



Formerly known as
Matador Mining Ltd

INTERIM REPORT

30 June 2024

ACN 612 912 393
ASX:AAM | OTCQB:AUMMF | TSVX:AUM

For personal use only



AuMEGA Metals Ltd (formerly known as Matador Mining Ltd)
Corporate directory
30 June 2024

Directors

Mr Justin Osborne – Non-executive Chair
Mr Sam Pazuki - Managing Director and CEO
Mrs Carol Marinkovich – Executive Director
Mr Kerry Sparkes – Non-Executive Director
Dr Nicole Adshead-Bell – Non-Executive Director

Company secretary

Mrs Carol Marinkovich

Principal place of business

24 Hasler Road
Osborne Park WA 6017
Tel: +61 8 6117 0478
Email: info@aumegametals.com

Share register

Automic Registry Services
Level 5, 126 Philip Street
Sydney NSW 2000
Tel: +61 2 9698 5414 / 1300 288 664
Email: hello@automic.com.au

Auditor

Grant Thornton Audit Pty Ltd
Level 43 Central Park, 152-158 St Georges Terrace
Perth WA 6000
Tel: +61 8 9480 2000

Stock exchange listing

AuMEGA Metals Ltd shares are dual listed on the Australian Securities Exchange (ASX code: AAM) and the Toronto Venture Stock Exchange (TSXV code: AUM) OTCQB in the United States (OTC) – code AUMMF

Website

<https://aumegametals.com/>

All dollar figures are expressed in Canadian dollars unless otherwise stated

For personal use only

AuMEGA Metals Ltd (formerly known as Matador Mining Ltd)

Contents

30 June 2024

Directors' report	3
Auditor's independence declaration	13
Condensed consolidated statement of profit or loss and other comprehensive income	14
Condensed consolidated statement of financial position	15
Condensed consolidated statement of changes in equity	16
Condensed consolidated statement of cash flows	17
Notes to the financial statements	18
Directors' declaration	30
Independent auditor's review report to the members of AuMEGA Metals Ltd	32

For personal use only

AuMEGA Metals Ltd (formerly known as Matador Mining Ltd)
Directors' report
30 June 2024

The directors present their report, together with the financial statements, on AuMEGA Metals Ltd (formerly Matador Mining Ltd) (referred to hereafter as the 'AuMEGA', 'Company' or 'parent entity') and the entities it controlled (referred to hereafter as the 'consolidated entity') at the end of, or during, the half year ended 30 June 2024.

Directors

The names of the Directors in office at any time during this half year and up to the date of this report are:

Mr Justin Osborne – Non-Executive Chair
Mr Sam Pazuki - Managing Director and CEO
Mrs Carol Marinkovich – Executive Director
Mr Kerry Sparkes – Non-Executive Director
Dr Nicole Adshead-Bell – Non-Executive Director

Principal Activities

AuMEGA is a mineral exploration company focused primarily on the discovery of precious and critical metals in Newfoundland and Labrador ("Newfoundland"), Canada. AuMEGA employs a world-class, systematic approach to exploration which is necessary for a terrain that has significant cover and a complex glacial history such as in south-west Newfoundland.

The Company holds a district scale land package that spans 110 kilometres along the Cape Ray Shear Zone ("CRSZ"), a significant under-explored geological feature recognised as Newfoundland's largest identified gold structure. This structure currently hosts Calibre Mining's Valentine Gold Project, which is the region's largest gold deposit (+5 million ounces), along with AuMEGA's Mineral Resource.

AuMEGA's portfolio over the CRSZ hosts a few dozen high potential targets and its existing gold Mineral Resource of 6.1 million tonnes of ore grading an average of 2.25 g/t, totalling 450,000 ounces of Indicated Resources, and 3.4 million tonnes of ore grading an average of 1.44 g/t, totalling 160,000 ounces in Inferred Resources.

The Company is supported by a diverse shareholder registry of prominent global institutional investors, and strategic investment from B2Gold Corp, a leading, multi-million-ounce a year gold producer.

Additionally, AuMEGA holds a 27-kilometer stretch of the highly prospective Hermitage Flexure and has also secured an Option Agreement for the Blue Cove Copper Project in southeastern Newfoundland, which exhibits strong potential for copper and other base metals.

Review of Operations

The loss for the consolidated entity after providing for income tax amounted to \$1,672,495 (30 June 2023: \$2,160,874).

Exploration Activities

The Company successfully completed its first winter RC drill program during the period, a technique the Company believes to be a best-in-class approach to sampling below moderate overburden, and a first in recent time for Newfoundland exploration. Three large, mineralised zones were defined by this RC program, which will be further drill tested deeper into the bedrock in the upcoming second phase diamond drill program.

The first phase of the 2024 diamond drill program commenced during the period focused on high-priority targets within the resource corridor, mainly at Central Zone. Following extensive analysis and interpretation the Company identified a number of structural and geochemical targets that were not previously assessed during past mineral resource drill programs. Subsequent to the period end, the Company completed the first phase of diamond drilling with eight holes drilled for a total of approximately 1,900 metres. The second phase of diamond drilling is expected to involve 3,000 to 4,000 metres depending on results.

At Hermitage, a major geological structure dubbed the “North Limb Fault” has been interpreted with the structure spatially associated with multigram gold mineralisation over seven kilometres of strike identified through prospecting and mapping. Additional mineral claims were staked within, and adjacent to, the Hermitage Project, including areas with historic anomalous gold results.

Business development activities during the half-year included the Company entering into a low-cost Option Agreement to acquire the Blue Cove Copper Project in southeastern Newfoundland. The project has identified outcropping of high-grade copper-gold-silver targets ready for immediate assessment.

Commencement of Spring and Summer Exploration Program

The Company commenced its spring and summer exploration program during the period¹. The exploration team mobilised for early stage works and preparations for the start of diamond drilling, which commenced early in June 2024. The 2024 exploration program is one of the most comprehensive programs planned for the Company. Several meaningful exploration initiatives have been scheduled on the Company’s district-scale land package covering multiple projects including Malachite, Cape Ray, Bunker Hill, Intersection, Hermitage and Blue Cove.

Following the successful completion of the 157 holes drilled in the winter in the Company’s first ever RC program, diamond drilling is now being undertaken over two quality-focussed phases.

The first phase is solely focussed on new, high-priority targets within the mineral resource corridor in areas never before drill tested. The second phase planned for later in the Canadian summer will include drilling at Malachite following up on targets defined by the RC program, and other new targets defined during the Company’s targeting workshop which was completed at the end of June 2024.

The workshop was led by the world-renowned structural geologist Brett Davis and included geologists from B2Gold and our full AuMEGA team including Chair Justin Osborne who adds a wealth of gold targeting and exploration experience.

Phase-One Diamond Drilling at Central Zone

On 12 June 2024, the Company announced the commencement of the first phase of the 2024 diamond drilling program with the initial phase focused on drilling high-priority targets at new zones within the resource corridor, mainly at Central Zone. This drilling was recently completed and assays are pending holes from this program as well as three geotechnical holes drilled historically by the Company that were never assayed.

The first phase of diamond drilling was based on recent interpretation and analysis completed by the Company which identified new targets in the footwall to the known Central Zone deposits. In 2018, the Company identified a 500 metre by 300 metre gold-in soil anomaly, greater than 40 ppb, which is almost 15 times the average crustal abundance of gold. This zone is situated in the footwall to the Z04 deposit and appears to be coincident with interpreted disruption of the Strawberry Hill Granite, which is geologically similar to the Window Glass Hill Granite to the west.

The Company also identified a second, highly prospective historical geochemical anomaly in the footwall of the Central Zone Z41 deposit. This anomaly consists of a 560-metre-long linear gold-in-soil trend with values up to 1,440 ppb (or 1.44 g/t) gold. This gold anomaly is coincident with an untested occurrence of potentially sheared Windsor Point Group, the most prospective sedimentary host of the Company's Central Zone Mineral Resources.

The Company's recent analysis on the structural movement of CRSZ mineralisation, coupled with this historical data, supports the favourability and prospectivity of the largely overlooked Central Zone footwall geological zone.

For personal use only

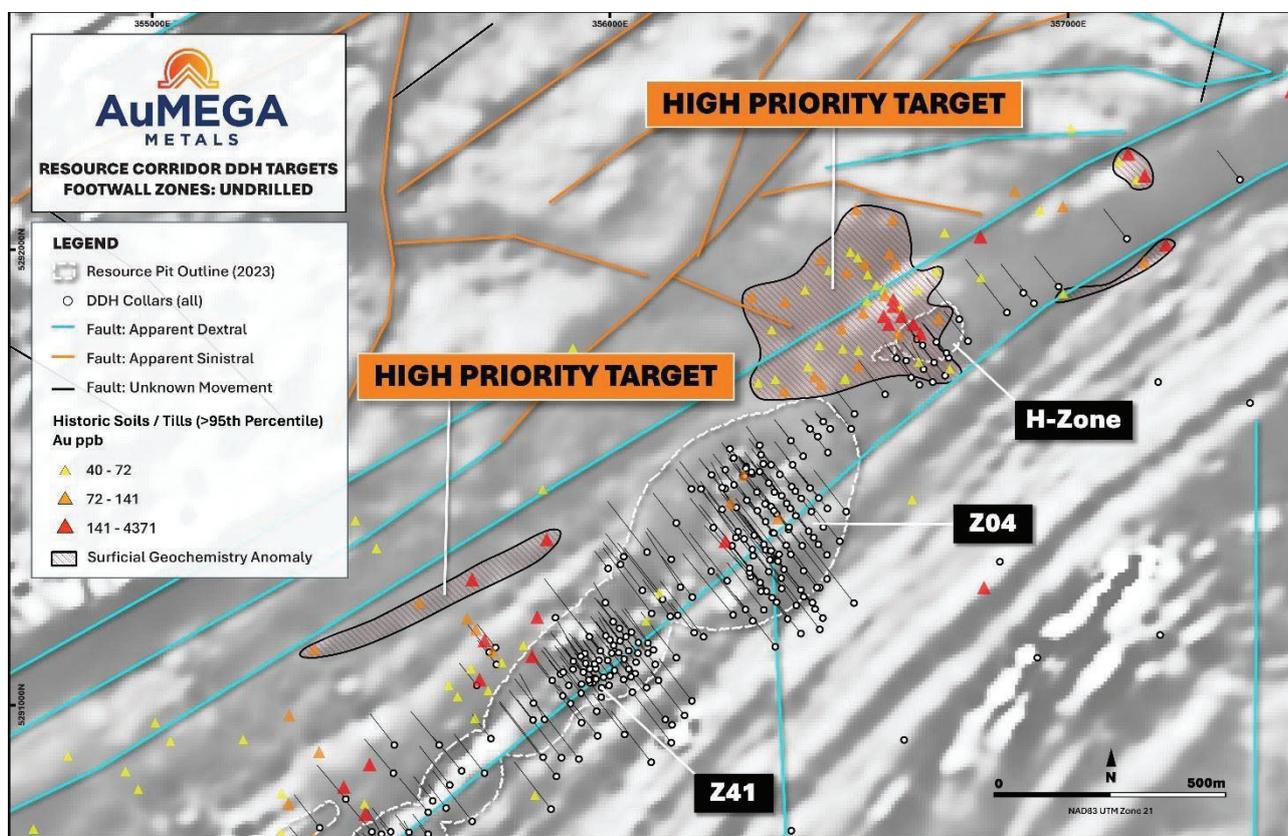


FIGURE 1: OVERVIEW UNTESTED GEOCHEMICAL TARGETS IN THE CENTRAL ZONE FOOTWALL

Technical Workshop²

The targeting Technical Workshop entailed a review of the significant data that has been collected historically and by the Company from the CRSZ and Hermitage Flexure through geophysical surveys, diamond and RC drilling, prospecting, sampling, mapping and desktop analysis.

Targets were ranked using a mineral systems approach, defined by the key criteria common to world-class gold deposits. The resultant conceptual rankings are used in conjunction with factual empirical data and are subdivided by stage in the exploration pipeline. This objective ranking methodology allows for targets in various stages of exploration, with different empirical data sets, to be ranked against each other to best select targets for further work. Such a systematic approach to ranking and prioritisation allows for efficient and effective deployment of capital to drive discovery.

In total, the Company has now defined 37 targets within its portfolio. As a result of the workshop, nine new targets were identified based on geophysical and geochemical data previously collected and re-interpreted. These new targets were then combined with existing targets and subsequently assigned a score based on both conceptual and empirical criteria with the overarching defining criteria being the potential of the target to host a multi-million-ounce deposit. Three (O-2 West, O-2 East and Grandy's East) of these nine targets are a result of the Company's successful winter RC drill program at Malachite.

Of the total targets that the Company has identified, 30 are in the early stages of exploration while five targets are in the intermediate stage and two in the advanced stage, both of which we are currently drilling within the resource corridor. Another three intermediate targets are part of the phase two diamond drill program including O-2 West, which delivered the best results from the winter RC drill program.

The Company is currently ranking each of the targets and will create more specific work plans for each that don't currently have them in place. The work plans will be on the top-ranking targets and will include the scope of work and expected outcomes, including the necessary outcomes required to continue to advance targets through the exploration pipeline. This work is expected to be completed in the coming weeks in conjunction with ongoing field exploration work.

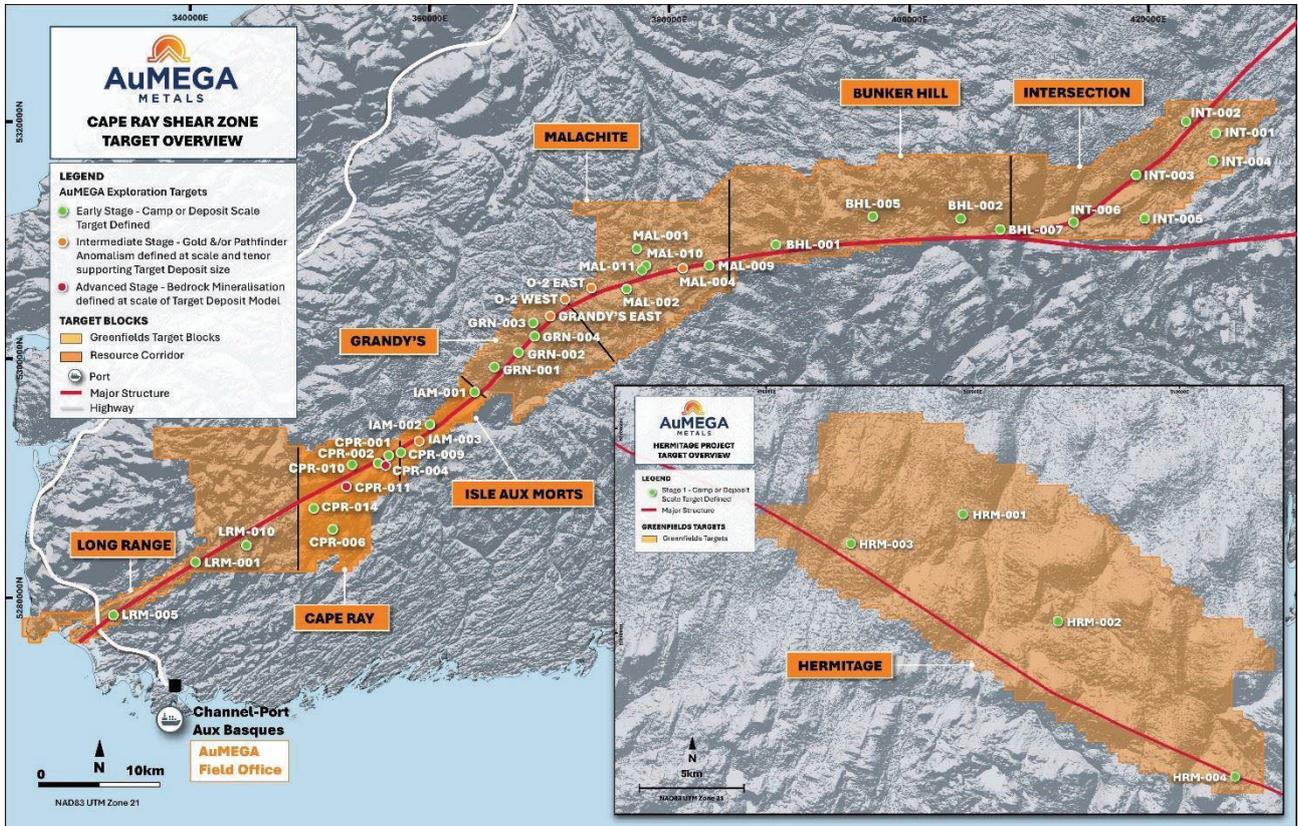


FIGURE 2: AUMEGA TOP EXPLORATION TARGETS

Malachite Winter RC Drill Program

During the period, the Company announced the completion of the initial winter RC drill program at Malachite³. Approximately 80% of the designed program was completed, including the entire drill program for the high priority O-2 target, prior to curtailing the program due to continued adverse weather conditions. In total, 157 holes were drilled in the program.

The reconnaissance-style RC drill program was designed to cover a large, prospective area at the Malachite Project with an aim to delineate gold and pathfinder anomalies in the bedrock and glacial till that vector to undercover gold mineralisation. This exploration program is akin to Australian style rotary air blast and air core programs and Scandinavian style base-of-till programs that have led to major global discoveries. The RC drill rig proved to be highly productive and far exceeded the output the Company had expected.

The results of the program⁴ identified three large, mineralised zones. The assay results from the initial batch of the RC drill program have identified two large, mineralised zones located west of the Company's high-priority O-2 target. This area, which appears to be located on a faulted geological contact previously interpreted from magnetics and mapping, is located to the northwest of the O-2 target. This is an area where the Company previously defined two anomalous gold and pathfinder occurrences in bedrock.

RC drilling intersected significant anomalous gold and copper from drillhole CRC0037 with assays of 627 ppb (0.63 g/t) gold and 1.99% copper only seven metres below surface and 224 ppb (0.2 g/t) gold a further metre below. These results are considered significant as gold mineralisation along the CRSZ is typically associated with chalcopyrite within gold-bearing zones including the Central Zone mineral resource⁵. This target area is now dubbed O-2 West.

The second new, large, mineralised zone now dubbed Grandy's East is located 3.5 kilometres west of the main O-2 target and is situated within the Grandy's Project area. The target comprises a trend located on a flat lying plain with virtually no outcrop and complete post-mineralisation cover. In 2022, prospecting by the Company discovered high-grade float and boulders in the area with gold assays up to 15.30 g/t gold⁶. Drill hole CRC004 intersected 155 ppb (0.16 g/t) gold in bedrock, approximately 370 metres east of the highest-grade boulder sample and represents the first occurrence of anomalous gold in bedrock in the area. This trend continues eastward 800 metres where drilling on the next RC drill line returned anomalous gold associated with a lead-silver-antimony anomalism. Ankerite and sericite alteration are also present within the trend.

The third zone included a zone with alteration that extended over 1.2 kilometres in strike (Figure 3). The results also included a large area of basal till gold anomalism indicating a compelling drill target. The combination of gold and pathfinder anomalism in bedrock, combined with multigram prospecting samples suggests significant mineralised fluid flow and potential for large under-cover gold deposits. This area is dubbed O-2 East.

The Company is continuing to analyse the full spectrum of data received from the RC program; however, the geological team is confident on the definition of several highly prospective diamond drill targets with the aim of testing them in the second phase of diamond drilling this summer.

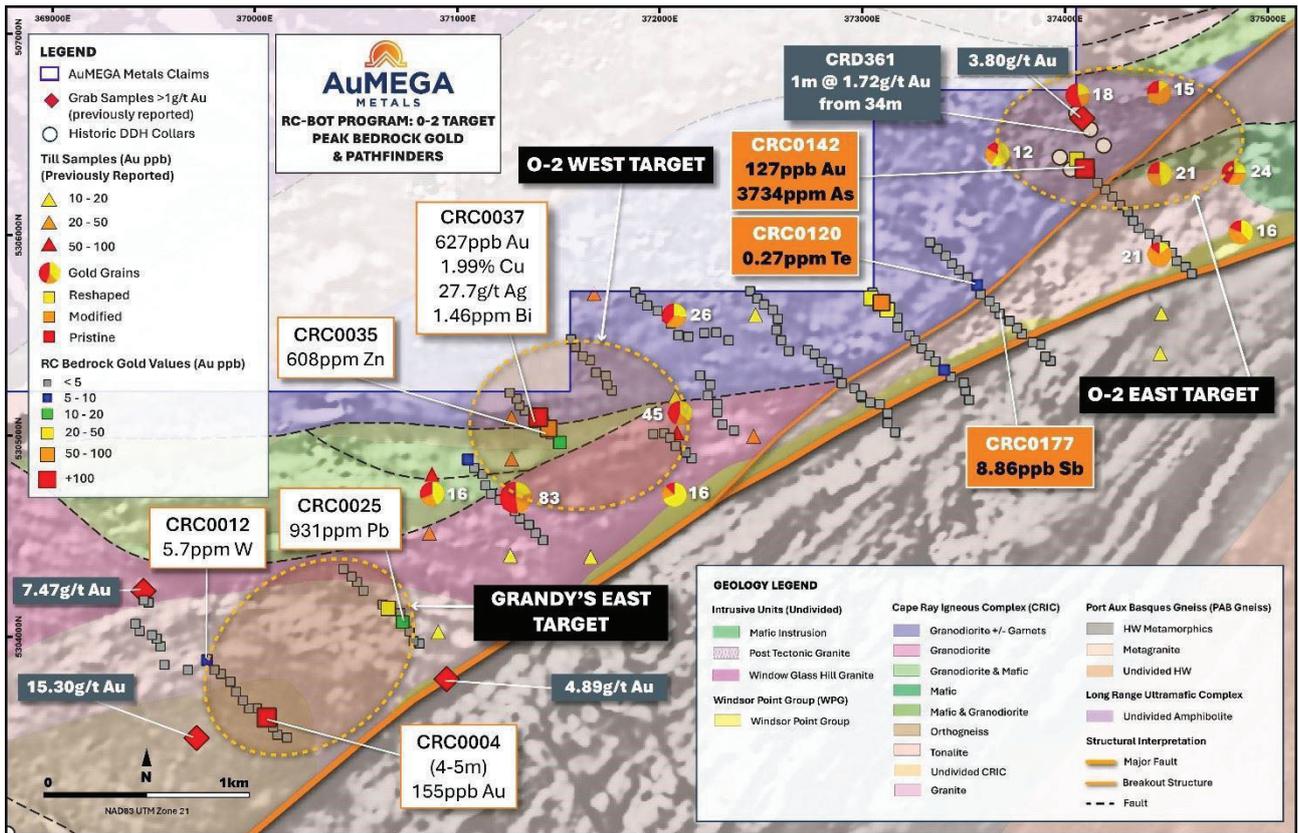


FIGURE 3: RC BOTTOM-OF-HOLE PROGRAM AT MALACHITE

As an exploration targeting tool, the RC program proved to be a relatively low-cost and extremely efficient method of screening a sizeable area resulting in rapid progression to advanced target generation. Given the success of the program, the Company will be looking to expand its use in future exploration campaigns.

For personal use only

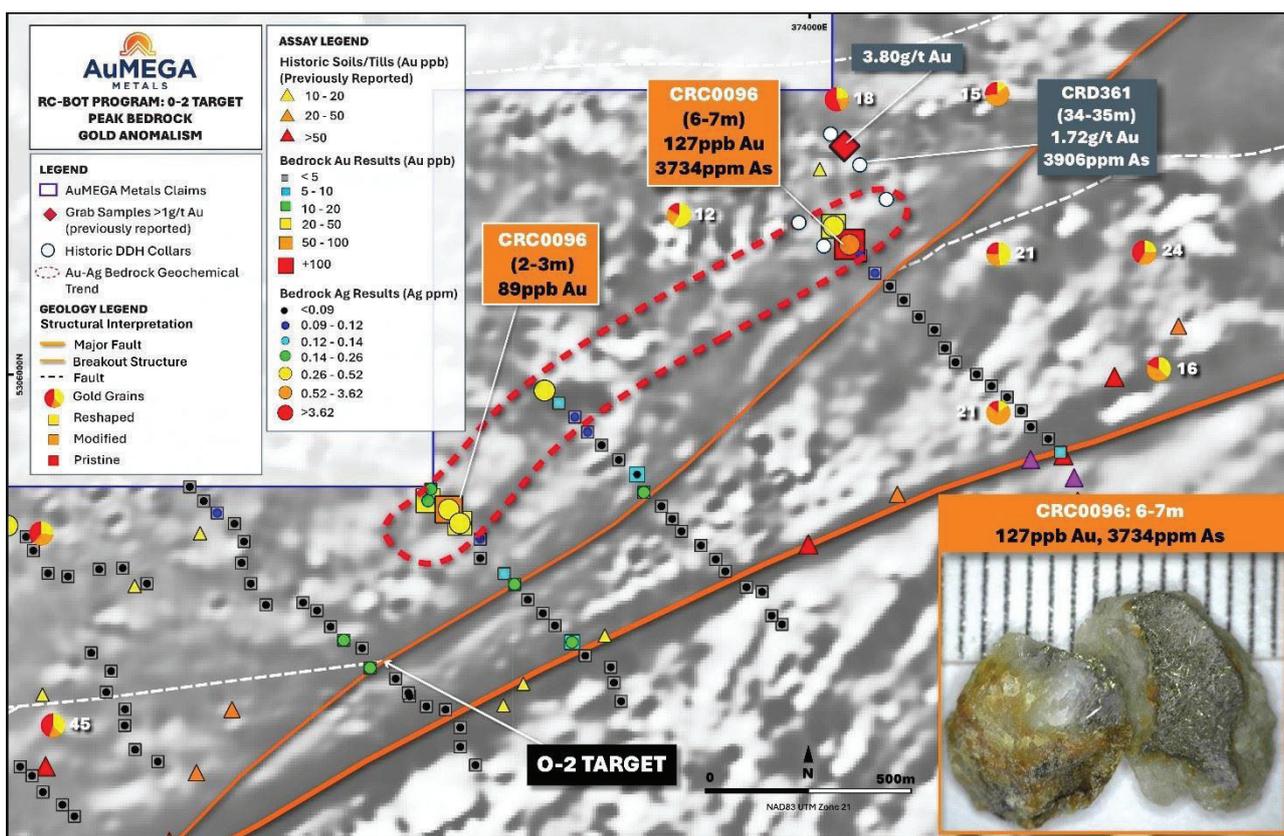


FIGURE 4: NEWLY IDENTIFIED GOLD AND SILVER TREND

Historic Core Analysis

During the period, the Company processed five of the nine geotechnical drillholes that were drilled in 2022 at Central Zone to support the Company's previous study works⁷. These holes were drilled to provide geotechnical information for pit wall optimisation, which formed part of the Company's previous strategy of developing a "starter" mine on the Cape Ray Gold Project. These holes had never been sampled, however recent relogging of drillhole CGT006 revealed a significant zone of visual mineralisation in a footwall location that was selected for sampling.

Recent assay results from previously drilled geotechnical diamond drillhole (CGT006) returned 11 metres at 2.39 g/t gold (not true thickness) including 0.55 metres at 8.2 g/t gold from 126.75 metres and 1 metre at 10.3 g/t gold from 135 metres from the Central Zone footwall.

Geotechnical drillhole (CGT005) returned 3 metres at 8.24 g/t gold from 127 metres, including 1 metre at 13.9 g/t gold from 129 metres within the Z41 deposit.

Early-Stage Activities

The Company's Spring/ Summer exploration program also includes low-cost prospecting. High-value early-stage exploration works planned include high-resolution airborne magnetics at Bunker Hill where AuMEGA and historic samples delivered several high-grade gold, silver and copper samples over the 24 kilometres of strike. The Company is also flying high resolution magnetics at Hermitage to aid the development of comprehensive geological maps for this highly prospective project. The aim is to advance specific high-priority areas within the Hermitage Project for future discovery drill programs.

Blue Cove Copper Project Option Agreement⁸

During the period, the Company announced that it had entered into an Option Agreement to acquire the Blue Cove Copper Project in southeastern Newfoundland, Canada. Blue Cove is an early-stage, copper ± lead, zinc and silver exploration project with samples that graded up to 10.6% copper and up to 106 g/t silver in historic sampling.



FIGURE 5: HISTORICAL SAMPLING RETURNED 2.15% Cu, 1.5% Cu, 0.9% Cu AND 0.7% Cu IN CHALCOPYRITE, CHALCOCITE, BORNITE, MALACHITE AND AZURITE⁸

Based on the exploration undertaken by previous operator, West Mining Corp. (“West Mining”)⁹ and assessed by the Company, the primary targets areas at the Blue Cove Copper Project, include:

Blue Cove – Significant outcrop with high-grade copper samples grading up to 5.1% copper and 33.2 g/t silver. Copper sulphide mineralization occurs as chalcocite, bornite and chalcopyrite. Notable silver and zinc assays are also present.

Ryles Barisway – Known copper mineralisation in outcrop with surface samples grading up to 10.6% copper and up to 91.6 g/t silver.

Terrenceville – Copper mineralisation sampling up to 1.8 % copper.

Hilltop Grid – Multi-element soil geochemical anomaly with a coincident magnetic low.

Harbour Mille – Several high-grade historic copper samples from multiple locations grading up to 4.2% copper and up to 106 g/t silver.

For personal use only

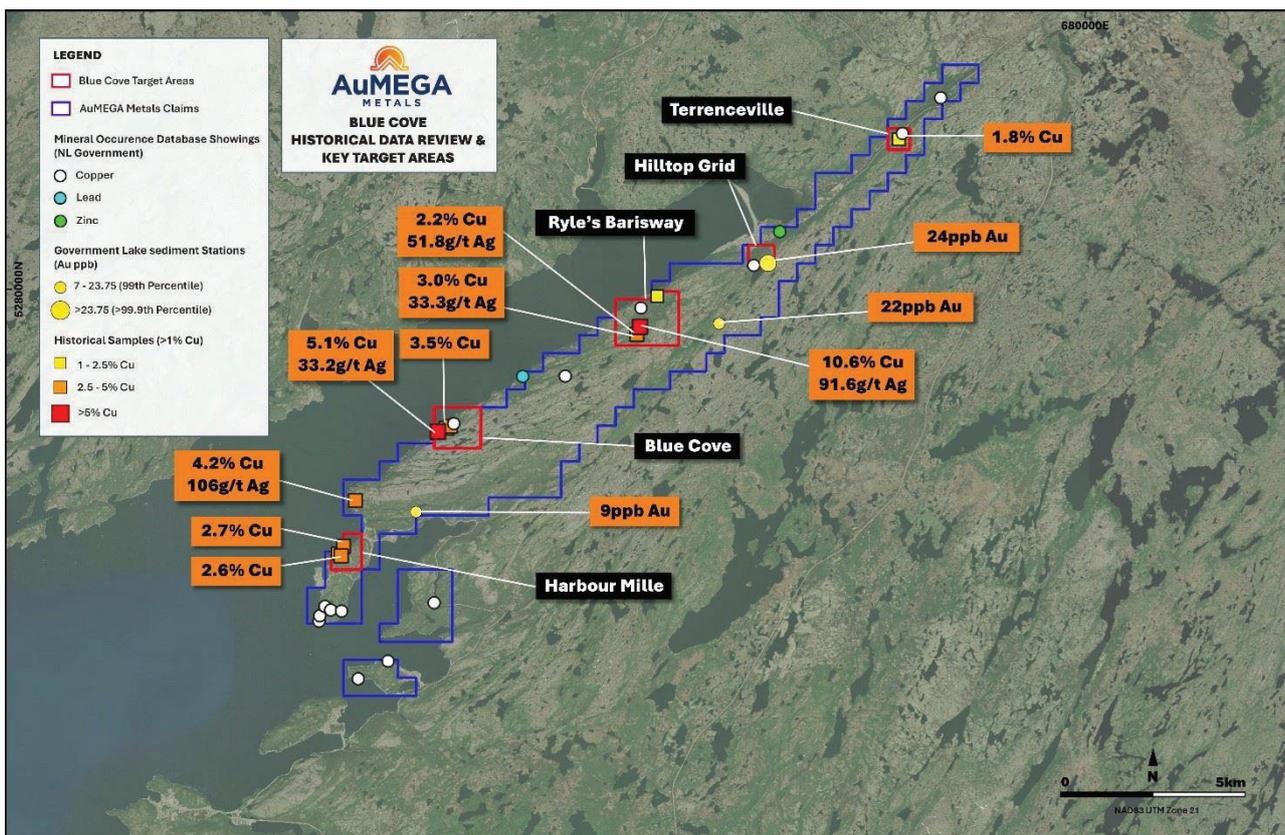


FIGURE 6: GENERAL OVERVIEW OF MATADOR'S PROJECTS, INCLUDING BLUE COVE⁹

The Blue Cove Option Agreement⁸ provided for an initial upfront payment of \$10,000 upon execution, followed by payments of \$20,000 on the 12-month anniversary of the Agreement and \$30,000 on the 24-month anniversary of the Agreement. It also includes a modest 1% Net Smelter Return (“NSR”) upon commencement of commercial production that can be partially repurchased (0.5%) by the Company at a price of \$500,000 at a later date. The Company retains the first right of refusal on the full sale of the NSR.

At the end of the 24-month period and payment of the consideration, the Company will hold 100% of the Blue Cove Copper Project.

Corporate

Corporate Name Change – AuMEGA Metals Ltd

During the half-year, shareholders overwhelmingly approved the name change from Matador Mining Ltd to AuMEGA Metals Ltd, with the name becoming effective in early June 2024. The Company’s ASX ticker also changed from MZZ to AAM at that time.

Secondary Listing on TSX-V

On 26 June 2024, the Company’s shares commenced trading on the Toronto Stock Exchange’s Venture Exchange (TSXV) under the ticker AUM. There was no equity offering associated with the Listing. AuMEGA shares are fully fungible across both the ASX and TSXV allowing flexibility for shareholders to hold and trade shares in either market. Volumes will remain low on this listing until shares transferred from the ASX and then traded.

AuMEGA Metals Ltd (formerly known as Matador Mining Ltd)
Directors' report
30 June 2024

The Company believes that having its shares traded on two of the predominant resources exchanges provides opportunities for exposure to a wider investor base.

- (1) ASX Announcement dated 23 May 2024
- (2) ASX Announcement dated 4 July 2024
- (3) ASX Announcement dated 16 April 2024
- (4) ASX Announcement dated 28 May 2024
- (5) ASX Announcement dated 23 April 2024
- (6) ASX Announcement dated 12 December 2022
- (7) ASX Announcement dated 5 June 2024
- (8) ASX Announcement dated 1 May 2024
- (9) West Mining News Release dated 27 October 2022

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial period.

Matters subsequent to the end of the financial period

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Justin Osborne
Non-executive Chair

29 August 2024
Perth, Western Australia

Grant Thornton Audit Pty Ltd
Level 43 Central Park
152-158 St Georges Terrace
Perth WA 6000
PO Box 7757
Cloisters Square
Perth WA 6850
T +61 8 9480 2000

Auditor's Independence Declaration

To the Directors of AuMEGA Metals Ltd

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of AuMEGA Metals Ltd for the half-year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



L A Stella
Partner – Audit & Assurance

Perth, 29 August 2024

www.grantthornton.com.au
ACN-130 913 594

Grant Thornton Audit Pty Ltd ACN 130 913 594 a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389. 'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389 and its Australian subsidiaries and related entities. Liability limited by a scheme approved under Professional Standards Legislation.

AuMEGA Metals Ltd (formerly known as Matador Mining Ltd)
Condensed consolidated statement of profit or loss and other comprehensive income
For the period ended 30 June 2024

		Consolidated	
	Note	6 Months ended 30 June 2024 CAD\$	6 Months ended 30 June 2023 CAD\$
Other income	7	816,436	111,076
Expenses			
Administration expenses		(719,102)	(766,881)
Consultants and management expenses		(378,717)	(564,174)
Depreciation and amortisation		(68,661)	(70,635)
Share based payment expense	8	(558,570)	(262,099)
Business development costs		<u>(157,057)</u>	<u>(183,225)</u>
Loss before income tax expense		(1,065,671)	(1,735,938)
Income tax expense		<u>(606,824)</u>	<u>(424,936)</u>
Loss after income tax expense for the period attributable to the owners of AuMEGA Metals Ltd	14	(1,672,495)	(2,160,874)
Other comprehensive income for the period, net of tax		<u>-</u>	<u>-</u>
Total comprehensive loss for the period attributable to the owners of AuMEGA Metals Ltd		<u>(1,672,495)</u>	<u>(2,160,874)</u>
		Cents	Cents
Basic loss per share	18	(0.32)	(0.69)
Diluted loss per share	18	(0.32)	(0.69)

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

AuMEGA Metals Ltd (formerly known as Matador Mining Ltd)
Condensed consolidated statement of financial position
As at 30 June 2024

		Consolidated	
		31	
	Note	30 June 2024 CAD\$	December 2023 CAD\$
Assets			
Current assets			
Cash and cash equivalents	9	6,227,862	8,951,529
Trade and other receivables		539,293	309,809
Other current assets		530,274	540,757
Total current assets		<u>7,297,429</u>	<u>9,802,095</u>
Non-current assets			
Property, plant and equipment		170,308	209,028
Right-of-use assets		98,572	114,136
Exploration and evaluation	10	46,290,473	43,514,245
Total non-current assets		<u>46,559,353</u>	<u>43,837,409</u>
Total assets		<u>53,856,782</u>	<u>53,639,504</u>
Liabilities			
Current liabilities			
Trade and other payables	11	1,998,510	1,597,659
Lease liabilities		34,290	22,829
Provisions		103,082	89,873
Total current liabilities		<u>2,135,882</u>	<u>1,710,361</u>
Non-current liabilities			
Lease liabilities		41,996	70,035
Deferred tax liabilities		7,434,636	6,827,812
Total non-current liabilities		<u>7,476,632</u>	<u>6,897,847</u>
Total liabilities		<u>9,612,514</u>	<u>8,608,208</u>
Net assets		<u>44,244,268</u>	<u>45,031,296</u>
Equity			
Issued capital	12	68,024,774	67,574,722
Reserves	13	944,430	543,095
Accumulated losses	14	(24,724,936)	(23,086,521)
Total equity		<u>44,244,268</u>	<u>45,031,296</u>

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

AuMEGA Metals Ltd (formerly known as Matador Mining Ltd)
Condensed consolidated statement of changes in equity
For the period ended 30 June 2024

Consolidated	Issued capital CAD\$	Option Reserves CAD\$	Foreign currency translation reserve CAD\$	Accumulated losses CAD\$	Total equity CAD\$
Balance at 1 January 2023	60,674,189	1,381,655	(463,244)	(17,164,095)	44,428,505
Loss after income tax expense for the period	-	-	-	(2,160,874)	(2,160,874)
Other comprehensive income for the period, net of tax	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(2,160,874)	(2,160,874)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments	-	262,099	-	-	262,099
Exercise of Employee Share Scheme options	55,017	(55,017)	-	-	-
Balance at 30 June 2023	60,729,206	1,588,737	(463,244)	(19,324,969)	42,529,730

Consolidated	Issued capital CAD\$	Option Reserves CAD\$	Foreign currency translation reserve CAD\$	Accumulated losses CAD\$	Total equity CAD\$
Balance at 1 January 2024	67,574,722	1,006,339	(463,244)	(23,086,521)	45,031,296
Loss after income tax expense for the period	-	-	-	(1,672,495)	(1,672,495)
Other comprehensive income for the period, net of tax	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(1,672,495)	(1,672,495)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments	-	558,570	-	-	558,570
Expiry of Employee Share Scheme options	-	(34,080)	-	34,080	-
Issue of share capital	415,757	-	-	-	415,757
Share issue costs	(88,860)	-	-	-	(88,860)
Exercise of Employee Share Scheme options	123,155	(123,155)	-	-	-
Balance at 30 June 2024	68,024,774	1,407,674	(463,244)	(24,724,936)	44,244,268

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

AuMEGA Metals Ltd (formerly known as Matador Mining Ltd)
Condensed consolidated statement of cash flows
For the period ended 30 June 2024

	Consolidated	
	6 Months ended 30 June 2024 CAD\$	6 Months ended 30 June 2023 CAD\$
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of GST/HST)	(1,077,822)	(1,336,252)
Interest received	81,728	9,239
Interest and other finance costs paid	(4,790)	(2,227)
Other revenue	115,500	70,950
Net cash used in operating activities	(885,384)	(1,258,290)
Cash flows from investing activities		
Payments for property, plant and equipment	(14,376)	(2,445)
Payments for exploration and evaluation	(1,900,017)	(1,385,147)
Payments for security deposits	(22,900)	-
Proceeds from release of security deposits	38,400	66,298
Net cash used in investing activities	(1,898,893)	(1,321,294)
Cash flows from financing activities		
Proceeds for shares issued	153,284	-
Share issue transaction costs	(88,860)	-
Repayment of lease liabilities	(16,578)	(46,801)
Net cash from/(used in) financing activities	47,846	(46,801)
Net decrease in cash and cash equivalents	(2,736,431)	(2,626,385)
Cash and cash equivalents at the beginning of the financial period	8,951,529	8,326,388
Effects of exchange rate changes on cash and cash equivalents	12,764	(187,324)
Cash and cash equivalents at the end of the financial period	6,227,862	5,512,679

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

AuMEGA Metals Ltd (formerly known as Matador Mining Ltd)
Notes to the financial statements
30 June 2024

Note 1. General information

AuMEGA Metals Ltd (“the Company”) is a company limited by shares that is incorporated and domiciled in Australia. The Company’s shares are publicly traded on the Australian Securities Exchange under the symbol AAM, on the TSX Venture Exchange under the symbol AUM and on the OTCQB under the symbol AUMMF.

These interim financial statements (“financial statements”) as at and for the six months ended 30 June 2024 comprise the Company and its subsidiaries (together referred to as the “Group”) are presented in Canadian dollars (CAD\$), which is the presentation and functional currency of the Group. The consolidated annual financial statements of the Group as at and for the year ended 31 December 2023 are available upon request from the Company’s registered office at 24 Hasler Road, Osborne Park WA 6017 Australia and at www.aumegametals.com.

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 August 2024.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 30 June 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2023 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Note 3. Going concern

The condensed consolidated interim financial report has 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 ordinary course of business.

The Group incurred a loss after tax for the six months of \$1,672,495 and an operating cash outflow of \$885,384 and net cash outflow (before financing activities) of \$2,784,277. The ability of the Group to continue as a going concern is principally dependent upon the ability of the Group to secure funds by raising capital from equity markets and managing cashflow in line with available funds.

The directors have prepared a cashflow forecast, which indicates that the Group will have sufficient funds to meet all commitments and working capital requirements for the 12 month period from the date of signing this interim financial report. The directors are confident of the Group's ability to continue as a going concern and to raise additional funds as may be required. However, in the event that the Group is unable to raise additional capital, material uncertainty would exist that may cast doubt on the ability of the Group to continue as a going concern.

Note 3. Going concern (continued)

Should the Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the condensed consolidated interim financial statements. The condensed consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

Note 4. Use of estimates and judgements

In preparing these financial statements, Management has made judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as at and for the year ended 31 December 2023. Information about judgments related to going concern are disclosed in Note 3.

Measurement of fair values

The Group has established a control framework with respect to the measurement of fair values. Estimates and underlying assumptions are reviewed on an ongoing basis. A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly (i.e. as prices), or indirectly (i.e. derived from prices)
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The Group holds performance rights and options which rely on estimates and judgements to calculate a fair value for these financial instruments using the Black Scholes model and Monte Carlo model. These financial assets held at fair value fall within Level 3 of the fair value hierarchy.

Note 5. New accounting policies

Except as described below, the accounting policies applied in these interim consolidated financial statements are the same as those applied in the Group's consolidated financial statements as at and for the 12 months ended 31 December 2023. The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ended 31 December 2023.

AuMEGA Metals Ltd (formerly known as Matador Mining Ltd)
Notes to the financial statements
30 June 2024

Note 5. New accounting policies (continued)

Adoption of other narrow scope amendments to IFRSs and IFRS Interpretations

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2023. The Group has not early adopted any other new or amended standards in preparing these consolidated financial statements as the impact of adoption was not significant to the Group's Consolidated Financial Statements.

Note 6. Operating segments

The operating segment information is the same information as provided throughout the consolidated financial statements and therefore not duplicated. The information reported to the Chief Operating Decision Maker ("CODM") is on at least a monthly basis.

The Company's operations are in one reportable business segment, being the exploration for gold. The Company operates in one geographical segment, being Canada.

Note 7. Other income

	Consolidated	
	6 Months ended 30 June 2024 CAD\$	6 Months ended 30 June 2023 CAD\$
Flow Through Premium Recognised	619,208	76,337
Government grants	115,500	-
Canadian Government incentives	-	25,500
Interest income	81,728	9,239
Other income	816,436	111,076

Note 8. Share based payments expense

	Consolidated	
	6 Months ended 30 June 2024 CAD\$	6 Months ended 30 June 2023 CAD\$
Share based payments	558,570	262,099

For personal use only

AuMEGA Metals Ltd (formerly known as Matador Mining Ltd)
Notes to the financial statements
30 June 2024

Note 9. Cash and cash equivalents

	Consolidated	
	31	
	30 June 2024	December
	CAD\$	2023
		CAD\$
<i>Current assets</i>		
Cash at bank	1,559,848	4,950,500
Cash on deposit	4,668,014	3,500,000
Cash - held in trust	-	501,029
	<u>6,227,862</u>	<u>8,951,529</u>

Note 10. Exploration and evaluation

	Consolidated	
	31	
	30 June 2024	December
	CAD\$	2023
		CAD\$
<i>Non-current assets</i>		
Exploration and evaluation - at cost	46,290,473	43,514,245
	<u>46,290,473</u>	<u>43,514,245</u>

Reconciliations

The Group's exploration assets are located on the island of Newfoundland in Canada. The Company has a significant tenement package predominately on the CRSZ. Reconciliations of the written down values of the exploration assets located at Newfoundland the beginning and end of the current financial period are set out below:

	30 June 2024	31 Dec 2023
	CAD\$	CAD\$
Balance at beginning of period	43,514,245	42,349,364
Additions	2,776,228	4,022,586
Write off of assets	-	(2,857,705)
	<u>46,290,473</u>	<u>43,514,245</u>
Balance at end of period	<u>46,290,473</u>	<u>43,514,245</u>

For personal use only

AuMEGA Metals Ltd (formerly known as Matador Mining Ltd)
Notes to the financial statements
30 June 2024

Note 11. Trade and other payables

	Consolidated	
	31	
	30 June 2024	December
	CAD\$	2023
		CAD\$
<i>Current liabilities</i>		
Trade payables	997,312	35,063
Accrued expenses	477,345	173,728
Funds received for shares to be issued	-	262,472
Other payables	137,431	123,339
Flow through share premium liability	383,849	1,003,057
PAYG payable	2,573	-
	<u>1,998,510</u>	<u>1,597,659</u>

Note 12. Issued capital

	Consolidated			
	31		31	
	30 June 2024	December	30 June 2024	December
	Shares	Shares	CAD\$	CAD\$
Ordinary shares - fully paid	<u>525,834,322</u>	<u>513,100,106</u>	<u>68,024,774</u>	<u>67,574,722</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 January 2024	513,100,106		67,574,722
Ordinary shares issued	4/01/2024	11,527,375	\$0.04	415,757
Options exercised	5/02/2024	33,600	\$0.43	14,314
Options exercised	24/05/2024	17,787	\$0.28	5,052
Options exercised	24/05/2024	33,600	\$0.43	14,314
Options exercised	12/06/2024	45,000	\$0.28	12,780
Options exercised	12/06/2024	45,150	\$0.43	19,234
Options exercised	12/06/2024	71,698	\$0.03	2,223
Options exercised	12/06/2024	392,365	\$0.03	12,163
Options exercised	12/06/2024	41,492	\$0.03	1,286
Options exercised	12/06/2024	227,063	\$0.03	7,039
Options exercised	28/06/2024	12,250	\$0.14	1,666
Options exercised	28/06/2024	61,250	\$0.43	26,093
Options exercised	28/06/2024	34,853	\$0.03	1,080
Options exercised	28/06/2024	190,733	\$0.03	5,911
Share issue costs				(88,860)
Balance	30 June 2024	<u>525,834,322</u>		<u>68,024,774</u>

AuMEGA Metals Ltd (formerly known as Matador Mining Ltd)
Notes to the financial statements
30 June 2024

Note 12. Issued capital (continued)

(a) Issued: During the six-month period ended 30 June 2024

On 4 January 2024, the Company completed a private placement (the **Private Placement**) of 11,527,375 common shares in the capital of the Company, consisting of:

- I. 11,527,375 non-flow-through common shares at a price of \$0.04 per Share.

Ordinary shares

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

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.

Share buy-back

There is no current on-market share buy-back (31 December 2023: nil).

Note 13. Reserves

	Consolidated	
	31	
	December	
	2024	2023
	CAD\$	CAD\$
Foreign currency reserve	(463,244)	(463,244)
Options reserve	1,407,674	1,006,339
	944,430	543,095

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Canadian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Option reserve

The option reserve records items recognised as expenses on the valuation of share options.

For personal use only

AuMEGA Metals Ltd (formerly known as Matador Mining Ltd)
Notes to the financial statements
30 June 2024

Note 13. Reserves (continued)

Movements in reserves

Movements in each class of reserve during the current financial period are set out below:

Consolidated	Foreign currency translation reserve \$	Options reserve \$	Total \$
Balance at 1 January 2024	(463,244)	1,006,339	543,095
Share based payments	-	558,570	558,570
Options expired	-	(34,080)	(34,080)
Options exercised	-	(123,155)	(123,155)
Balance at 30 June 2024	(463,244)	1,407,674	944,430

Fair value for incentive options granted during the current financial year has been determined by using the Black-Scholes option pricing model.

The valuation model inputs used to determine the fair value at the grant date, are as follows;

2022 & 2023 STIP options issued during the period ended 30 June 2024

	2022 STIP options tranche one	2023 STIP options tranche two
Fair value of option	\$0.03	\$0.03
Exercise price	nil	nil
Grant date	5/02/2024	5/02/2024
Vesting date	5/02/2024	5/02/2024
Expiry date	31/12/2028	31/12/2028
Number of options	166,167	1,194,715
Expense during the period ended 30 June 2024	\$5,151	\$37,036
Expected volatility (%)	70.00%	70.00%
Risk-free interest rate (%)	3.83%	3.83%
Expected life of options (years)	1	1
Model used	Black-Scholes	Black-Scholes

AuMEGA Metals Ltd (formerly known as Matador Mining Ltd)
Notes to the financial statements
30 June 2024

Note 13. Reserves (continued)

2024 STIP options issued during the period ended 30 June 2024

	STIP options tranche one	STIP options tranche two
Fair value of option	\$0.05	\$0.03
Exercise price	nil	nil
Grant date	1/01/2024	5/02/2024
Vesting date	31/12/2024	31/12/2024
Expiry date	31/12/2029	31/12/2029
Number of options	6,765,446	7,857,387
Expense during the period ended 30 June 2024	\$78,901	\$53,883
Expected volatility (%)	70.00%	70.00%
Risk-free interest rate (%)	3.83%	3.83%
Expected life of options (years)	2	2
Model used	Black-Scholes	Black-Scholes

Vesting Conditions – STIP Options (2022, 2023 & 2024)

The vesting conditions include:

- Relative share price performance: AuMEGA share price performance relative to the Company's peer group;
- Strengthen Balance Sheet: Finance ongoing needs of business;
- Advance Canadian Listing: Increased mineral resource base;
- Health & Safety and Environment: Demonstrate robust health, safety and environmental practices and performance;
- Finance & Execution: Operate efficiently and effectively within the financial and operational parameters approved; and
- Deliver Operational Success: Advance multiple projects through the Matador Pipeline within approved Budget constraints.

2023 LTIP options issued during the period ended 30 June 2024

	LTIP options tranche one	LTIP options tranche two	LTIP options tranche one
Fair value of option	\$0.01	\$0.01	\$0.01
Exercise price	\$0.12	\$0.12	\$0.12
Grant date	5/02/2024	5/02/2024	5/02/2024
Vesting date	1/01/2024	1/01/2025	1/01/2026
Expiry date	1/01/2030	1/01/2030	1/01/2030
Number of options	619,765	619,765	619,765
Expense during the period ended 30 June 2024	\$8,354	\$3,685	\$1,752
Expected volatility (%)	70.00%	70.00%	70.00%
Risk-free interest rate (%)	3.83%	3.83%	3.83%
Expected life of options (years)	1	2	3
Model used	Black-Scholes	Black-Scholes	Black-Scholes

AuMEGA Metals Ltd (formerly known as Matador Mining Ltd)
Notes to the financial statements
30 June 2024

Note 13. Reserves (continued)

Vesting Conditions – LTIP Options (2023 & 2024)

The incentive options vest as to 33.3% on the first anniversary of the date of appointment of the relevant appointment, 33.3% on the second anniversary of the date of appointment and 33.3% on the third anniversary of the date of appointment.

2023 LTIP performance rights issued during the period ended 30 June 2024

	LTIP performance rights tranche one	LTIP performance rights tranche two
Fair value of performance right	\$0.08	\$0.03
Exercise price	nil	nil
Grant date	15/12/2023	5/02/2024
Vesting date	31/12/2025	31/12/2025
Expiry date	31/12/2030	31/12/2030
Number of performance rights	1,299,887	506,945
Expense during the period ended 30 June 2024	\$26,282	\$3,210
Expected volatility (%)	70.00%	70.00%
Risk-free interest rate (%)	3.99%	3.60%
Expected life of performance rights (years)	2	2
Model used	Monte Carlo	Monte Carlo

2024 LTIP options issued during the period ended 30 June 2024

	LTIP options tranche one	LTIP options tranche two	LTIP options tranche three
Fair value of option	\$0.02	\$0.02	\$0.02
Exercise price	\$0.04	\$0.04	\$0.04
Grant date	15/12/2023	5/02/2024	5/02/2024
Vesting date	1/01/2025	1/01/2026	1/01/2027
Expiry date	1/01/2031	1/01/2031	1/01/2031
Number of options	3,235,994	3,235,994	3,235,994
Expense during the year	\$30,442	\$15,186	\$10,121
Expected volatility (%)	70.00%	70.00%	70.00%
Risk-free interest rate (%)	3.83%	3.83%	3.83%
Expected life of options (years)	1	2	3
Model used	Black-Scholes	Black-Scholes	Black-Scholes

- (i) The LTIP options vest as to 33.3% on the first anniversary of the date of appointment of the relevant appointment, 33.3% on the second anniversary of the date of appointment and 33.3% on the third anniversary of the date of appointment.

AuMEGA Metals Ltd (formerly known as Matador Mining Ltd)
Notes to the financial statements
30 June 2024

Note 13. Reserves (continued)

2024 LTIP performance rights issued during the period ended 30 June 2024

	LTIP performance rights tranche one	LTIP performance rights tranche two
Fair value of performance right	\$0.09	\$0.04
Exercise price	nil	nil
Grant date	15/12/2023	5/02/2024
Vesting date	31/12/2026	31/12/2026
Expiry date	31/12/2031	31/12/2031
Number of performance rights	1,909,007	1,268,204
Expense during the period ended 30 June 2024	\$30,867	\$6,413
Expected volatility (%)	70.00%	70.00%
Risk-free interest rate (%)	3.99%	3.60%
Expected life of performance rights (years)	3	3
Model used	Monte Carlo	Monte Carlo

Vesting Conditions – LTIP Performance Rights (2023 & 2024)

The vesting conditions include:

- Relative share price performance: AuMEGA share price performance relative to the Company's peer group over a three year period; and
- Health & Safety and Environment: Demonstrate robust health, safety and environmental practices and performance over a three year period.

Total share-based payment expense recognised during the year was \$558,570 (30 June 2023: \$262,099).

Note 14. Accumulated losses

	Consolidated	
	30 June 2024	31 December 2023
	CAD\$	CAD\$
Accumulated losses at the beginning of the financial period	(23,086,521)	(17,164,101)
Loss after income tax expense for the period	(1,672,495)	(6,630,280)
Transfer to options reserve	34,080	707,860
Accumulated losses at the end of the financial period	<u><u>(24,724,936)</u></u>	<u><u>(23,086,521)</u></u>

Note 15. Dividends

There were no dividends paid, recommended or declared during the current or previous financial period.

AuMEGA Metals Ltd (formerly known as Matador Mining Ltd)
Notes to the financial statements
30 June 2024

Note 16. Commitments

(a) Exploration minimum expenditure

The consolidated entity must meet tenement expenditure commitments to maintain its tenements in good standing. These commitments are not provided for in the financial statements and are as follows:

	Consolidated	
	31	
	30 June 2024	December
	CAD\$	2023
		CAD\$
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	1,409,883	791,285
One to five years	193,368	528,333
More than five years	570,268	267,391
	<u>2,173,519</u>	<u>1,587,009</u>

(b) Flow-through financings

Historically, the Company has entered into flow-through private placements (“FT Placements”) to fund exploration activities, the most recent being the 2023 FT Placements. Canadian tax rules require the Company to spend flow-through funds on “Canadian exploration expenses” (as defined in the Income Tax Act (Canada)) by the end of the calendar year following the year in which they were raised.

The Company indemnified the subscribers of flow-through shares from any tax consequences should the Company, notwithstanding its plans, fail to meet its commitments under the flow-through subscription agreements. In 2023, the Company completed a Flow-Through Offering for \$4.279 million, thus committing to spend this amount by 31 December 2024 on “Canadian exploration expenses” which qualify as “flow-through mining expenditures”, as these terms are defined in the Income Tax Act (Canada) (“Resource Expenditures”).

The premium on the \$4.279 million Flow-Through Offering amounted to \$1.003 million. At 30 June 2024, the Company has expended approximately \$2.167 million of the 2023 FT Private Placement amount of \$4.279 million on Resource Expenditures. The Company has until 31 December 2024 to spend the remaining outstanding balance of approximately \$2.112 million on Resource Expenditures.

The Company may be subject to interest on flow-through proceeds (“Part XII.6 tax”) renounced under the look-back rules in respect of prior years, and penalties, in accordance with regulations in the Income Tax Act (Canada), if it is determined that flow-through proceeds were not properly or timely spent on Canadian exploration expenses. Any Part XII.6 tax is expensed as incurred, as an operating expense.

Note 17. Events after the reporting period

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

AuMEGA Metals Ltd (formerly known as Matador Mining Ltd)
Notes to the financial statements
30 June 2024

Note 18. Loss per share

	Consolidated	
	6 Months ended 30 June 2024 CAD\$	6 Months ended 30 June 2023 CAD\$
Loss after income tax attributable to the owners of AuMEGA Metals Ltd	(1,672,495)	(2,160,874)
	Number	Number
Weighted average number of ordinary shares used in calculating basic loss per share	518,782,538	315,210,834
Weighted average number of ordinary shares used in calculating diluted loss per share	518,782,538	315,210,834
	Cents	Cents
Basic loss per share	(0.32)	(0.69)
Diluted loss per share	(0.32)	(0.69)

Note 19. Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its properties and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or adjust the amount of cash and cash equivalents. Management reviews the capital structure on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements. There were no changes to the Company's capital management during the six-month period ended 30 June 2024.

Note 20. Financial instruments

The Company's financial instruments consist of cash and cash equivalents, and trade and other payables. The fair value of the financial instruments approximates their carrying values, unless otherwise noted. The Company's risk exposures and the impact on the Company's financial instruments are summarised below:

a) Credit risk

The Company's credit risk is mainly attributable to its liquid financial assets: cash and cash equivalents. The Company deposits cash with high credit quality financial institutions and credit risk is considered to be minimal. The Company's maximum exposure to credit risk is \$6,227,862 which is the carrying value of the Company's cash and cash equivalents at 30 June 2024.

b) Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at 30 June 2024, the Company had available a cash and cash equivalents balance of \$6,227,862 (31 December 2023 - \$8,951,529) to settle current liabilities of \$2,135,882 (31 December 2023 - \$1,710,361).

Note 20. Financial instruments (continued)

c) Foreign exchange risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. As at 30 June 2024, the Company is exposed to currency risk as some transactions and balances are denominated in Australian dollars. As at 30 June 2024, a 10% change of the Canadian dollar relative to the Australian dollar would have net financial impact of approximately \$167,785 (31 December 2023 - \$310,621). The Company does not use derivative instruments to hedge exposure to foreign exchange rate risk.

For personal use only

AuMEGA Metals Ltd (formerly known as Matador Mining Ltd)
Directors' declaration
30 June 2024

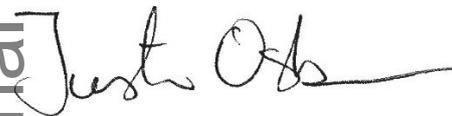
In the directors' opinion:

the attached financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:

- complying with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and International Accounting Standard IAS 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes present fairly, in all material respects, the condensed consolidated entity's financial position as at 30 June 2024 and of its performance for the six month period ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Justin Osborne
Non-executive Chair

29 August 2024
Perth, Western Australia

For personal use only

Independent Auditor's Review Report

To the Members of AuMEGA Metals Ltd

Report on the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of AuMEGA Metals Ltd (the Company) and its subsidiaries (the Group), which comprises the condensed consolidated statement of financial position as at 30 June 2024, and the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half year ended on that date, including material accounting policy information, other selected explanatory notes, and the directors' declaration.

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

- a giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the half year ended on that date;
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- c complying with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* and ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) and the International Ethics Standard Board for Accountant's *Code of Ethics for Professional Accountants (including Independence Standards)* (IESBA Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

www.grantthornton.com.au
ACN-130 913 594

Grant Thornton Audit Pty Ltd ACN 130 913 594 a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389. 'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389 and its Australian subsidiaries and related entities. Liability limited by a scheme approved under Professional Standards Legislation.

Material uncertainty related to going concern

We draw attention to Note 3 in the financial report, which indicates that the Group incurred a net loss of \$1,672,495 during the half year ended 30 June 2024 and had operating cash outflows of \$885,384 and net cash outflow (before financing activities) of \$2,784,277. As stated in Note 3, these events or conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* and International Standards on ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting*, International Accounting Standards IAS 34 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



L A Stella
Partner – Audit & Assurance

Perth, 29 August 2024

For personal use only

For personal use only



Formerly known as
Matador Mining Ltd

ACN 612 912 393
ASX: **AAM** | OTCQB: **AUMMF** | TSVX: **AUM**