 2023, Neometals' interest in RISAB increased to 72.5% following additional equity contributions of \$3.0 million. Despite holding 72.5%, joint control continued to exist and accordingly the investment in RISAB was accounted for using the equity method prescribed under AASB 128. An additional equity contribution was made in June 2023 for \$1,090,590 and Critical Metals Ltd contributed their pro rata share which saw Neometals' interest in RISAB remaining unchanged.

|                                                                      | 2023<br>\$     | 2022<br>\$ |
|----------------------------------------------------------------------|----------------|------------|
| <b>Summarised financial information for the joint venture:</b>       |                |            |
| Opening balance of investment in joint venture                       | -              | -          |
| Cash contributions                                                   | 4,090,590      | -          |
| Share of (profit)/loss of joint venture recognised in profit or loss | (3,447,626)    | -          |
| <b>Carrying value of investment in the joint venture</b>             | <b>642,964</b> | <b>-</b>   |

**Recycling Industries Scandinavia AB summary balance sheet**

|                         | 2023<br>\$  | 2022<br>\$ |
|-------------------------|-------------|------------|
| Current assets          | 2,200,633   | -          |
| Non-current assets      | 3,216,090   | -          |
| Current liabilities     | (2,023,294) | -          |
| Non-current liabilities | (4,375,058) | -          |

## 22. Joint arrangements (cont.)

| Name of operation                       | Principal activity               | Interest  |           |
|-----------------------------------------|----------------------------------|-----------|-----------|
|                                         |                                  | 2023<br>% | 2022<br>% |
| ACN 630 589 507 Pty Ltd <sup>(iv)</sup> | Lithium-ion battery recycling IP | 50        | 100       |

The Consolidated Entity's interest in assets employed in the above joint ventures is detailed below.

**(iv) ACN 630 589 507 Pty Ltd**

On 8 December 2022, Neometals issued 50% equity interest in battery recycling IP holding company, ACN 630 589 507 Pty Ltd ("ACN 630"), to SMS group GmbH on an unconditional basis. As a result of this, ACN 630 left the Neometals consolidated group, which resulted in a \$212,473 loss on disposal of subsidiary.

|                                                                      | 2023<br>\$     | 2022<br>\$ |
|----------------------------------------------------------------------|----------------|------------|
| <b>Summarised financial information for the joint venture:</b>       |                |            |
| Opening balance of investment in joint venture                       | -              | -          |
| Cash contributions                                                   | 106,801        | -          |
| Share of (profit)/loss of joint venture recognised in profit or loss | -              | -          |
| <b>Carrying value of investment in the joint venture</b>             | <b>106,801</b> | <b>-</b>   |

**ACN 630 589 507 Pty Ltd summary balance sheet**

|                         | 2023<br>\$ | 2022<br>\$ |
|-------------------------|------------|------------|
| Current assets          | 119,077    | -          |
| Non-current assets      | 275,722    | -          |
| Current liabilities     | (10,000)   | -          |
| Non-current liabilities | (213,598)  | -          |

## 23. Investment in associate

### Hannans Limited

| Name of operation | Principal activity            | Interest  |           |
|-------------------|-------------------------------|-----------|-----------|
|                   |                               | 2023<br>% | 2022<br>% |
| Hannans Limited   | Lithium-ion battery recycling | 26.09     | 32.43     |

The above associate is accounted for using the equity method in this consolidated financial report.

|                                                                          | 2023<br>\$       | 2022<br>\$        |
|--------------------------------------------------------------------------|------------------|-------------------|
| <b>Summarised information for the associate:</b>                         |                  |                   |
| Opening carrying value of investment in associate                        | 13,668,977       | 4,860,567         |
| Shares purchased/(disposed of) at fair value                             | 694,515          | 2,038,056         |
| Share of loss of associate recognised in profit or loss <sup>(i)</sup>   | (3,412,514)      | (318,287)         |
| Impairment (expense)/reversal <sup>(iii)</sup>                           | (1,273,045)      | 7,079,641         |
| <b>Closing carrying value of investment in associate<sup>(iii)</sup></b> | <b>9,677,933</b> | <b>13,668,977</b> |

- (i) The equity accounted share of the associate's loss as adjusted as if applying the same accounting policies as Neometals is credited against the carrying value of the investment in the associate.
- (ii) In the current financial year, the carrying value of the investment in associate has been impaired down to its carrying value on per share basis. In 2023 resulting in a \$1,273,045 expense (2022: reversal of \$7,079,641).
- (iii) The fair value of the Groups investment in Hannans as at 30 June 2023 on a per share basis is \$9,677,932 (2022: \$17,746,812).

|                                | 2023<br>No. | 2022<br>No. |
|--------------------------------|-------------|-------------|
| Shares held in Hannans Limited | 879,812,014 | 845,086,264 |

### Hannans Ltd summary balance sheet

|                         | 2023<br>\$ | 2022<br>\$ |
|-------------------------|------------|------------|
| Current assets          | 3,681,473  | 4,315,415  |
| Non-current assets      | 13,095,013 | 2,400,089  |
| Current liabilities     | (142,230)  | (418,853)  |
| Non-current liabilities | -          | -          |

## 24. Subsidiaries

| Name of entity                                                                               | Country of incorporation | Ownership interest |        |
|----------------------------------------------------------------------------------------------|--------------------------|--------------------|--------|
|                                                                                              |                          | 2023 %             | 2022 % |
| Parent entity                                                                                |                          |                    |        |
| Neometals Ltd                                                                                | Australia                | -                  |        |
| Subsidiaries                                                                                 |                          |                    |        |
| Australian Titanium Pty Ltd (formerly Australian Vanadium Corporation (Holdings) Pty Ltd)    | Australia                | 100                | 100    |
| Alphamet Management Pty Ltd (formerly Australian Vanadium Corporation (Investments) Pty Ltd) | Australia                | 100                | 100    |
| Inneovation Pty Ltd (formerly Australian Vanadium Exploration Pty Ltd)                       | Australia                | 100                | 100    |
| Neometals Energy Pty Ltd (formerly Barrambie Gas Pty Ltd)                                    | Australia                | 100                | 100    |
| Neomaterials Pty Ltd (formerly GMK Administration Pty Ltd)                                   | Australia                | 100                | 100    |
| Neometals Investments Pty Ltd (formerly Gold Mines of Kalgoorlie Pty Ltd)                    | Australia                | 100                | 100    |
| Urban Mining Pty Ltd (formerly Mount Finnerty Pty Ltd)                                       | Australia                | 100                | 100    |
| Adamant Technologies Pty Ltd                                                                 | Australia                | 100                | 100    |
| Avanti Materials Ltd                                                                         | Australia                | 100                | 100    |
| ACN 630 589 507 Pty Ltd <sup>(i)</sup>                                                       | Australia                | 50                 | 100    |
| Ecometals Pty Ltd                                                                            | Australia                | 100                | 100    |

All of these companies are members of a tax consolidated group. Neometals Ltd is the head entity of the tax consolidated group.

(i) Refer to note 22 for further information on change in ownership percentage.

## 25. Segment information

### Basis for segmentation

AASB 8 Operating Segments requires the presentation of information based on the components of the entity that management regularly reviews for its operational decision making. This review process is carried out by the Chief Operating Decision Maker ("CODM") for the purpose of allocating resources and assessing the performance of each segment. The amounts reported for each operating segment is the same measure reviewed by the CODM in allocating resources and assessing performance of that segment.

For management purposes, the Group operates under three operating segments comprised of the Group's lithium, titanium/vanadium and 'other segments' which comprises other minor exploration projects and mineral process technology businesses. The titanium/vanadium operating segment is separately identified given it possess different competitive and operating risks and meets the quantitative criteria as set out in the AASB 8. The 'other segments' category is the aggregation of all remaining operating segments given sufficient reportable operating segments have been identified.

The segment information reported on the next page does not include any amounts for this discontinued operation for the current and prior periods, which is described in more detail in note 7.



## 25. Segment information (cont.)

| Reportable operating segments                         | Lithium<br>\$      | Vanadium<br>and titanium<br>\$ | Other<br>\$        | Corporate<br>\$     | Total<br>\$         |
|-------------------------------------------------------|--------------------|--------------------------------|--------------------|---------------------|---------------------|
| <b>For the year ended 30 June 2023</b>                |                    |                                |                    |                     |                     |
| Revenue from external customers                       | -                  | -                              | -                  | -                   | -                   |
| Cost of sales                                         | -                  | -                              | -                  | -                   | -                   |
| Gross profit/(loss)                                   | -                  | -                              | -                  | -                   | -                   |
| Other income                                          | -                  | -                              | -                  | 1,061,585           | 1,061,585           |
| Share of loss of JV and associate                     | (3,851,175)        | (3,447,626)                    | (3,412,514)        | -                   | (10,711,315)        |
| Impairment on investment in associate and JV          | -                  | -                              | (3,989,748)        | -                   | (3,989,748)         |
| Depreciation and amortisation                         | -                  | (110,471)                      | -                  | (412,551)           | (523,022)           |
| Total expenses                                        | (213,765)          | (3,275,223)                    | (670,161)          | (17,857,375)        | (22,016,524)        |
| <b>Profit/(loss) before tax</b>                       | <b>(4,064,940)</b> | <b>(6,833,320)</b>             | <b>(8,072,423)</b> | <b>(17,208,341)</b> | <b>(36,179,024)</b> |
| <b>Loss for the year from discontinued operations</b> | -                  | -                              | -                  | -                   | -                   |
| Income tax benefit                                    | -                  | -                              | -                  | 1,374,655           | 1,374,655           |
| <b>Consolidated profit/(loss) after tax</b>           | <b>(4,064,940)</b> | <b>(6,833,320)</b>             | <b>(8,072,423)</b> | <b>(15,833,686)</b> | <b>(34,804,369)</b> |
| <b>As at 30 June 2023</b>                             |                    |                                |                    |                     |                     |
| Increase/(decrease) in segment assets                 | (309,905)          | 6,414,392                      | (6,544,926)        | (32,856,539)        | (33,296,978)        |
| Total segment assets                                  | 6,000,490          | 48,796,923                     | 15,291,630         | 27,654,518          | 97,743,561          |
| <b>Total assets</b>                                   | <b>6,000,490</b>   | <b>48,796,923</b>              | <b>15,291,630</b>  | <b>27,654,518</b>   | <b>97,743,561</b>   |
| <b>For the year ended 30 June 2022</b>                |                    |                                |                    |                     |                     |
| Revenue from external customers                       | -                  | -                              | -                  | -                   | -                   |
| Cost of sales                                         | -                  | -                              | -                  | -                   | -                   |
| Gross profit/(loss)                                   | -                  | -                              | -                  | -                   | -                   |
| Other income                                          | -                  | 75,000                         | 820,079            | 2,068,921           | 2,964,000           |
| Share of loss of JV and associate                     | (872,667)          | -                              | (318,287)          | -                   | (1,190,954)         |
| Impairment reversal on investment in associate        | -                  | -                              | 7,079,641          | -                   | 7,079,641           |
| Depreciation and Amortisation                         | -                  | (68,758)                       | -                  | (388,307)           | (457,065)           |
| Total expenses                                        | (2,410,535)        | (5,766,136)                    | (45,050)           | (16,408,135)        | (24,629,856)        |
| <b>Profit/(loss) before tax</b>                       | <b>(3,283,202)</b> | <b>(5,759,894)</b>             | <b>7,536,383</b>   | <b>(14,727,521)</b> | <b>(16,234,234)</b> |
| <b>Loss for the year from discontinued operations</b> | -                  | -                              | -                  | <b>15,528,639</b>   | <b>15,528,639</b>   |
| Income tax benefit                                    | -                  | -                              | -                  | 5,066,295           | 5,066,295           |
| <b>Consolidated profit/(loss) after tax</b>           | <b>(3,283,202)</b> | <b>(5,759,894)</b>             | <b>7,536,383</b>   | <b>5,867,413</b>    | <b>4,360,700</b>    |
| <b>As at 30 June 2022</b>                             |                    |                                |                    |                     |                     |
| Increase/(decrease) in segment assets                 | 5,785,912          | 5,550,676                      | (531,070)          | (41,427,327)        | (30,621,809)        |
| Total segment assets                                  | 6,310,395          | 42,382,531                     | 21,836,556         | 60,511,057          | 131,040,539         |
| <b>Total assets</b>                                   | <b>6,310,395</b>   | <b>42,382,531</b>              | <b>21,836,556</b>  | <b>60,511,057</b>   | <b>131,040,539</b>  |

## Geographical information

The Group operates in four geographical areas being Germany, Finland, Portugal and Australia (country of domicile).

## 26. Related party disclosures

### (a) Equity interests in related parties

Equity interests in subsidiaries

Details of the percentage of ordinary shares held in subsidiaries are disclosed in note 24 to the financial statements.

Equity interests in joint arrangements

Details of the percentage of ordinary shares held in joint arrangements are disclosed in note 22 to the financial statements.

### (b) Key management personnel remuneration

Details of Key Management Personnel remuneration are disclosed on pages 38 to 47 of the Remuneration Report.

### (c) Key management personnel equity holdings

#### Fully paid ordinary shares of Neometals Ltd

| 2023                           | Balance at<br>01/07/2022<br>No. | Balance on<br>appointment<br>No. | Received on<br>exercise of<br>perf rights<br>No. | Net other<br>change<br>No. | Balance at<br>30/06/2023<br>No. | Balance held<br>nominally<br>No. |
|--------------------------------|---------------------------------|----------------------------------|--------------------------------------------------|----------------------------|---------------------------------|----------------------------------|
| <b>Non-executive directors</b> |                                 |                                  |                                                  |                            |                                 |                                  |
| S. Cole                        | 1,890,160                       | -                                | 61,611                                           | -                          | 1,951,771                       | -                                |
| D. Ritchie                     | 209,819                         | -                                | 55,450                                           | 70,000                     | 335,269                         | -                                |
| N. Streltsova                  | 224,819                         | -                                | 55,450                                           | -                          | 280,269                         | -                                |
| J. Purdie                      | 330,072                         | -                                | 55,450                                           | 86,210                     | 471,732                         | -                                |
| L. Guthrie                     | 220,267                         | -                                | 11,090                                           | -                          | 231,357                         | -                                |
| <b>Executive director</b>      |                                 |                                  |                                                  |                            |                                 |                                  |
| C. Reed                        | 6,882,172                       | -                                | 986,417                                          | -                          | 7,868,589                       | -                                |
| <b>Other executives</b>        |                                 |                                  |                                                  |                            |                                 |                                  |
| M. Tamlin                      | 535,853                         | -                                | 447,769                                          | -                          | 983,622                         | -                                |
| J. Carone                      | 515,000                         | -                                | 394,668                                          | (143,206)                  | 766,462                         | -                                |
| D. Townsend                    | 251,057                         | -                                | 430,547                                          | (271,199)                  | 410,405                         | -                                |
| M. Gray                        | -                               | -                                | -                                                | 7,770                      | 7,770                           | -                                |
| <b>Total</b>                   | <b>11,059,219</b>               | <b>-</b>                         | <b>2,498,452</b>                                 | <b>(250,425)</b>           | <b>13,307,246</b>               | <b>-</b>                         |

## 26. Related party disclosures (cont.)

| 2022                           | Balance at<br>01/07/2021<br>No. | Balance on<br>appointment<br>No. | Received on<br>exercise of<br>perf rights<br>No. | Net other<br>change<br>No. | Balance at<br>30/06/2022<br>No. | Balance held<br>nominally<br>No. |
|--------------------------------|---------------------------------|----------------------------------|--------------------------------------------------|----------------------------|---------------------------------|----------------------------------|
| <b>Non-executive directors</b> |                                 |                                  |                                                  |                            |                                 |                                  |
| S. Cole                        | 1,682,198                       | -                                | 207,962                                          | -                          | 1,890,160                       | -                                |
| D. Ritchie                     | 134,908                         | -                                | 49,911                                           | 25,000                     | 209,819                         | -                                |
| N. Streltsova                  | 134,908                         | -                                | 49,911                                           | 40,000                     | 224,819                         | -                                |
| D. Reed <sup>(1)</sup>         | 39,588,900                      | -                                | -                                                | (2,000,000)                | 37,588,900                      | -                                |
| J. Purdie                      | 215,187                         | -                                | 83,185                                           | 31,700                     | 330,072                         | -                                |
| L. Guthrie                     | 163,675                         | -                                | 41,592                                           | 15,000                     | 220,267                         | -                                |
| <b>Executive director</b>      |                                 |                                  |                                                  |                            |                                 |                                  |
| C. Reed                        | 6,707,189                       | -                                | 668,271                                          | (493,288)                  | 6,882,172                       | -                                |
| <b>Other executives</b>        |                                 |                                  |                                                  |                            |                                 |                                  |
| M. Tamlin                      | 229,189                         | -                                | 306,664                                          | -                          | 535,853                         | -                                |
| J. Carone                      | 400,000                         | -                                | 245,725                                          | (130,725)                  | 515,000                         | -                                |
| D. Townsend                    | 272,405                         | -                                | 294,870                                          | (316,218)                  | 251,057                         | -                                |
| <b>Total</b>                   | <b>49,528,559</b>               | <b>-</b>                         | <b>1,948,091</b>                                 | <b>(2,828,531)</b>         | <b>48,648,119</b>               | <b>-</b>                         |

(1) David Reed resigned from his position as Non-Executive Director on 30 November 2021.

**Share options of Neometals Ltd**

No options were issued to related parties during the current period (2022: nil).

**Performance rights of Neometals Ltd**

In the current reporting period the Company granted 944,284 (2022: 1,573,173) performance rights to executives and KMP pursuant to the Company's Performance Rights Plan.

Further details of performance rights granted are contained in note 10 to the financial statements.

## 26. Related party disclosures (cont.)

**Performance rights granted to related parties**

The following tables summarises information relevant to the current financial year in relation to the grant of performance rights to KMP as part of their remuneration. Performance rights are issued by Neometals Ltd.

|                            | During the financial year |                |                |                          |                        |                                   |
|----------------------------|---------------------------|----------------|----------------|--------------------------|------------------------|-----------------------------------|
| Name                       | Grant date                | No. granted    | No. vested     | Fair value at grant date | Earliest exercise date | Consideration payable on exercise |
| KMP                        |                           |                |                |                          |                        |                                   |
| N. Streltsova              | 4/08/2022                 | 40,875         | 40,875         | 45,000                   | 30/06/2023             | -                                 |
| D. Ritchie <sup>(1)</sup>  | 4/08/2022                 | 40,875         | 40,875         | 45,000                   | 30/06/2023             | -                                 |
| S. Cole <sup>(1)</sup>     | 4/08/2022                 | 54,499         | 54,499         | 60,000                   | 30/06/2023             | -                                 |
| J. Purdie                  | 4/08/2022                 | 40,875         | 40,875         | 45,000                   | 30/06/2023             | -                                 |
| L. Guthrie                 | 4/08/2022                 | 8,175          | 8,175          | 9,000                    | 30/06/2023             | -                                 |
| C. Reed <sup>(2)</sup>     | 5/09/2022                 | 239,904        | -              | 276,034                  | 30/06/2025             | -                                 |
| J. Carone <sup>(2)</sup>   | 5/09/2022                 | 144,919        | -              | 166,744                  | 30/06/2025             | -                                 |
| M. Tamlin <sup>(2)</sup>   | 5/09/2022                 | 126,804        | -              | 145,901                  | 30/06/2025             | -                                 |
| D. Townsend <sup>(2)</sup> | 5/09/2022                 | 126,804        | -              | 145,901                  | 30/06/2025             | -                                 |
| M. Gray <sup>(2)</sup>     | 5/09/2022                 | 120,554        | -              | 138,709                  | 30/06/2025             | -                                 |
| <b>Total</b>               |                           | <b>944,284</b> | <b>185,299</b> | <b>1,077,289</b>         |                        |                                   |

(1) At 30 June 2023 Non-Executive Directors became entitled to securities whose vesting conditions were the subject to the rules of the Performance Rights Plan.

(2) The number of performance rights that will actually vest, if any, is determined by the Company's performance based on Neometals relative and absolute TSR compared to the comparative group of companies over a 3 year period and Business Plan strategic objectives.

## 26. Related party disclosures (cont.)

Details of performance rights held by KMP and of shares issued during the financial year as a result of the vesting of performance rights:

|                              | Grant date | Fair value<br>of rights at<br>grant date<br>\$ | No. granted      | Vested during<br>the financial<br>year<br>No. | Forfeited/<br>lapsed during<br>the financial<br>year<br>No. | Ordinary<br>shares issued<br>on exercise of<br>rights<br>No. |
|------------------------------|------------|------------------------------------------------|------------------|-----------------------------------------------|-------------------------------------------------------------|--------------------------------------------------------------|
| <b>KMP</b>                   |            |                                                |                  |                                               |                                                             |                                                              |
| C. Reed <sup>(1)</sup>       | 2/09/2019  | 141,797                                        | 1,233,021        | -                                             | 246,604                                                     | 986,417                                                      |
| J. Carone <sup>(1)</sup>     | 2/09/2019  | 56,734                                         | 493,335          | -                                             | 98,667                                                      | 394,668                                                      |
| M. Tamlin <sup>(1)</sup>     | 2/09/2019  | 64,367                                         | 559,711          | -                                             | 111,942                                                     | 447,769                                                      |
| D. Townsend <sup>(1)</sup>   | 2/09/2019  | 61,891                                         | 538,184          | -                                             | 107,637                                                     | 430,547                                                      |
| C. Reed <sup>(1)</sup>       | 7/12/2020  | 299,872                                        | 1,656,754        | 1,491,079                                     | -                                                           | -                                                            |
| J. Carone <sup>(1)</sup>     | 7/12/2020  | 120,556                                        | 666,055          | 532,844                                       | -                                                           | -                                                            |
| M. Tamlin <sup>(1)</sup>     | 7/12/2020  | 136,776                                        | 755,670          | 604,536                                       | -                                                           | -                                                            |
| D. Townsend <sup>(1)</sup>   | 7/12/2020  | 131,516                                        | 726,605          | 581,284                                       | -                                                           | -                                                            |
| C. Reed <sup>(1)</sup>       | 11/10/2021 | 442,592                                        | 574,049          | -                                             | -                                                           | -                                                            |
| J. Carone <sup>(1)</sup>     | 11/10/2021 | 181,867                                        | 235,885          | -                                             | -                                                           | -                                                            |
| M. Tamlin <sup>(1)</sup>     | 11/10/2021 | 202,074                                        | 262,094          | -                                             | -                                                           | -                                                            |
| D. Townsend <sup>(1)</sup>   | 11/10/2021 | 202,074                                        | 262,094          | -                                             | -                                                           | -                                                            |
| N. Streltsova <sup>(2)</sup> | 11/10/2021 | 45,000                                         | 55,450           | -                                             | -                                                           | 55,450                                                       |
| D. Ritchie <sup>(2)</sup>    | 11/10/2021 | 45,000                                         | 55,450           | -                                             | -                                                           | 55,450                                                       |
| S. Cole <sup>(2)</sup>       | 11/10/2021 | 50,000                                         | 61,611           | -                                             | -                                                           | 61,611                                                       |
| J. Purdie <sup>(2)</sup>     | 11/10/2021 | 45,000                                         | 55,450           | -                                             | -                                                           | 55,450                                                       |
| L. Guthrie <sup>(2)</sup>    | 11/10/2021 | 9,000                                          | 11,090           | -                                             | -                                                           | 11,090                                                       |
| C. Reed <sup>(1)</sup>       | 5/09/2022  | 276,034                                        | 239,904          | -                                             | -                                                           | -                                                            |
| J. Carone <sup>(1)</sup>     | 5/09/2022  | 166,744                                        | 144,919          | -                                             | -                                                           | -                                                            |
| M. Tamlin <sup>(1)</sup>     | 5/09/2022  | 145,901                                        | 126,804          | -                                             | -                                                           | -                                                            |
| D. Townsend <sup>(1)</sup>   | 5/09/2022  | 145,901                                        | 126,804          | -                                             | -                                                           | -                                                            |
| M. Gray <sup>(1)</sup>       | 5/09/2022  | 138,709                                        | 120,554          | -                                             | -                                                           | -                                                            |
| N. Streltsova <sup>(3)</sup> | 4/08/2022  | 45,000                                         | 40,875           | 40,875                                        | -                                                           | -                                                            |
| D. Ritchie <sup>(3)</sup>    | 4/08/2022  | 45,000                                         | 40,875           | 40,875                                        | -                                                           | -                                                            |
| S. Cole <sup>(3)</sup>       | 4/08/2022  | 60,000                                         | 54,499           | 54,499                                        | -                                                           | -                                                            |
| J. Purdie <sup>(3)</sup>     | 4/08/2022  | 45,000                                         | 40,875           | 40,875                                        | -                                                           | -                                                            |
| L. Guthrie <sup>(3)</sup>    | 4/08/2022  | 9,000                                          | 8,175            | 8,175                                         | -                                                           | -                                                            |
| <b>Total</b>                 |            | <b>3,313,405</b>                               | <b>9,146,792</b> | <b>3,395,042</b>                              | <b>564,850</b>                                              | <b>2,498,452</b>                                             |

(1) The number of performance rights that will actually vest, if any, is determined by the Company's performance based on Neometals TSR compared to the comparative group of companies over the 3-year period as set out in the employee's employment contract. As a result of the testing of the Company's performance over this period 3,209,743 rights vested (2022: 2,259,401).

(2) Under the Performance Rights Plan, Non-Executive Directors were invited to forgo part of their fees for their services in exchange for performance rights. At 30 June 2023 all performance rights have vested. As a result of the testing of the Company's performance over this period 239,051 rights vested and shares were issued (2022: 432,561).

(3) Under the Performance Rights Plan, Non-Executive Directors were invited to sacrifice part of their fees for their services in exchange for performance rights. At 30 June 2023 all performance rights have vested.

## 26. Related party disclosures (cont.)

The performance rights granted entitle the grantee to one fully paid ordinary share in Neometals Ltd for nil cash consideration on satisfaction of the vesting criteria.

### (d) Transactions with other related parties

Other related parties include:

- The parent entity;
- Associates;
- Joint ventures in which the entity is a venturer;
- Subsidiaries;
- Key Management Personnel of the Group; and
- Other related parties.

The Group has provided loans to its joint venture, Reed Advanced Materials Pty Ltd, and equity contributions to its joint ventures, Primobius GmbH and Recycling Industries Scandinavia AB (see note 22).

### Transactions involving the parent entity

The directors elected for wholly-owned Australian entities within the Group to be taxed as a single entity from 1 July 2003.

No other transactions occurred during the financial year between entities in the wholly owned Group.

### (e) Controlling entities

The ultimate parent entity of the Group is Neometals Ltd, a company incorporated and domiciled in Australia.

## 27. Auditors remuneration

Details of the amounts paid or payable to the auditor for the audit and other assurance services during the year are as follows:

|                                                                                                                                        | 2023<br>\$     | 2022<br>\$     |
|----------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| <b>Audit services - Deloitte Touche Tohmatsu</b>                                                                                       |                |                |
| Fees to the group auditor for the audit or review of the statutory financial reports of the Company, subsidiaries and joint operations | 289,006        | 113,250        |
| Fees for other assurance and agreed-upon procedures under other legislation or contractual arrangements - Australia                    | 14,621         | 65,491         |
| Fees for other assurance and agreed-upon procedures under other legislation or contractual arrangements - United Kingdom               | -              | 760,515        |
| <b>Total remuneration of Deloitte Touche Tohmatsu</b>                                                                                  | <b>303,627</b> | <b>939,256</b> |
| <b>Audit services - Other firms</b>                                                                                                    |                |                |
| Fees for auditing the financial reports of any controlled entities                                                                     | 24,684         | -              |
| <b>Total remuneration of other firms</b>                                                                                               | <b>24,684</b>  | <b>-</b>       |



## 28. Notes to the statement of cash flows

### (a) Reconciliation of cash and cash equivalents

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

|                                                      | 2023<br>\$        | 2022<br>\$        |
|------------------------------------------------------|-------------------|-------------------|
| Cash and cash equivalents from continuing operations | 24,438,695        | 60,158,159        |
|                                                      | <b>24,438,695</b> | <b>60,158,159</b> |

### (b) Reconciliation of profit/(loss) for the period to net cash flows from operating activities

|                                                         | 2023<br>\$          | 2022<br>\$          |
|---------------------------------------------------------|---------------------|---------------------|
| <b>(Loss)/profit for the year</b>                       | <b>(34,804,369)</b> | <b>4,360,700</b>    |
| Impairment (reversal)/expense                           | 3,989,748           | (7,079,641)         |
| Profit on disposal of financial assets                  | 150,247             | (576,661)           |
| Loss on disposal of subsidiary                          | 212,473             | -                   |
| Share of loss in associate                              | 3,412,514           | 318,287             |
| Share of loss in joint venture                          | 7,298,801           | 872,667             |
| Net (profit)/loss on financial assets measured at FVTPL | 512,769             | (233,418)           |
| Interest received on investments                        | (1,056,585)         | (254,047)           |
| Finance costs recognised in profit or loss              | 29,859              | 76,163              |
| Depreciation and amortisation of non-current assets     | 523,023             | 872,790             |
| Equity settled share-based payment                      | 1,747,437           | 1,474,081           |
| Gain on disposal of discontinued operation              | -                   | (15,528,639)        |
| Net foreign exchange (gain)/loss                        | (4,204)             | (34,441)            |
| (Increase)/decrease in assets:                          |                     |                     |
| Current receivables                                     | (1,513,597)         | (266,938)           |
| Other                                                   | 49,748              | 29,404              |
| Increase/(decrease) in liabilities:                     |                     |                     |
| Current payables                                        | (131,597)           | (3,000,612)         |
| Deferred tax liability                                  | (782,904)           | (5,432,830)         |
| Provisions                                              | (31,905)            | (674,642)           |
| <b>Net cash used in operating activities</b>            | <b>(20,398,542)</b> | <b>(25,077,777)</b> |

## 29. Financial instruments

### (a) Financial risk management objectives

The Consolidated Entity does not enter into derivative financial instruments for speculative or hedging purposes.

### (b) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

## 29. Financial instruments (cont.)

## (c) Interest rate risk

The following tables detail the Group's exposure to interest rate risk:

|                                   | Weighted<br>average<br>effective<br>interest rate<br>% | Variable<br>interest<br>rate<br>% | Maturity dates            |                 |                            | Non<br>interest<br>bearing<br>\$ | Total<br>\$ |
|-----------------------------------|--------------------------------------------------------|-----------------------------------|---------------------------|-----------------|----------------------------|----------------------------------|-------------|
| 2023                              |                                                        |                                   | Less than<br>1 year<br>\$ | 1-5 years<br>\$ | More than<br>5 years<br>\$ |                                  |             |
| Financial assets:                 |                                                        |                                   |                           |                 |                            |                                  |             |
| Cash and cash equivalents AUD     | 3.77%                                                  | -                                 | 24,013,096                | -               | -                          | -                                | 24,013,096  |
| Cash and cash equivalents EUR     | 0.00%                                                  | -                                 | 208,846                   | -               | -                          | -                                | 208,846     |
| Cash and cash equivalents USD     | 0.00%                                                  | -                                 | 127,552                   | -               | -                          | -                                | 127,552     |
| Cash and cash equivalents GBP     | 0.00%                                                  | -                                 | 89,199                    | -               | -                          | -                                | 89,199      |
| Bond term deposits <sup>(i)</sup> | 4.17%                                                  | -                                 | 200,000                   | -               | -                          | -                                | 200,000     |
| Cash deposits trust               | 0.00%                                                  | -                                 | -                         | -               | -                          | -                                | -           |
| Trade and other receivables       | 0.00%                                                  | -                                 | -                         | -               | -                          | 2,031,604                        | 2,031,604   |
| Financial liabilities:            |                                                        |                                   |                           |                 |                            |                                  |             |
| Trade payables <sup>(ii)</sup>    | -                                                      | -                                 | -                         | -               | -                          | 1,289,285                        | 1,289,285   |
| Lease liability                   | 7.77%                                                  | -                                 | 285,625                   | 652,049         | -                          | -                                | 937,674     |

|                                   | Weighted<br>average<br>effective<br>interest rate<br>% | Variable<br>interest<br>rate<br>% | Maturity dates            |                 |                            | Non<br>interest<br>bearing<br>\$ | Total<br>\$ |
|-----------------------------------|--------------------------------------------------------|-----------------------------------|---------------------------|-----------------|----------------------------|----------------------------------|-------------|
| 2022                              |                                                        |                                   | Less than<br>1 year<br>\$ | 1-5 years<br>\$ | More than<br>5 years<br>\$ |                                  |             |
| Financial assets:                 |                                                        |                                   |                           |                 |                            |                                  |             |
| Cash and cash equivalents AUD     | 0.40%                                                  | -                                 | 59,009,480                | -               | -                          | -                                | 59,009,480  |
| Cash and cash equivalents EUR     | 0.00%                                                  | -                                 | 531,719                   | -               | -                          | -                                | 531,719     |
| Cash and cash equivalents USD     | 0.00%                                                  | -                                 | 704,839                   | -               | -                          | -                                | 704,839     |
| Cash and cash equivalents GBP     | 0.00%                                                  | -                                 | 112,121                   | -               | -                          | -                                | 112,121     |
| Bond term deposits <sup>(i)</sup> | 0.40%                                                  | -                                 | 200,000                   | -               | -                          | -                                | 200,000     |
| Cash deposits trust               | 0.00%                                                  | -                                 | 2,078,476                 | -               | -                          | -                                | 2,078,476   |
| Trade and other receivables       | 0.00%                                                  | -                                 | -                         | -               | -                          | 518,007                          | 518,007     |
| Financial liabilities:            |                                                        |                                   |                           |                 |                            |                                  |             |
| Trade payables <sup>(ii)</sup>    | -                                                      | -                                 | -                         | -               | -                          | 2,236,332                        | 2,236,332   |
| Lease liability                   | 3.50%                                                  | -                                 | 371,756                   | -               | -                          | -                                | 371,756     |

(i) The balances represent two term deposits that are restricted in their use and are classified in the current reporting period as other financial assets. Additional information on all other term deposits is provided at notes 12 and 28(b). The financial assets have contractual maturities of less than one year, however they are classified as non-current in the statement of financial position as they are not accessible to the Group due to restrictions placed on accessing the funds.

(ii) Non interest bearing liabilities are due within 30 days.

## 29. Financial instruments (cont.)

### (d) Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has adopted a policy of only dealing with credit-worthy counterparties and obtaining sufficient collateral where appropriate as a means of mitigating the risk of financial loss from defaults. The consolidated entity exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The consolidated entity does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics other than the Joint Venture. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

### (e) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and banking facilities, and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The undiscounted lease liabilities balance is \$937,674, split between \$285,625 with a maturity date of less than 1 year and \$652,049 with a maturity date of 1-5 years.

In addition to financial liabilities in note 15, the Company is required to meet minimum spend commitments to maintain the tenure over the Company's mineral exploration areas as described in note 20.

### (f) Fair value

The carrying amount of financial assets measured at amortised cost recorded in the financial statements approximates their respective fair values.

Financial assets carried at fair value through profit or loss comprise investments predominantly in Australian listed equities. Their fair value is determined using key inputs of quoted bid prices in an active market multiplied by the number of shares held, which is Level 1 in the fair value hierarchy. Where quoted prices in an active market are unable to be used to determine fair value, alternative valuation methods are used to most accurately represent the equities fair value which for the investments held by the entity include other observable inputs and is therefore categorised as level 3 on the fair value hierarchy. Other than the investments held at fair value, the group does not hold any instruments that are measured at fair value. There have been no transfers between fair value classes during the year. The sensitivity analysis below has been calculated based on the exposure to equity price risk at the end of the reporting period for financial assets carried at fair value through profit or loss. A 25 percent increase and decrease has been used to assess the sensitivity of the equity price risk and represents management's assessment of a reasonably possible change in equity pricing.

If equity prices had been 25 percentage higher/lower and all other variables were held constant, the Group's profit for the year ended 30 June 2023 would decrease/increase by \$190,912 (2022: 557,375).

### (g) Capital management

The board's policy is to endeavour to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group sources any additional funding requirements from either debt or equity markets depending on the market conditions at the time the funds are sourced and the purpose for which the funds are to be used. The Group is not subject to externally imposed capital requirements.

### (h) Interest rate risk management

The Group is exposed to interest rate risk as the Group has funds on deposit as security for the head office lease.

The sensitivity analysis below has been calculated based on the exposure to interest rates at the end of the reporting period. A 50 basis point increase and decrease has been used when reporting the interest rate risk and represents management's assessment of the potential change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 30 June 2023 would decrease/increase by \$123,193 (2022: decrease/increase \$301,791). This is mainly attributable to the Group's exposure to interest rates on the maturity of its term deposits.

## 30. Contingent liabilities

The Group has no contingent liabilities as at 30 June 2023 (2022: nil).

## 31. Events after the reporting period

On 12 July 2023, Neometals announced the execution of a binding offtake agreement between Novana Oy and Glencore for the Vanadium Recovery Project.

On 1 August 2023, Neometals announced the successful completion by Primobius GmbH of the Battery Recycling 'Hub' Engineering cost study results for a 21,000 tonne per annum fully integrated LiB recycling plant.

On 22 August 2023, Neometals announced that Primobius received a purchase order for supply of a 10 tonne per day spoke with Mercedes for installation at Kuppenheim in southern Germany.

Other than stated above, no matters or circumstances have arisen since the end of the financial year that have significantly affected, or may significantly affect the operations, results of operations or state of affairs of the Group in subsequent financial years.

# Additional ASX information

## Ordinary fully paid shares (total)

### Composition : ORD

#### Range of units as of 13 September 2023

| Range            | Total holders | Units              | % Units       |
|------------------|---------------|--------------------|---------------|
| 1 – 1,000        | 2,440         | 1,441,347          | 0.26          |
| 1,001 – 5,000    | 5,036         | 13,915,940         | 2.52          |
| 5,001 – 10,000   | 2,306         | 18,308,172         | 3.31          |
| 10,001 – 100,000 | 3,712         | 119,001,715        | 21.51         |
| 100,001 over     | 595           | 400,640,763        | 72.41         |
| Rounding         | -             | -                  | -0.01         |
| <b>Total</b>     | <b>14,376</b> | <b>552,346,508</b> | <b>100.00</b> |

#### Unmarketable parcels

| Range                                          | Minimum parcel size | Holders | Units     |
|------------------------------------------------|---------------------|---------|-----------|
| Minimum \$ 500.00 parcel at \$ 0.4450 per unit | 1,124               | 2,660   | 1,676,493 |

#### Top holders (ungrouped) as of 13 September 2023

| Rank | Name                                                       | Units      | % Units |
|------|------------------------------------------------------------|------------|---------|
| 1    | Mr David John Reed                                         | 29,301,674 | 5.30    |
| 2    | Citicorp Nominees Pty Limited                              | 25,985,413 | 4.70    |
| 3    | BNP Paribas Nominees Pty Ltd ACF Clearstream               | 23,674,834 | 4.28    |
| 4    | J P Morgan Nominees Australia Pty Limited                  | 19,931,200 | 3.60    |
| 5    | HSBC Custody Nominees (Australia) Limited                  | 19,454,513 | 3.52    |
| 6    | Farjoy Pty Ltd                                             | 17,905,581 | 3.24    |
| 7    | BNP Paribas Noms Pty Ltd <DRP>                             | 14,578,869 | 2.63    |
| 8    | Mr Kenneth Joseph Hall <Hall Park A/C>                     | 11,100,000 | 2.01    |
| 9    | Bnp Paribas Nominees Pty Ltd <IB AU Noms Retailclient DRP> | 6,414,747  | 1.16    |
| 10   | Mr Francis James Robinson                                  | 6,000,000  | 1.08    |
| 11   | Pesyan Pty Ltd <Pars Family A/C>                           | 4,297,040  | 0.78    |
| 12   | Bond Street Custodians Limited <HP0DHH - V04614 A/C>       | 4,295,655  | 0.78    |
| 13   | Harewood Pty Ltd                                           | 4,107,000  | 0.74    |
| 14   | Fano Pty Ltd <Hurley Super Fund A/C>                       | 4,000,000  | 0.72    |
| 15   | RS Linfoot Investments Pty Ltd                             | 3,937,500  | 0.71    |
| 16   | Trucking Nominees Pty Ltd <D J Reed Super Fund A/C>        | 3,700,000  | 0.67    |
| 17   | Linfoot Two Super Pty Ltd <Linfoot Super Plan No 2 A/C>    | 3,698,725  | 0.67    |
| 18   | Mr William Oswald Robinson + Mrs Maree Frances Robinson    | 3,000,000  | 0.54    |
| 19   | Western Mining Corporation Pty Limited <Two Boys A/C>      | 3,000,000  | 0.54    |
| 20   | Mr Richard Arthur Lockwood                                 | 2,500,000  | 0.45    |

### Substantial shareholder

David Reed: 33,613,900 ordinary fully paid shares representing 6.08% (notice dated 15 Sep 23).

### Voting rights

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

### Other

Registers of Securities are held at the following addresses:

Level 1, 1292 Hay Street, West Perth WA 6005

### List of tenement interests

As at 30 June 2023, the Company has an interest in the following projects and tenements which are all located within Western Australia.

| Project name         | Licence name | Beneficial interest | Status  |
|----------------------|--------------|---------------------|---------|
| Barrambie            | M57/173-I    | 100%                | Live    |
| Barrambie            | E57/769-I    | 100%                | Live    |
| Barrambie            | E57/770-I    | 100%                | Live    |
| Barrambie            | E57/1041-I   | 100%                | Live    |
| Barrambie            | E57/1220     | 100%                | Pending |
| Barrambie            | E57/1244     | 100%                | Pending |
| Barrambie            | E57/1245     | 100%                | Pending |
| Barrambie            | E57/1379     | 100%                | Pending |
| Barrambie            | E20/1030     | 100%                | Pending |
| Barrambie            | E20/1037     | 100%                | Pending |
| Barrambie            | L57/0030     | 100%                | Live    |
| Barrambie            | L57/0064     | 100%                | Pending |
| Barrambie            | L57/0065     | 100%                | Pending |
| Barrambie            | L57/0066     | 100%                | Pending |
| Barrambie            | L20/0055     | 100%                | Live    |
| Barrambie            | L20/0080     | 100%                | Live    |
| Barrambie            | L20/0081     | 100%                | Live    |
| Yellowdine           | E77/2809     | 100%                | Pending |
| Queen Victoria Rocks | E15/1416-I   | 100%                | Live    |

### Other information

The Company has a primary listing on ASX and a secondary listing on the London Stock Exchange's AIM.

# Corporate directory

## Directors

### Steven Cole

Non-Executive Chairman

### Christopher Reed

Managing Director

### Dr Natalia Streltsova

Non-Executive Director

### Douglas Ritchie

Non-Executive Director

### Dr Jenny Purdie

Non-Executive Director

### Les Guthrie

Non-Executive Director

## Company Secretary

Jason Carone

## Registered office

Level 1, 1292 Hay Street, West Perth WA 6005

## Contact details

Phone +61 8 9322 1182

Fax +61 8 9321 0556

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## Auditors

Deloitte Touche Tohmatsu

Brookfield Place, Tower 2

123 St Georges Terrace, Perth WA 6000

## Share registry

### ASX

Computershare Investor Services Pty Ltd

Level 17, 221 St Georges Terrace, Perth WA 6000

### AIM

Computershare Investor Services PLC

The Pavilions, Bridgwater Road, Bristol BS99 6ZZ

## Nominated advisor

Cenkos Securities PLC

6.7.8 Tokenhouse Yard, London EC2R 7AS

## Stock exchange listing

Neometals Ltd are listed on the Australian Stock Exchange  
(Home Branch – Perth)

ASX & AIM: NMT

ACN: 099 116 631

ABN: 89 099 116 631

North American OTC Market (DR Symbol: RDRUY)

Deutsche Boerse: 9R9

## Annual general meeting

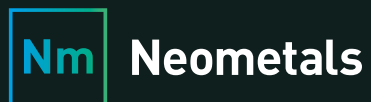
The 2023 Annual General Meeting of Neometals Ltd  
ABN 89 099 116 631 (Company) will be held at:

3:00pm (AWST) Friday, 24 November 2023

Parmelia Hilton Perth, 14 Mill Street, Perth WA 6000







**ASX: NMT**  
neometals.com.au

**Registered office**  
Level 1, 1292 Hay Street  
West Perth WA 6005  
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