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ABN 46 106 304 787

ANAX METALS LIMITED

CONDENSED INTERIM FINANCIAL REPORT

31 December 2023

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CORPORATE DIRECTORY

DIRECTORS

Mr Phillip Jackson	Non-Executive Chairman
Mr Geoff Laing	Managing Director
Mr Peter Cordin	Non-Executive Director
Mr Phil Warren	Non-Executive Director

COMPANY SECRETARY
Mr Steven Wood

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ASX CODE
ANX

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DIRECTORS' REPORT
31 December 2023

Your Directors submit their report for the half-year ended 31 December 2023.

DIRECTORS

The names of the Directors of Anax Metal Limited ("the Company") and its controlled entities ("the Group") during the whole of the financial half-year and up to the date of this report are:

Mr Phillip Jackson (Chairman)
Mr Geoff Laing (Managing Director)
Mr Peter Cordin (Director)
Mr Phil Warren (Director)

PRINCIPAL ACTIVITIES

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

OPERATING RESULTS

The operating loss after tax for the half-year ended 31 December 2023 was $1,379,937 (2022: $1,396,931).

DIVIDENDS

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

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as described in the Review of Operations section of the Directors' Report, there were no other significant changes in the state of affairs of the Group during the half-year.

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REVIEW OF OPERATIONS

Whim Creek Copper-Zinc-Lead Project (ANX 80%, DVP 20%)

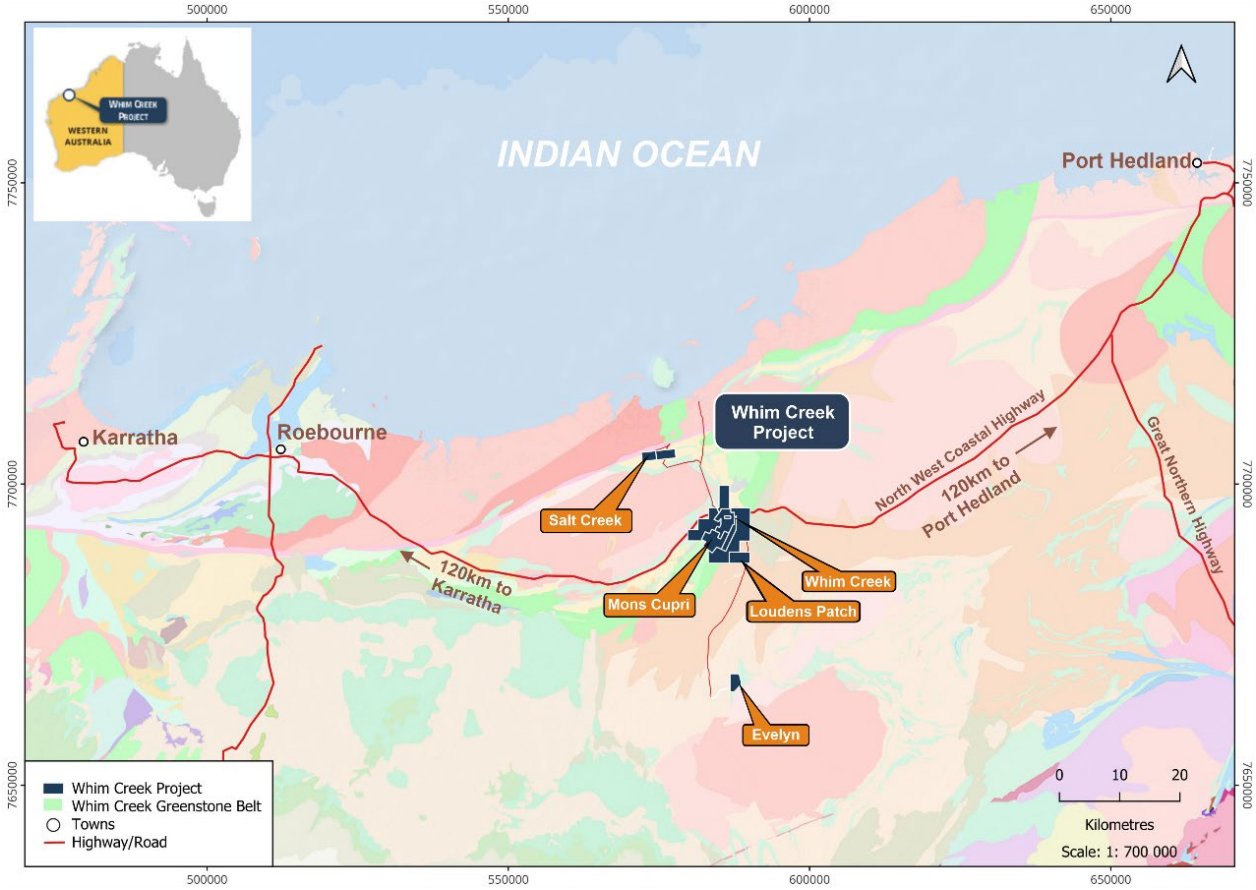

Figure 1 : Whim Creek Project Location Plan

The Whim Creek Project (Project) is located in the Pilbara Region of Western Australia and is accessible via major arterial roads with major port and associated infrastructure nearby in Port Hedland and Karratha - see Figure 1 and Figure 2.

JORC-2012 Mineral Resource Estimates (MREs) have been reported for each of the four deposits at the Project, namely Mons Cupri, Whim Creek, Salt Creek and Evelyn, as shown in **Table 1** and **Table 2**. Ore reserves have been reported for each four of the deposits, as shown in **Table 3**.

Anax continued to advance the Project during H2, 2023 with key milestones and activities outlined below:

Whim Creek Copper Project Mining Proposal

Anax received approval of the Stage 2 Mining Proposal for the Whim Creek Copper Project from the Department of Mines, Industry Regulation and Safety (DMIRS) in August 2023[16] allowing for the commencement of mining from the Whim Creek Pit and the processing of ore from the Mons Cupri and Whim Creek pits through a Conventional Flotation Processing Plant (Concentrator) to produce separate copper, lead and zinc concentrates. The Mining Proposal also allows for the construction of a three-cell In-Pit Tailings Storage facility (TSF) at the Mons Cupri deposit.

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

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Table 1: Whim Creek Project Global Copper Dominant Mineral Resource Estimates [19]

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

Note: Appropriate rounding applied.

Table 2: Whim Creek Project Global Zinc Dominant Mineral Resource Estimates (various cut-offs used) [19]

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

Note: Appropriate rounding applied.

Table 3: Whim Creek Project Ore Reserve [19]

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

Note: The Mineral Resource estimates are inclusive of Ore Reserves. Appropriate rounding applied.

Heap Leach Scoping Study

Previous bioleaching column test work undertaken at a prominent research organisation in Perth, Western Australia, achieved copper extraction of 80% and zinc extraction of 90%.[18] This formed the basis for the Heap Leach Scoping Study (Study) released in September 2023[12]. The Study proposes the processing of oxide, transitional and low-grade sulphide ore using the recently refurbished and fully permitted heap leach infrastructure located at Whim Creek.

The heap leach will operate in parallel with the proposed 400ktpa concentrator described in the April 2023 Definitive Feasibility Study (DFS).[19] The heap leach circuit will produce copper cathode and zinc sulphate and is anticipated to operate for a period of approximately 6 years. The heap leach feed sources are shown in **Table 4**.

Table 4: Heap Leach Feed Production Target [12]

Heap Leach Feed Type	Kt	Cu %	Zn %
Secondary Sort Rejects	788	0.34	0.15
In-Line Pressure Jig Rejects	300	0.27	0.26
ROM Ore (transitional ore + new sulphide ore + redirected ore)	751	0.94	1.06
Tailings	354	0.35	1.60
Total Heap Leach Feed	**2,193**	**0.54**	**0.71**

Conventional solvent extraction – electrowinning (SX-EW) will be utilised to produce copper cathode by refurbishing the existing plant. Zinc sulphate will be produced via solvent extraction (SX) and crystallisation. The Study has identified a Production Target of 2.19 Mt of ore at an average grade of 0.54% Cu and 0.71% Zn. The heap leach operation is anticipated to produce 8,875 tonnes of copper cathode and 13,325 tonnes of zinc as zinc sulphate.[12] This production target could increase with the addition of ore sourced from other deposits nearby.

Consolidation

The location of the Whim Creek Project and processing infrastructure makes it an ideal central hub for other advanced mineral deposits in the Pilbara that would otherwise remain uneconomic due to size or permitting limitations.

Anax is encouraged by strong engagement from a number of companies operating base metal projects in the region to process sulphide, oxide and/or transitional ore at the Whim Creek Project. During the period, the Company has substantially advanced consolidation discussions and intends to update the market once agreements have been formalised.[1]

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Project Finance

Anax has continued to advance discussions with commodity traders and investment funds to secure financing for the development of the Whim Creek Project. Technical due diligence is underway, and the Company expects to materially progress the Project funding discussions in 2024.[1]

Exploration

Exploration at Whim Creek during the half-year, focussed on UltraFine+™ soil sampling and rock chip sampling across the underexplored central zone of the Project, called Whim Creek Dome Prospect, to identify pegmatites with potential for lithium mineralisation. The dome was defined from a 3D structural geological model of the Whim Creek Project, commissioned in 2021, and was interpreted to be a potential conduit for pegmatites derived from hydrothermal fluids of granitic origin intruding below the Archean Whim Creek Greenstone Belt. A total of 869 soil samples were collected at a spacing of 100m x 100m. Even numbered samples were submitted for analysis by the UltraFine+™ method and odd numbered samples were retained for infill analysis, with results expected in the first quarter of 2024.[1]

Historically mapped pegmatites at Whim Maar Prospect were also prioritised for exploration during the half-year. The pegmatites were found to have limited exposure over 500m due to alluvial cover and the rock chip sampling in Q3 2023 generated only low-grade lithium anomalism. Soil samples were collected during the period and returned a number of anomalies.[11] Additional soil samples from the Whim Maar area, in proximity to historically mapped pegmatites, were collected later in H2 2023 and submitted for analysis, with results expected in 2024.

The UltraFine+™ soil results generated widely spaced multi-element data, including lithium, gold, copper, zinc, lead, nickel, cobalt, platinum, etc. Exploration continues across the Project in 2024, with a focus on defining additional copper resources.

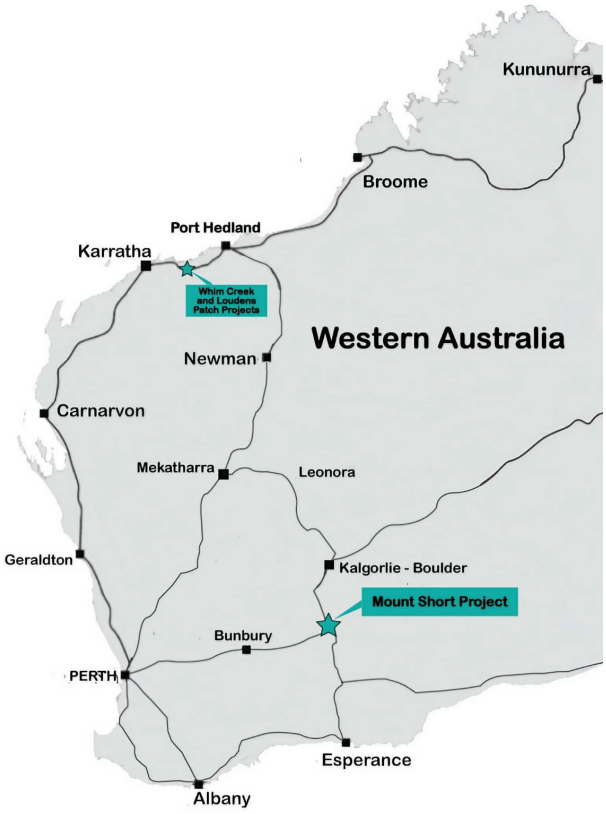

Figure 2 : Anax Western Australian Project Locations

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The Group's 100%-owned Exploration Tenure

Loudens Patch (E47/4281) lies adjacent to the east of the Whim Creek Project and is prospective for gold and lithium. Regional rock chip sampling during the half-year covered multiple lithium soil anomalies along a northeast trending fold structure. Pegmatite swarms extending over 800m coincide with lithium anomalism in rocks and soils and await further investigation by drilling or trenching once permits are in place.[11] Gold anomalism at the centre of the project, up to 0.5g/t Au, appears to be related to conglomerates of the Constantine Formation, while low grade gold in rocks to the north of the tenement (0.27g/t) is associated with structurally controlled quartz veins, both of which provide encouragement for further exploration.

The **Mount Short Exploration Project** (E74/651) is located in the Ravensthorpe Greenstone Belt, in the great Southern Region of Western Australia, 15km north of the Mt Cattlin Lithium Mine and along strike from the historical Rav8 Nickel Mine. The Project is prospective for lithium, nickel, gold, copper and other base metals.

In August 2023, Anax entered a Farm-In and Joint Venture Agreement (FIJV) with Woomera Mining Limited (Woomera), whereby Woomera may earn an initial 70% interest in the Mt Short Exploration Project.[14]

The principal terms of the agreement are as follows:

1. Woomera must spend a minimum of $150,000 on the Mt Short Exploration Project within 12 months of signing the agreement (Minimum Commitment);
2. Woomera may then elect to continue to earn into the FIJV by paying Anax a cash payment of $50,000 to earn a 70% interest in the tenement by incurring expenditure of $1.5m within three years;
3. Anax may then elect to contribute to 30% expenditure or reduce to a 20% interest, free carried to a Decision to Mine;
4. If Woomera makes a decision to mine, Anax may choose to contribute its 20% or reduce to a 1.5% royalty.

During the half-year, Woomera secured access to farmland with landholder agreements prior to commencing a 1,523 auger sampling program to assess shallow covered greenstone sequences for pegmatite hosted lithium deposits.[1] The program was completed in November 2023, with assay results expected in early 2024.

In December 2023 Woomera announced the commencement of an RC drilling program at its Ravensthorpe Lithium projects, including the Mt Short Exploration Project to follow up pegmatite intercepts reported in historical drilling. [5] 7 RC holes were completed at Mt Short in December 2023, with another 4 RC holes drilled soon after the reporting period, in January 2024,[3]. Post year-end, Woomera reported that it received laboratory results for the first two RC holes with no significant lithium mineralisation intercepted.[1]

Corporate

Ordinary Share Capital

On 8 August 2023, the Company completed an equity placement to institutional, sophisticated and professional investors. 20,009,090 fully paid ordinary shares were issued at an issue price of $0.055, raising $1,100,500 before costs to fund further exploration and development activities.[15] Also on 8 August 2023, 500,000 options were exercised and converted to ordinary share capital.[1]

On 27 September 2023, the Company announced a non-renounceable pro-rata Entitlement Offer to eligible shareholders to raise up to $4,991,020 before costs. The Entitlement Offer closed on 2 November 2023, after which 51,013,717 new shares and 25,506,811 options were issued on 9 November 2023, raising additional funding of $1,785,480 before costs.[10]

At 31 December 2023, Anax had 480,917,634 fully paid ordinary shares on issue.[1]

Following the end of the half-year, on 29 January 2024 the Company announced that it received firm commitments to raise $2,100,000 (before costs) from institutional, sophisticated and professional investors at an issue price of $0.02 per share, with a one for two free attaching unlisted option exercisable at $0.06 and expiring on 31 December 2025 (subject to shareholder approval). In addition, the Company's major shareholder, Jetosea Pty Ltd, agreed to increase its current unsecured loan by $600,000. [2]

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Unlisted Options

On 27 October 2023, 30,983,333 unlisted options expired without vesting and were cancelled.[7] On 9 November 2023 as stated above, 25,506,811 options with a strike price of $0.06 and expiry date of 31 December 2025 were issued to shareholders who had participated in the Entitlement Offer.[10]

Anax held 67,506,811 unlisted options at 31 December 2023, as detailed as per the following table.

	Number	Strike price	Expiry date	No. holders	Vested (Yes/No)	Vesting date
6	2,000,000	$0.105	26 May 2024	1	Yes	26 May 2022
9	15,000,000	$0.080	13 Dec 2024	1	Yes	Immediately
10	15,000,000	$0.120	13 Dec 2025	1	Yes	Immediately
11	10,000,000	$0.100	30 Jun 2026	1	Yes	Immediately
12	25,506,811	$0.060	31 Dec 2025	234	Yes	Immediately
TOTAL	**67,506,811**					

Performance Rights

During the half-year, 4,000,000 performance rights previously issued to employees became fully vested and exercisable as all vesting conditions were satisfied.

At 31 December 2023, Anax held 15,600,000 Performance rights, with details as follows:

Tranche	*No of Performance Rights*	*Vesting Condition to convert into one share in the Company per Performance Right*	*Expiry Date*	*Vested (Yes/No)*	*Date fully vested*
Class B*	2,600,000	The 20-day VWAP of the Company's Shares reaching 300% of the Public Offer Price (being $0.090) prior to the Expiry Date	2 years from grant date	Yes	15 June 2021
ANXPERF3	6,000,000	Individual milestones set for each employee in accordance with terms of the Employee share plan.	31 Dec 2024	No	
ANXPERF3	4,000,000	Individual milestones set for each employee in accordance with terms of the Employee share plan.	31 Dec 2024	Yes	31 Dec 2023
ANXPRA	1,000,000	Continuous employment for a period of 2 years from the grant date and the 20-day VWAP of the Company's Shares reaching a price of $0.14 prior to the Expiry Date	18 May 2025	No	
ANXPRB	1,000,000	Continuous employment for a period of 2 years from the grant date and the 20-day VWAP of the Company's Shares reaching a price of $0.18 prior to the Expiry Date	18 May 2025	No	
ANXPRC	1,000,000	Continuous employment for a period of 2 years from the grant date and the 20-day VWAP of the Company's Shares reaching a price of $0.23 prior to the Expiry Date	18 May 2025	No	
TOTAL	**15,600,000**				

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Competent Persons Statement

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

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

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

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

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

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

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

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

Whim Creek Definitive Feasibility Study, 3 April 2023

JORC (2012) Mineral Resource estimates and Ore Reserves for the Whim Creek Project referenced in this report are set out in the Group's Re-compliance Prospectus dated 18 September 2020, the announcements to the ASX of 25 May 2021, 12 September 2022, 4 October 2022 and the Definitive Feasibility Study of 3 April 2023.[19] The Group confirms that it is not aware of any new information or data that materially affects the information included in the Announcements. The Group confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the Announcements.

References

The information provided in this report was summarised from the following Anax Announcements to the ASX:

1. Quarterly Activities/Appendix 5B Cash Flow Report, 31 January 2024
2. Capital Raising, 29 January 2024
3. Completion of RC Drilling Program at Ravensthorpe, 17 Jan 2024
4. Thick Pegmatites Intersected at Ravensthorpe, 20 Dec 2023
5. Commencement of RC drilling at Ravensthorpe, 11 December 2023
6. Entitlement Offer Closes, 9 November 2023
7. Notification of cessation of securities – ANX, 30 October 2023
8. Quarterly Activities/Appendix 5B Cash Flow Report, 27 October 2023
9. Prospectus – Entitlement Offer, 29 September 2023
10. $5.0M Non-renounceable Entitlement Offer, 27 September 2023
11. Lithium Anomalous Zones Confirmed at Whim Creek, 18 September 2023
12. Whim Creek Heap Leach Scoping Study, 11 September 2023
13. Update- Pegmatites at Whim Creek Assessed for Lithium, 24 August 2023
14. Anax enters Farm-In and Joint Venture Agreement at Mt Short, 14 Aug 2023
15. $1.1M Placement to Support Exploration and Development at Whim Creek, 2 August 2023
16. Whim Creek Copper Project Mining Proposal Approved, 1 August 2023
17. Spodumene in Pegmatites at Whim Creek, Gold at Loudens Patch, 4 July 2023
18. Bioleaching Success to Boost Whim Creek Metal Production, 19 June 2023
19. Whim Creek Definitive Feasibility Study, 3 April 2023

ROUND AMOUNTS

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the Directors' report and in the condensed interim financial statement have been rounded to the nearest dollars, or in certain cases, to the nearest one thousand dollar (where indicated).

AUDITOR'S INDEPENDENCE DECLARATION

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

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

Signed in accordance with a resolution of Directors:

Geoff Laing
DIRECTOR
Perth, 11 March 2024

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CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

		Consolidated	
		31 December 2023	**31 December 2022**
	Note	**$**	**$**
Other Income	2(i)	81,879	82,470
Administration expenses	2(ii)	(1,414,329)	(1,422,874)
Exploration and evaluation expenditure		(47,487)	(56,527)
Loss before tax		(1,379,937)	(1,396,931)
Income tax expense		-	-
Loss for the half-year from continuing operations		(1,379,937)	(1,396,931)
Other comprehensive income / (expenses)		-	-
Total comprehensive Loss for the half-year		(1,379,937)	(1,396,931)
Basic loss per share (cents per share)		(0.31)	(0.34)
Diluted loss per share (cents per share)		(0.31)	(0.34)

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

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CONSOLIDATED CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Consolidated 31 December 2023 $	30 June 2023 $
Current Assets			
Cash and cash equivalents		1,820,788	1,710,534
Trade and other receivables		232,133	278,956
Total current assets		2,052,921	1,989,490
Non-Current Assets			
Right of use assets		52,617	87,693
Plant and equipment		452,548	481,974
Exploration and evaluation assets	3	36,262,677	34,113,943
Total non-current assets		36,767,842	34,683,610
Total assets		**38,820,763**	**36,673,100**
Current Liabilities			
Trade and other payables		548,536	507,665
Employee benefits		124,684	98,460
Lease liabilities		55,762	71,886
Other provisions	4	3,242,117	3,239,392
Financial liabilities	5	3,831,208	986,953
Total current liabilities		7,802,307	4,904,356
Non-current Liabilities			
Employee benefits		45,030	36,677
Lease liabilities		-	18,911
Financial liabilities	5	-	2,538,292
Provision for rehabilitation	6	12,359,652	12,168,428
Total non-current liabilities		12,404,682	14,762,308
Total liabilities		**20,206,989**	**19,666,664**
Net Assets		**18,613,774**	**17,006,436**
Equity			
Issued capital	7	51,729,193	48,987,531
Reserves		7,320,750	7,472,012
Accumulated losses		(40,436,169)	(39,453,107)
Total Equity		**18,613,774**	**17,006,436**

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

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CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Issued Capital	Accumulated Losses	Share-based Payments	Total
CONSOLIDATED	**$**	**$**	**$**	**$**
At 1 July 2022	48,886,055	(36,599,055)	6,424,571	18,711,571
(Loss) for the half-year	-	(1,396,931)	-	(1,396,931)
Other comprehensive income for the half-year	-	-	-	-
Total comprehensive income for the half-year	-	(1,396,931)	-	(1,396,931)
Transactions with owners in their capacity as owners:				
Share based payments during the half-year	-	-	700,397	700,397
Share issue cost during the half-year	(2,874)	-	-	(2,874)
Option exercised during the half-year	42,550		(8,050)	34,500
Options expired without vesting during the half-year		5,700	(5,700)	-
Performance rights exercised during the half-year	61,800		(61,800)	
At 31 December 2022	48,987,531	(37,990,286)	7,049,418	18,046,663
At 1 July 2023	48,987,532	(39,453,107)	7,472,012	17,006,437
(Loss) for the half-year	-	(1,379,937)	-	(1,379,937)
Other comprehensive income for the half-year	-	-	-	-
Total comprehensive (loss) for the half-year	-	(1,379,937)	-	(1,379,937)
Transactions with owners in their capacity as owners:				
Share based payments during the half-year (Note 7)	-	-	250,863	250,863
Issue of share capital (Note 7)	2,885,981			2,885,981
Share issue cost during the half-year	(172,070)	-	-	(172,070)
Options expired without vesting during the half-year		396,875	(396,875)	-
Options exercised during the half-year	27,750		(5,250)	22,500
At 31 December 2023	51,729,193	(40,436,169)	7,320,750	18,613,774

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

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CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Consolidated	
	31 December 2023 $	**31 December 2022 $**
Cash flows from operating activities		
Payments to suppliers and employees	(808,152)	(1,191,782)
Payments for exploration expenditure	(49,603)	(56,527)
Other revenue	7,677	-
Interest and other costs of finance paid	(90,813)	-
Interest received	2,570	1,094
Net cash outflow from operating activities	(938,321)	(1,247,215)
Cash flows from investing activities		
Investment in Whim Creek Project	-	(1,398,968)
Payments for purchase of plant & equipment	(11,366)	(25,500)
Receipts from sale of financial assets	-	1,140,393
Payments for exploration expenditure capitalised	(1,569,779)	(3,805,229)
Net cash outflow from investing activities	(1,581,145)	(4,089,304)
Cash flows from financing activities		
Proceeds from issue of shares and options	2,885,981	34,500
Share issue costs	(172,070)	(4,799)
Exercise of options	22,500	-
Proceeds from borrowings	-	2,460,000
Repayment of borrowings	(71,655)	(61,335)
Payments of lease liabilities	(35,036)	(41,092)
Net cash inflow from financing activities	2,629,720	2,387,274
Net increase / (decrease) in cash held	110,254	(2,949,245)
Cash at the beginning of the half-year	1,710,534	7,319,066
Cash at the end of the half-year	**1,820,788**	**4,369,821**

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

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NOTE 1: CORPORATE INFORMATION AND MATERIAL ACCOUNTING POLICY INFORMATION

The condensed interim financial report of Anax Metals Limited ("the Company") and its controlled entities ("the Group") for the half-year ended 31 December 2023 was authorised for issue in accordance with a resolution of the Directors on 11 March 2024. Anax Metals Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and the principal activities of the Group are described in the Directors' Report.

This condensed interim financial report does not include full disclosures of the type normally included in an annual financial report. It is recommended that this condensed interim financial report is to be read in conjunction with the annual financial report for the year ended 30 June 2023 and any public announcements made by Anax Metals Limited during the half-year in accordance with the continuous requirements of the *Corporations Act 2001*.

a) Basis of Preparation

These Consolidated Condensed general purpose Financial Statements for the half-year ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134: *Interim Financial Reporting* ("AASB 134") and the *Corporations Act 2001*. Compliance with AASB134 ensures compliance with International Financial reporting Standard IAS 34 *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

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

Going Concern

The condensed interim financial report has been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business.

The consolidated condensed statement of comprehensive income shows that the Group has incurred a net loss after tax for the half-year ended 31 December 2023 of $1,379,937 (31 December 2022 being a loss of $1,396,931) and had net cash outflow from operating and investing activities of $2,519,466 (31 December 2022 $5,336,519). The consolidated condensed statement of financial position shows that at 31 December 2023 the Group had net current liabilities of $5,749,386 (30 June 2023: of $2,914,866) and net assets of $18,613,774 (30 June 2023: $17,006,436).

The Group's cash flow forecasts reflect that the Group will be required to raise additional working capital during this period to enable it to meet its committed administration, exploration and operational expenditure over this period.

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

- Having assessed the cashflow requirements for the 12-month period from the date of approval of the Consolidated Condensed Financial Statements and the impact on the Group's liquidity, the Directors believe there will be sufficient funds to meet the Group's working capital requirements, including the ability to raise sufficient funding to settle current financial liabilities, and the Aeris liability in accordance with the expected timeline of the decision to mine;

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NOTE 1: CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Basis of Preparation (Continued)

- The executive team have secured an agreement for the deferral of some payment obligations and have commenced significant cost-saving initiatives to reduce operational expenditures and overheads;

- In the event that the funding of an amount required to meet the future budgeted operational and investing activities of the Group is unavailable, the Directors have the ability to reduce or defer operational and other expenditures, as well as to defer the timeline of the decision to mine to preserve liquidity while still meeting minimum obligations pending successful capital raising; and

- The Directors have a proven track record of the ability to raise capital to fund the Group's strategy, and they are confident that the results of the Defined Feasibility Study and Heap Leach Scoping Study for the Whim Creek Project underscores the value to shareholders.

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

New or amended Accounting Standards and Interpretations adopted

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

New Accounting Standards and Interpretations not yet mandatory or early adopted

The Australian Accounting Standard Board ("the AASB") has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, one of which is potentially relevant to the Group. The Group is currently in the process of assessing the following amended Accounting Standard:

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NOTE 1: CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Basis of Preparation (Continued)

Pronouncement	Nature of Change	Effective Date
AASB 2014-10: *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* and AASB 2021-7c *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*	AASB 2014-10 amends AASB 10: *Consolidated Financial Statements* and AASB 128: *Investments in Associates and Joint Ventures* to clarify the accounting for the sale or contribution of assets between an investor and its associate or joint venture by requiring: (a) a full gain or loss to be recognised when a transaction involves a business, whether it is housed in a subsidiary or not; and (b) a partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. These amending standards mandatorily apply to annual reporting periods commencing on or after 1 July 2025 and will be first applied by the Group in the financial year commencing 1 July 2025. This accounting standard is not expected to have a material impact on the financial statements of the Group.	1 July 2025
AASB 2020-1: *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*	AASB 2020-1 amends AASB 101 *Presentation of Financial Statements* to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. A liability will be classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. Meaning of settlement of a liability is also clarified. AASB 2020-1 mandatorily applies to annual reporting periods beginning on or after 1 January 2024 (as amended by AASB 2022-6 and AASB 2020-6) and will first be applied by the Group in the financial year commencing 1 July 2024. This accounting standard is not expected to have a material impact on the financial statements of the Group.	1 July 2024

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NOTE 1: CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Basis of Preparation (Continued)

Pronouncement	Nature of Change	Effective Date
AASB 2022-6: *Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants*	AASB 2022-6 amends AASB 101 *Presentation of Financial Statements* to improve the information an entity provides in its financial statements about liabilities arising from loan arrangements for which the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement. Practice Statement 2 *Making Materiality Judgements* is also amended regarding assessing whether information about covenants is material for disclosure. AASB 2022-6 also amends AASB 2020-1 by deferring the application date by 12 months. This amending standard mandatorily applies to annual reporting periods commencing on or after 1 January 2023 regarding the deferred application date of AASB 2020-1 and the remaining amendments to disclosures apply to annual reporting periods commencing on or after 1 January 2024. This amendment to disclosures will first be applied by the Group in the financial year commencing 1 July 2024. This accounting standard is not expected to have a material impact on the financial statements of the Group.	1 July 2024

Rounding of amounts

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

b) Critical accounting judgements, estimates and assumptions

The preparation of the Consolidated Condensed Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the Consolidated Condensed Financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The Group's significant accounting judgements, estimates and assumptions are consistent with those included within its annual financial report for the year ended 30 June 2023 unless otherwise stated in the notes to the Consolidated Condensed Financial Statements.

Significant judgements, estimates and assumption made by management in the preparation of these consolidated financial statements are found in the following notes:

Note 4 - Other provisions
Note 5 - Financial liabilities
Note 6 - Provision for rehabilitation
Note 7 - Issued capital
Note 9 - Fair value measurement

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NOTE 2 – INCOME AND EXPENSES

		Consolidated	
		31 Dec 2023	**31 Dec 2022**
		$	**$**
(i)	**Other Income**		
	Interest received	2,570	1,094
	Unrealised fair value gain/(loss) on financial assets and liabilities	71,824	(91,471)
	Realised fair value gain on disposal of financial assets	-	172,847
	Other	7,485	-
		81,879	**82,470**
(ii)	**Administration Expenditure**		
	Amortisation and depreciation	71,095	130,798
	Listed company expenses	38,308	33,530
	Audit and tax	22,703	46,354
	Consulting and labour hire	147,839	160,104
	Directors' fees, salaries and wages	493,327	592,173
	Finance costs	165,930	(39,559)
	Foreign exchange movements	(192)	(2,759)
	Insurance and legal	66,741	104,335
	Share based remuneration	250,863	159,739
	Rent and outgoings	11,715	31,316
	Other	146,000	206,843
		1,414,329	**1,422,874**

NOTE 3 – CAPITALISED EXPLORATION AND EVALUATION EXPENDITURE

	31 Dec 2023	**30 Jun 2023**
	$	**$**
Opening balance	34,113,943	30,517,350
Exploration and evaluation expenditure incurred	2,148,734	3,596,593
Closing balance	**36,262,677**	**34,113,943**

The capitalised exploration and evaluation expenditure relates to expenditure incurred at the Whim Creek Project and at the Louden Patch Tenement. The ultimate recoupment of capitalised exploration and evaluation expenditure is dependent on successful development and commercial exploitation of these assets. During the half- year to 31 December 2023, exploration and evaluation expenditure of $2,148,734 was incurred, including $315,822 of capitalised borrowing costs (31 Dec 2022: $38,241).

NOTE 4 – OTHER PROVISIONS

	31 Dec 2023	**30 Jun 2023**
	$	**$**
Provision for Aeris liability	3,242,117	3,239,392

In accordance with the terms of the Whim Creek JV Agreement, the Group assumes all the liabilities arising out of, or in connection with, the Aeris Contract once the Group holds at least 70% interest in the Whim Creek Project. As the Group currently holds an 80% participating interest in the Whim Creek Project, the Group is solely responsible for the settlement of this liability.

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NOTE 4 – OTHER PROVISIONS (CONTINUED)

The obligation amounts to $3,500,000 in cash and becomes due and payable upon an announcement of intention to commence mining operations on any of the tenements held by the Group, within 100km of Whim Creek. As this announcement is expected to be made within the next twelve months, the liability has been recognised as a current liability and measured at the present value of the expected cash outflow, using a discount rate of 16.59% (30 June 2023: 16.59%), being the Group's estimated cost of borrowing.

During the half-year, the estimated date of the announcement to commence mining operations was moved back from December 2023 to June 2024 which resulted in a small net increase in the present value of the expected cash outflow as at 31 December 2023.

NOTE 5 – FINANCIAL LIABILITIES

		Consolidated	
		31 Dec 2023	**30 Jun 2023**
		$	**$**
Current Liabilities			
Deferred payment to Develop Global Limited	(a)	1,914,033	986,953
Interest-bearing borrowings	(b)	1,917,175	-
		3,831,208	**986,953**
Non-current Liabilities			
Deferred payment to Develop Global Limited	(a)	-	936,529
Interest-bearing borrowings	(b)	-	1,601,763
		-	**2,538,292**

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

As per the terms of the Whim Creek JV Agreement, the Group is required to pay Develop Global Limited ("Develop") $1,000,000 in cash on the 2nd, 3rd and 4th anniversary of the Effective Date, (30 October 2020, when all conditions precedent were met). This liability was initially valued at fair value using a discount rate of 5.84% being the Group's estimated Weighted average cost of borrowing at that time and then remeasured at amortised cost at each subsequent reporting date.

On 19 September 2023, the parties reached agreement for the deferral of the due date for the second deferred consideration payment from 30 October 2023 to 30 April 2024. The new arrangement was considered a substantial modification under the accounting standards and as such, the original second deferred consideration liability was deemed to have been replaced with a new agreement, which was recognised as follows:

- The second $1m deferred consideration liability was remeasured at fair value on 19 September 2023, being the date the deferment was agreed between the parties. A discount rate of 15% was used to calculate the fair value of the liability at the remeasurement date, being the Group's estimated current cost of borrowing at that time, and subsequently measured at amortised cost at each reporting date.

	Discount rate	**Amount ($)**	**Amortised cost ($)**
Current liabilities			
Payment due on 30 April 2024	15%	1,000,000	952,116
Payment due on 30 October 2024	5.84%	1,000,000	961,917
			1,914,033

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NOTE 5 – FINANCIAL LIABILITIES (CONTINUED)

(b) Interest-bearing borrowings

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

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

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

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

- The $1,000,000 loan fund was re-measured at fair value on 29 June 2023. A discount rate of 17% was used to calculate fair value, being the Group's estimated current weighted average cost of capital on that date. Thereafter the Loan Funds were measured at amortised cost.

As both repayments now fall due within 12 months, they are presented as a current liability at 31 December 2023 on the Group's consolidated condensed statement of financial position.

	Discount rate	Amount ($)	Amortised cost ($)
Current liabilities			
Payment due 6 December 2024	17%	1,000,000	593,376
Payment due 6 December 2024	7%	1,500,000	1,323,799
			1,917,175

NOTE 6 – PROVISION FOR REHABILITATION

The Group is liable for the costs to rehabilitate the existing Whim Creek mine site in accordance with the approved Mine Closure Plan approved in 2008. The rehabilitation costs are estimated and held on the consolidated condensed statement of financial position as a non-current liability.

	Consolidated	
	31 Dec 2023	**30 Jun 2023**
	$	**$**
Rehabilitation of existing Whim Creek mine site	**12,359,652**	**12,168,428**

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

During the half-year, the following changes in assumptions were made, which resulted in a net decrease in the present value of the expected cash outflows at 31 December 2023:

- The estimated Mine Closure date was moved back to Q3 2033 (previously Q1 2033), assuming commencement of mining in middle of 2025 and an eight and a half year expected mine life.
- Future cashflows were estimated based on CPI of 2.57% (previously 2.43%), being the RBA quarterly break-even 10-year inflation rate.

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NOTE 6 – PROVISION FOR REHABILITATION (CONTINUED)

A discount factor of 4.19% was applied (previously 3.29%), being the RBA published quarterly Commonwealth Government 10-year bond rate.

NOTE 7 – ISSUED CAPITAL

(a) Ordinary Share Capital

	Consolidated	
	31 Dec 2023 $	**30 Jun 2023 $**
480,917,634 (June 2023: 409,394,827) fully paid ordinary shares	**51,729,193**	**48,987,532**

Dec 2023	**Number**	**Issue Date**	**Issue Price $**	**Share Capital $**
Balance at 1 July 2023	409,394,827	-	-	48,987,532
Shares issued	20,009,090	08 Aug 2023	0.055	1,100,500
Options exercised	500,000	08 Aug 2023	0.045	27,750
Shares issued	51,013,717	09 Nov 2023	-	1,785,481
Share issue costs	-	-	-	(172,070)
Balance at 31 Dec 2023	**480,917,634**			**51,729,193**

Dec 2022	**Number**	**Issue Date**	**Issue Price $**	**Share Capital $**
Balance at 1 July 2021	405,628,160	-	-	48,886,055
Options exercised	766,667	10 Nov 2022	0.045	34,500
Options exercised	-	10 Nov 2022	-	8,050
Share based payment fees	3,000,000	12 Dec 2022	-	61,800
Share issue costs	-			(2,873)
Balance at 31 Dec 2022	**409,394,827**			**48,987,532**

	31 Dec 2023 $	**30 Jun 2023 $**
(b) Share Based Payment Reserves	**7,320,750**	**7,472,012**

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

	Number	**Expiry Date**	**Ex Price**	**$**
Dec 2023				
Balance at 1 July 2023	93,583,333			7,472,012
Unlisted Options exercised 08 Aug 2023	(500,000)	02 Oct 2023	0.045	(5,250)
Unlisted Options expired without vesting	(30,983,333)	27 Oct 2023	0.045	(328,025)
Unlisted Options expired without vesting	(4,500,000)	27 Oct 2023	0.135	(68,850)
Unlisted Options issued 09 Nov 2023 (c)	25,506,811	31 Dec 2025	0.06	-
Performance rights that vested and the change in valuation during the half-year period for unvested performance rights issued in prior periods (d)	-	-	-	250,863
Balance at 31 Dec 2023	**83,106,811**			**7,320,750**

NOTE 7 – ISSUED CAPITAL (CONTINUED)

(c) Terms and Conditions of options issued in the half-year to 31 Dec 2023:

Grant date – being closing date the Entitlement Offer	02 Nov 2023
Issue Date	09 Nov 2023
Expiry date	31 Dec 2025
Vesting date	Immediately
No. options	25,506,811
Exercise price ($)	0.06
Expected life of options (years)	2
Share price at Grant Date	0.031

The options were issued as free attaching options, pursuant to the entitlement offer announced by the Company on 28th September 2023. As such they were valued at $Nil in the financial statements.

(d) Share based payments

During the half-year, the consolidated condensed statement of comprehensive income recognized an expense of $250,863 (Dec 2022: $159,739) relating to performance rights that were issued to employees and Directors in the previous period. The expense recognised reflects the performance rights that has vested during period and the continued expensing of unvested performance rights issued in prior periods.

NOTE 8 – SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.
The Group operates in a single segment being mineral exploration and evaluation within Australia.

NOTE 9 – CONTINGENT LIABILITIES

The agreement with Develop Global Limited ("Develop") includes a contractual right held by Develop to a 20% percentage of operating profit from Whim Creek Project, equivalent to their 20% participating interest at the date of decision to mine. This right is akin to a percentage net smelter royalty return on the project net of proportionate funding of the development cost. The value of this potential liability cannot be estimated reliably at the current reporting date.

Other than as stated above, there are no material contingent liabilities or contingent assets as at the reporting date.

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NOTE 10 – COMMITMENTS

a) Mineral tenements

The Group has certain minimum obligations in pursuance of the terms and conditions of tenement licences in the forthcoming year. To maintain the mineral tenements in which the Group and other parties are involved, the Group is committed to fulfil the minimum annual expenditure conditions under which the tenements are granted. The minimum estimated expenditure requirements in accordance with the requirements of the Western Australian Department of Mines and Petroleum for the next financial year are:

	Consolidated	
	31 December 2023 $	**30 June 2023 $**
Up to 1 year	480,900	495,900
Between 1 and 5 years	1,675,600	1,840,100
Later than 5 years	1,886,100	2,121,800
	4,042,600	4,457,800

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

NOTE 11 – RELATED PARTIES

During the half-year to 31 December 2023, Nexus Bonum Pty Ltd, a company of which Geoff Laing is a director, delivered engineering consulting services to the Company, for which $8,285 plus GST was incurred (31 Dec 2022: $248,692). This amount was outstanding at 31 December 2023 (31 Dec 2022: Nil).

During the half-year to 31 December 2023, Grange Consulting Services Pty Ltd and Philuchna Pty Ltd, related parties of Philip Warren, delivered corporate advisory services for which a combined $24,000 plus GST was incurred (31 Dec 2022: $24,000 plus GST), of which $4,000 plus GST was outstanding at 31 December 2023 (31 Dec 2022: $Nil). Grange Consulting Services Pty Ltd also delivered Company Secretarial services for which $45,735 plus GST was paid during the half-year (31 Dec 2022: $40,978 plus GST).

During the half-year, Holihox Consulting Pty Ltd, a company of which Phillip Jackson is a director, delivered legal consulting fees, and was paid $18,000 plus GST for these services (31 Dec 2022: $18,000 plus GST).

All transactions with related parties are on commercial terms.

NOTE 12 – SUBSEQUENT EVENTS

On 29 January 2024 the Company announced that it received firm commitments to raise $2,100,000 (before costs) from institutional, sophisticated and professional investors at an issue price of $0.02 per share, with a one for two free attaching unlisted option exercisable at $0.06 and expiring on 31 December 2025 (subject to shareholder approval).

In addition, the Company's major shareholder, Jetosea Pty Ltd, agreed to increase its current unsecured loan by $600,000, with the mateal terms of the loan note agreement being:

Principal: $600,000, unsecured

Repayment: 30 June 2025

Coupon: 6% per annum

20,000,000 loan options ($0.03, expiring 2 years after the Subcription Date) will be issued to Jetosea under the terms of the loan note, subject to shareholder approval.

The Directors are not aware of any other matters or circumstances that have arisen since the end of the half-yerar which significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

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DIRECTORS' DECLARATION

31 December 2023

In the opinion of the Directors:

1. The Consolidated Condensed Financial Statements and notes, as set out within this financial report, are in accordance with the *Corporations Act 2001* including:

   a. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

   2b. giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year then ended.

2. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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

On behalf of the Directors

Geoff Laing
DIRECTOR
Perth, 11 March 2024

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PITCHER PARTNERS

ANAX METALS LIMITED
ABN 46 106 304 787

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF ANAX METALS LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Anax Metals Limited, (the "Company") and its controlled entities (the "Group"), which comprises the consolidated condensed statement of financial position as at 31 December 2023, the consolidated condensed statement of comprehensive income, consolidated condensed statement of changes in equity and consolidated condensed statement of cash flows for the half-year ended on that date, a summary of accounting policies and other explanatory information, and the directors' declaration.

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

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

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

Basis for Conclusion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1a to the half-year financial report which indicates that the Group incurred a net loss of $1,379,937 during the half-year ended 31 December 2023 (31 December 2022: $1,396,931) and had net cash outflows from operating and investing activities of $2,519,466 (31 December 2022: $5,336,519), and as of that date, the Group had net current liabilities of $5,749,386 (30 June 2023: $2,914,866) and net assets of $18,613,774 (30 June 2023 $17,006,436). As at the date of this report there is a material uncertainty that the Group can meet its administrative and other committed expenditure for a period of at least the next 12 months. These conditions, along with other matters as set forth in Note 1a to the half-year financial report, indicate that a material uncertainty exists that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibility of the Directors 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 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.

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PITCHER PARTNERS

ANAX METALS LIMITED
ABN 46 106 304 787

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF ANAX METALS LIMITED

Auditor's Responsibility for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

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MICHAEL LIPRINO
Executive Director
Perth, 11 March 2024

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AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF ANAX METALS LIMITED AND ITS CONTROLLED ENTITIES

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

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards).*

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

PITCHER PARTNERS BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD

MICHAEL LIPRINO
Executive Director
Perth, 11 March 2024