



METAL HAWK

LIMITED

Metal Hawk Limited

ABN 24 630 453 664

Interim Financial Report

For the half-year ended 31 December 2023

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CORPORATE DIRECTORY

Directors

Mr Michael Edwards

Mr William Belbin

Mr David Pennock

Company Secretary

Mr Chris Marshall

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West Perth WA 6005

Auditor

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Stock Exchange Listing

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METAL HAWK LIMITED

DIRECTORS' REPORT

For the half-year ended 31 December 2023

DIRECTORS' REPORT

Your Directors submit the Interim Report of Metal Hawk Limited ("**the Company**") for the half-year ended 31 December 2023. To comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

DIRECTORS

The names of the Directors who held office during the whole of the interim period and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated.

Michael Edwards	Non-Executive Chairman (appointed 11 September 2023)
Brett Lambert	Non-Executive Chairman (resigned 9 September 2023)
William Belbin	Managing Director
David Pennock	Executive Director

REVIEW OF RESULTS AND FINANCIAL POSITION

Metal Hawk Limited is listed on the Australia Securities Exchange (**ASX: MHK**), classified as a West Australian junior mineral explorer, and has approximately 99.41 million shares on issue at the date of this report. The Company has not reached a stage in its development where it is generating an operating profit.

The net loss after income tax for the half-year was \$2,120,692 (31 December 2022: \$840,974), which included impairment of capitalised exploration of \$842,647 and exploration expenditure of \$320,475 (31 December 2022: \$133,896).

REVIEW OF OPERATIONS AND CORPORATE

The Company's main focus during the half-year ended 31 December 2023 was nickel sulphide and lithium exploration at the Yarmany Project north-west of Coolgardie in Western Australia.

On 5 July 2023, the Company announced that it has entered into a binding agreement for an option to purchase the western Yarmany project tenements from Black Mountain Gold Limited, a wholly owned subsidiary of Horizon Minerals Limited (ASX: HRZ) with the following terms:

1. \$400,000 on signing as an option fee, consisting of payment of \$200,000 cash and \$200,000 worth of fully paid MHK shares (Option Shares) escrowed for six months.
 - a) Fully paid MHK shares to the value of \$1 million (Consideration Shares) or cash (at MHK's election) to exercise the option on or before 30 June 2025. MHK must spend \$1 million on project expenditure before it can exercise the option and a minimum of \$500,000 before it can withdraw from the option; or
 - b) HRZ may elect to forego the payment and retain a 20% free-carried interest in the Tenements (until decision to mine).

On 7 July 2023, the Company issued \$200,000 worth of fully paid shares to HRZ escrowed for six months. 1,134,430 shares were issued at a 20-day VWAP at \$0.17 per share. The Company also paid \$200,000 cash.

On 28 July 2023, the Company raised \$1.2 million (before costs) at \$0.11 per share via a placement to long-term sophisticated investors to accelerate exploration at the Yarmany and Fraser South projects.

On 9 September 2023, Brett Lambert has retired as a director and Non-Executive Chairman of the Company and Michael Edwards has been appointed as Non-Executive Chairman.

METAL HAWK LIMITED

DIRECTORS' REPORT

For the half-year ended 31 December 2023

On 24 November 2023, the Company raised \$3.5 million (before costs) through a placement to institutional, strategic and sophisticated investors at \$0.18 per share to advance lithium exploration at Yarmany.

Please refer to the Company's announcements for further information.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors there were no matters that significantly affected the state of affairs of the Company during the financial year, other than those matters referred to in the overview above.

MATTERS SUBSEQUENT TO BALANCE DATE

There have been no matters or circumstances that have arisen since the end of the financial year that have significantly affected, or may significantly affect, the operations of the Company, the results of these operations, or the state of affairs of the Company 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.

Signed in accordance with a resolution of the Directors.



William Belbin

Director

12 March 2024

Perth

DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF METAL HAWK LIMITED

As lead auditor for the review of Metal Hawk Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.



Dean Just
Director

BDO Audit (WA) Pty Ltd

Perth

12 March 2024

METAL HAWK LIMITED
INTERIM FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	31 December 2023 \$	30 June 2023 \$
Assets			
Cash and cash equivalents	3.1	3,633,887	932,581
Trade and other receivables		77,955	-
Prepayments		75,205	-
Deposits and bonds		18,927	18,927
Total current assets		3,805,974	951,508
Property, plant and equipment	5.1	199,986	165,671
Right of use assets	5.2	66,060	85,878
Exploration and evaluation assets	4.1	8,392,204	7,891,512
Total non-current assets		8,658,250	8,143,061
Total assets		12,464,224	9,094,569
Liabilities			
Trade and other payables		(364,154)	(184,072)
Lease liabilities	5.3	(39,339)	(37,574)
Total current liabilities		(403,493)	(221,646)
Lease liabilities	5.3	(31,858)	(51,977)
Total non-current liabilities		(31,858)	(51,977)
Total liabilities		(435,351)	(273,623)
Net assets		12,028,873	8,820,946
Equity			
Share capital	6.1	16,892,625	12,429,777
Reserves	6.2	2,759,146	1,893,375
Accumulated losses		(7,622,898)	(5,502,206)
Total equity		12,028,873	8,820,946

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

METAL HAWK LIMITED
INTERIM FINANCIAL STATEMENTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Note	31 December 2023 \$	31 December 2022 \$
Other income		15,399	11,774
Exploration expensed		(320,475)	(133,896)
Impairment of exploration capitalised	4.1	(842,647)	-
General and administrative expenses	2.2	(77,995)	(96,974)
Professional fees		(116,228)	(70,982)
Personnel expenses	2.2	(706,919)	(496,676)
Marketing and business development		(33,030)	(18,102)
Depreciation and amortisation		(31,403)	(31,090)
Finance expenses		(2,991)	(2,094)
Other expenses		(4,403)	(2,934)
Loss before income tax		(2,120,692)	(840,974)
Income tax expense		-	-
Loss for the period		(2,120,692)	(840,974)
Other comprehensive income		-	-
Total comprehensive loss for the period		(2,120,692)	(840,974)
Loss per share			
Basic and diluted (cents per share)		(2.64)	(1.37)

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

METAL HAWK LIMITED
FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Note	Issued capital \$	Share-based payments reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2023		12,429,777	1,893,375	(5,502,206)	8,820,946
Loss for the period		-	-	(2,120,692)	(2,120,692)
Total comprehensive loss for the period		-	-	(2,120,692)	(2,120,692)
Transactions with owners, recorded directly in equity:					
Contributions by and distributions to owners					
Issue of ordinary shares	6.1	4,681,131	-	-	4,681,131
Conversion of unlisted options	6.1	200,000	-	-	200,000
Acquisition of exploration assets	6.1	200,000	-	-	200,000
Share-based payment transactions	6.2	-	865,771	-	865,771
Capital raising costs	6.1	(618,283)	-	-	(618,283)
Total contributions by and distributions to owners		4,462,848	865,771	-	5,328,619
Balance at 31 December 2023		16,892,625	2,759,146	(7,622,898)	12,028,873

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

METAL HAWK LIMITED
FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Note	Issued capital \$	Share-based payments reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2022		11,153,220	1,388,609	(3,786,615)	8,755,214
Loss for the period		-	-	(840,974)	(840,974)
Total comprehensive loss for the period		-	-	(840,974)	(840,974)
Transactions with owners, recorded directly in equity:					
Contributions by and distributions to owners					
Issue of ordinary shares		1,051,280	-	-	1,051,280
Share-based payment transactions		-	295,366	-	295,366
Capital raising costs		(61,473)	-	-	(61,473)
Total contributions by and distributions to owners		989,807	295,366	-	1,285,173
Balance at 31 December 2022		12,143,027	1,683,975	(4,627,589)	9,199,413

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

METAL HAWK LIMITED
FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Note	31 December 2023 \$	31 December 2022 \$
Cash flows from operating activities			
Payments to suppliers and employees		(585,511)	(353,101)
Interest received		15,399	3,886
Interest paid		(2,991)	(2,094)
Payments for exploration expensed		(320,475)	(133,896)
Net cash used in operating activities		(893,578)	(485,205)
Cash flows from investing activities			
Payments for property, plant and equipment		(45,900)	-
Payments for capitalised exploration		(966,380)	(868,894)
Transfer to term deposit		-	(200,000)
Net cash used in investing activities		(1,012,280)	(1,068,894)
Cash flows from financing activities			
Proceeds from issue of shares	6.1	4,681,131	1,051,280
Proceeds from exercise of options	6.1	200,000	-
Payment of capital raising costs		(255,613)	(60,099)
Payment of lease liabilities		(18,354)	(18,820)
Net cash from financing activities		4,607,164	972,361
Net increase/(decrease) in cash and cash equivalents		2,701,306	(581,738)
Cash and cash equivalents at commencement of period		932,581	2,071,917
Cash and cash equivalents at period end	3.1	3,633,887	1,490,179

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

SECTION 1 BASIS OF PREPARATION

This financial report for the half-year ended 31 December 2023 is a condensed general purpose financial report prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

The half-year financial report should be read in conjunction with the most recent annual financial report for the year ended 30 June 2023.

It is also recommended that the half-year financial report be considered together with any public announcements made by Metal Hawk Limited during the half-year ended 31 December 2023 in accordance with the continuous disclosure obligations arising under the ASX Listing Rules.

1.1 SIGNIFICANT ACCOUNTING POLICIES

The Company has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period.

Adoption of new and revised standards

Standards and interpretations applicable to 31 December 2023

For the half-year ended 31 December 2023, the Directors have reviewed all new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the reporting periods beginning on or after 1 July 2023.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and therefore no material change is necessary to Company accounting policies.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted that are relevant to the Company and effective for the reporting periods beginning on or after 1 January 2024.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations in issue not yet adopted on the Company and therefore no material change is necessary to Company accounting policies.

1.2 JUDGEMENTS AND ESTIMATES

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this interim financial report, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 30 June 2023.

1.3 GOING CONCERN

The financial report has been prepared on a going concern basis which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the normal course of business. For the period ended 31 December 2023, the Company incurred loss of \$2,120,692 including an impairment of exploration capitalised of \$842,647 and had net cash outflows from operating activities of \$893,578, in conjunction with \$966,380 of exploration payments classified in investing cash flows. On 31 December 2023, the Company had net assets of \$12,028,873, with a total cash on hand of \$3,633,887.

The Directors believe there are sufficient funds to meet the Group's working capital requirements and as at the date of this report the Group believes it can meet all liabilities as and when they fall due.

The Directors have reviewed the business outlook and the assets and liabilities of the Group and are of the opinion that the going concern basis of accounting is appropriate as they believe the Group will continue to be successful in securing additional funds through equity issues as and when the need to raise funds arises.

SECTION 2 RESULTS FOR THE YEAR

This section focuses on the results and performance of the Company, with disclosures including components of the operating loss.

2.1 OPERATING SEGMENTS

AASB 8 *Operating Segments* requires operating segments to be identified based on internal reports about components of the Company that are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to the segment and to assess its performance.

The Company's operating segment has been determined with reference to the management accounts used by the Chief Operating Decision Maker to make decisions regarding the Company's operations and allocation of working capital.

Based on the quantitative thresholds included in AASB 8, there is only one reportable segment, being base minerals exploration and evaluation in Australia.

The results of this segment are those of the Company as a whole and are set out in the statement of profit or loss and other comprehensive income and the assets and liabilities of the Company as a whole are set out in the statement of financial position.

There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss since 30 June 2023.

METAL HAWK LIMITED
NOTES TO THE FINANCIAL STATEMENTS

2.2 RESULTS FOR THE PERIOD

		31 December 2023	31 December 2022
	Note	\$	\$
General and Administrative			
Listing and registry expenses		47,192	50,575
Other expenses		30,803	46,399
		77,995	96,974
Personnel expenses			
Wages and superannuation		191,148	201,310
Share-based payments	7.1	515,771	295,366
		706,919	496,676

SECTION 3 WORKING CAPITAL DISCLOSURES

This section focuses on the cash funding available to the Company and working capital position at period end.

3.1 CASH AND CASH EQUIVALENTS

	31 December 2023	30 June 2023
	\$	\$
Cash at bank	3,633,887	932,581
	3,633,887	932,581

SECTION 4 ASSETS AND LIABILITIES SUPPORTING EXPLORATION AND EVALUATION

This section focuses on the assets and liabilities which form the core of the ongoing business, including those assets and liabilities which support ongoing exploration and evaluation as well as capital and other commitments existing at 31 December 2023.

Key estimates and assumptions in this section

Indicators of impairment for exploration and evaluation assets

The Company has reviewed exploration and evaluation assets for indicators of impairment in accordance with AASB 6. In making this evaluation, management is required to make assessments on the status of each project and the future plans towards successful development and commercial exploitation, or alternatively sale, of the respective areas of interest.

4.1 EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2023	30 June 2023
	\$	\$
Costs carried forward in respect of areas of interest		
Exploration and evaluation expenditure	8,392,204	7,891,512
Movements for the year		
Opening balance	7,891,512	6,619,998
Tenements acquisition – via cash ⁽ⁱ⁾	200,000	-
Tenements acquisition – via share-based payments ⁽ⁱ⁾	200,000	438,000
Capitalised expenditure	943,339	1,253,121
Tenements written-off ⁽ⁱⁱ⁾	-	(33,105)
Tenements impaired ⁽ⁱⁱⁱ⁾	(842,647)	(386,502)
	8,392,204	7,891,512

⁽ⁱ⁾On 5 July 2023, the Company announced that it has entered into a binding agreement for an option to purchase the western Yarmany project tenements from Black Mountain Gold Limited, a wholly owned subsidiary of Horizon Minerals Limited (ASX: HRZ). In July 2023, the Company paid \$200,000 cash and issued \$200,000 worth of fully paid shares to HRZ escrowed for six months. 1,134,430 shares were issued at a 20-day VWAP at \$0.17 per share.

⁽ⁱⁱ⁾Clinker Hill tenements P25/2289, P25/2290, P25/2335, P25/2370, P25/2371, P25/2673 forgone.

⁽ⁱⁱⁱ⁾Impairment of Emu Lake Fraser South and the Onslow projects. Indicators of impairment were identified for these areas of interest and as a result of impairment testing, they were impaired to their fair value, based on a fair value less costs to sell methodology.

METAL HAWK LIMITED
NOTES TO THE FINANCIAL STATEMENTS

SECTION 5 NON-CURRENT ASSETS AND LEASE LIABILITIES

5.1 PROPERTY, PLANT AND EQUIPMENT

	Plant & Equipment \$	Office Equipment \$	Motor Vehicles \$	Computer Equipment \$	Total \$
Gross carrying amount					
Balance at 1 July 2022	60,807	12,526	142,125	2,660	218,118
Additions	-	921	-	-	-
Balance at 1 July 2023	60,807	13,447	142,125	2,660	219,039
Additions	45,900	-	-	-	45,900
Balance at 31 Dec 2023	106,707	13,447	142,125	2,660	264,939
Depreciation					
Balance at 1 July 2022	(5,137)	(2,886)	(19,863)	(1,183)	(29,069)
Depreciation for the year	(5,899)	(2,824)	(15,129)	(447)	(24,299)
Balance at 1 July 2023	(11,036)	(5,710)	(34,992)	(1,630)	(53,368)
Depreciation for the period	(2,965)	(1,684)	(6,712)	(224)	(11,585)
Balance at 31 Dec 2023	(14,001)	(7,394)	(41,704)	(1,854)	(64,953)
Carrying amounts					
Balance at 1 July 2023	49,771	7,737	107,133	1,030	165,671
Balance at 31 Dec 2023	92,706	6,053	100,421	806	199,986

5.2 RIGHT OF USE ASSETS

The Company has an office lease at 18 Kings Park Road which commenced on 1 October 2022 for period of 3 years. The lease liability is measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate of 7%.

	31 December 2023 \$	30 June 2023 \$
Gross carrying amount		
Balance as at 1 July	115,604	70,407
Recognised on lease inception	-	115,604
Lease ended	-	(70,407)
Closing balance	115,604	115,604
Amortisation		
Balance as at 1 July	(29,726)	(61,223)
Amortisation expense	(19,818)	(38,910)
Lease ended	-	70,407
Closing balance	(49,544)	(29,726)
Carrying amount	66,060	85,878

METAL HAWK LIMITED
NOTES TO THE FINANCIAL STATEMENTS

5.3 LEASE LIABILITIES

	31 December 2023	30 June 2023
	\$	\$
Opening balance	89,551	10,287
Liability recognised on lease inception	-	115,604
Principal and interest repayments	(21,224)	(42,378)
Interest expense	2,870	6,038
Closing Balance	71,197	89,551
Classification		
Current liabilities	39,339	37,574
Non-current liabilities	31,858	51,977
	71,197	89,551
	31 December 2023	31 December 2022
	\$	\$
Amounts recognised in the Statement of Profit or Loss		
Amortisation of right-of-use asset	(19,818)	(19,092)
Interest expense on lease liabilities	(2,870)	(2,094)

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SECTION 6 EQUITY AND FUNDING

This section focuses on the debt and equity funding available to the Company at year end, most notably covering share capital, loans and borrowings.

6.1 Issued Capital

	Ordinary shares			
	Number of shares		Amount in \$	
	31 December 2023	30 June 2023	31 December 2023	30 June 2023
Balance at 1 July	66,935,394	58,165,394	12,429,777	11,153,220
<i>Shares issued and expensed during the period:</i>				
Issue of fully paid shares for cash ⁽ⁱ⁾	30,344,622	6,570,000	4,681,131	1,051,280
Option fee to acquire Onslow Project	-	200,000	-	28,000
Issue of shares on conversion of options ⁽ⁱⁱ⁾	1,000,000	-	200,000	-
Issue of shares for acquisition of option to purchase exploration tenements ⁽ⁱⁱⁱ⁾	1,134,430	2,000,000	200,000	260,000
Capital raising costs ^(iv)	-	-	(618,283)	(62,723)
Balance at 31 December	99,414,446	66,935,394	16,892,625	12,429,777

⁽ⁱ⁾ July 23 placement comprise a total of 11,155,733 fully paid ordinary shares at an issue price of \$0.11 per share, which included 454,546 shares to David Pennock and Michael Edwards. December 23 placement comprise 19,188,889 fully paid ordinary shares at an issue price of \$0.18 per share.

⁽ⁱⁱ⁾ On 17 November 23, the Company issued a total of 1,000,000 fully paid ordinary shares in the Company through the conversion of 1,000,000 unlisted options, each having an issue price of \$0.20 per share.

⁽ⁱⁱⁱ⁾ On 7 July 2023, the Company issued \$200,000 worth of fully paid shares to HRZ escrowed for six months for the option to purchase of Yarmany tenements. 1,134,430 shares were issued at a 20-day VWAP at \$0.17 per share.

^(iv) Capital raising costs for the half-year ended 31 December 2023 include \$350,000 of broker options as disclosed in Note 7.1.

The holders of ordinary shares are entitled to receive dividends as declared from time and are entitled to one vote per share at meetings of the Company. Option holders cannot participate in any new share issues by the Company without exercising their options.

In the event of a winding up of the Company, ordinary shareholders rank after all other shareholders (if any) and creditors and are fully entitled to any proceeds on liquidation.

All issued shares are fully paid.

METAL HAWK LIMITED
NOTES TO THE FINANCIAL STATEMENTS

6.2 SHARE-BASED PAYMENTS RESERVE

	31 December 2023	30 June 2023
	\$	\$
Opening balance	1,893,375	1,388,609
Share-based payments expense	515,771	504,766
Options issued to lead manager	350,000	-
Closing balance	2,759,146	1,893,375

Nature and purpose of reserves

Share-based payments reserve

The share-based payments reserve represents the fair value of options issued to directors and consultants. Refer to note 7.1 for further details of these plans.

SECTION 7 OTHER DISCLOSURES

The disclosures in this section focuses on share schemes in operation and financial risk management of the Company. Other mandatory disclosures, such as details of related party transactions, can also be found here.

7.1 SHARE-BASED PAYMENTS

The share-based payment expense included within the financial statements can be broken down as follows:

	31 December 2023	31 December 2022
	\$	\$
Expensed in personnel expenses (Director remuneration)		
Options issued to Directors	220,500	267,750
Options issued to Employees	277,200	27,616
Performance Rights issued to Directors	18,071	-
Expensed in Statement of Profit or Loss and Other Comprehensive Income	515,771	295,366
Capital raising costs within equity		
Options issued to lead manager	350,000	-
Recognised in Share-Based Payments Reserve	865,771	295,366
Capitalised within exploration and evaluation		
Shares issued to vendors	200,000	-

a) Shares

On 7 July 2023, the Company issued \$200,000 worth of fully paid shares to HRZ escrowed for six months for the purchase of Yarmany tenements. 1,134,430 shares were issued at a 20-day VWAP at \$0.17 per share.

METAL HAWK LIMITED
NOTES TO THE FINANCIAL STATEMENTS

7.1 SHARE-BASED PAYMENTS (continued)

b) Options

At 31 December 2023, excluding free-attaching options issued, a summary of the Company options in issue and not exercised are as follows. Options are settled by the physical delivery of shares:

Grant date	Vesting date	Expiry date	Exercise Price (cents)	Balance at the start of the period	Granted during the period	Exercised during the period	Expired / lapsed during the period	Balance at the end of the period	Vested and exercisable at the end of the period
13-Sep-19	19-Nov-20	19-Nov-23	25	4,500,000	-	-	(4,500,000)	-	-
13-Sep-19	19-Nov-20	19-Nov-24	30	4,000,000	-	-	-	4,000,000	4,000,000
10-Sep-20	10-Sep-20	10-Sep-23	20	1,000,000	-	-	(1,000,000)	-	-
19-Nov-20	19-Nov-20	19-Nov-23	25	1,000,000	-	(1,000,000)	-	-	-
19-Nov-20	19-Nov-20	19-Nov-24	30	1,000,000	-	-	-	1,000,000	1,000,000
30-Nov-21	30-Nov-21	30-Nov-25	42	2,550,000	-	-	-	2,550,000	2,550,000
02-Dec-21	02-Dec-22	30-Nov-24	42	450,000	-	-	-	450,000	450,000
30-Nov-22	30-Nov-22	30-Nov-26	37	1,750,000	-	-	-	1,750,000	1,750,000
23-Feb-23	23-Feb-23	30-Nov-26	37	900,000	-	-	-	900,000	900,000
9-May-23	9-May-23	9-May-27	37	2,000,000	-	-	-	2,000,000	2,000,000
9-Nov-23	9-Nov-23	10-Nov-27	18	-	2,500,000	-	-	2,500,000	2,500,000
9-Nov-23	9-Nov-23	10-Nov-27	29	-	1,750,000	-	-	1,750,000	1,750,000
10-Nov-23	10-Nov-23	10-Nov-27	29	-	2,200,000	-	-	2,200,000	2,200,000
Total				19,150,000	6,450,000	(1,000,000)	(5,500,000)	19,100,000	19,100,000
Weighted Average Exercise Price (cents)				31.62	24.74	25.00	24.09	31.81	31.81

The weighted average remaining contractual life of options outstanding at period end was 2.57 years (30 June 2023: 1.72 years).

METAL HAWK LIMITED
NOTES TO THE FINANCIAL STATEMENTS

7.1 SHARE BASED PAYMENTS (continued)

b) Options (continued)

As part consideration for the provision of lead manager services in connection with the Share Placement in July 2023, the Company issued the Lead Manager 2,500,000 unquoted options exercisable at \$0.18 each and expiring four years from the date of issue (Lead Manager Options). The Lead Manager Options were approved by shareholders at the Company's AGM held on 9 November 2023.

Options granted have been valued using the Black-Scholes Option Valuation model, which takes account of factors including the option exercise price, the current level and volatility of the underlying share price, the risk-free interest rate, expected dividends on the underlying share, current market price of the underlying share and the expected life of the option. See below for the assumptions used for grants made during the period.

	Lead Manager Options
Number of options	2,500,000
Exercise price (cents)	18
Grant date	9-Nov-23
Expiry date	10-Nov-27
Life of the options (years)	4
Volatility	100%
Risk free rate	4.22%
Fair value at grant date (cents)	14.0
Share price at grant date (cents)	19.5

The options vest immediately. The options were valued at \$350,000 with the share-based payment expense recognised as capital raising costs in equity.

During the six months to 31 December 2023, 1,750,000 unlisted options were issued to the Directors under the Company's Employee Share Plan, as approved by shareholders at the Company's AGM held on 9 November 2023.

Options granted during the period have been valued using the Black-Scholes Option Valuation model, which takes account of factors including the option exercise price, the current level and volatility of the underlying share price, the risk-free interest rate, expected dividends on the underlying share, current market price of the underlying share and the expected life of the option. See below for the assumptions used for grants made during the period.

	Directors Options
Number of options	1,750,000
Exercise price (cents)	29
Grant date	9-Nov-23
Expiry date	10-Nov-27
Life of the options (years)	4
Volatility	100%
Risk free rate	4.22%
Fair value at grant date (cents)	12.6
Share price at grant date (cents)	19.5

The options vest immediately. The options were valued at \$220,500 with the share-based payment expense recognised the Statement of Profit or Loss and Other Comprehensive Income.

METAL HAWK LIMITED
NOTES TO THE FINANCIAL STATEMENTS

7.1 SHARE BASED PAYMENTS (continued)

b) Options (continued)

On 10 November 2023, the Company issued 2,200,000 options exercisable at \$0.29 each expiring on 10 November 2027 under the Company's Employee Securities Incentive Plan.

Options granted have been valued using the Black-Scholes Option Valuation model, which takes account of factors including the option exercise price, the current level and volatility of the underlying share price, the risk-free interest rate, expected dividends on the underlying share, current market price of the underlying share and the expected life of the option. See below for the assumptions used for grants made during the year.

	Employee Options
Number of options	2,200,000
Exercise price (cents)	29
Issue date	10-Nov-23
Expiry date	10-Nov-27
Life of the options (years)	4
Volatility	100%
Risk free rate	4.31%
Fair value at grant date (cents)	12.6
Share price at grant date (cents)	19.5

The options vest immediately. The options were valued at \$277,200 with the share-based payment expense recognised the Statement of Profit or Loss and Other Comprehensive Income.

c) Performance Rights

At 31 December 2023, a summary of the Company Performance Rights in issue are as follows:

Tranche	Grant date	Expiry date	Balance at the start of the period	Granted during the period	Exercised during the period	Expired during the period	Balance at the end of the period	% vested
A	9-Nov-23	10-Nov-28	-	1,750,000	-	-	1,750,000	Nil
B	9-Nov-23	10-Nov-28	-	1,750,000	-	-	1,750,000	Nil
			-	3,500,000	-	-	3,500,000	

On 9 November 2023, the shareholders approved the grant of 3,500,000 Performance Rights to the Directors, with the vesting terms as below:

- 1) Tranche A shall vest upon the Company's VWAP being at least \$0.30 over 20 consecutive trading days on which the Company's shares have actually traded (commencing after 9 November 2023).
- 2) Tranche A shall vest upon the Company's VWAP being at least \$0.40 over 20 consecutive trading days on which the Company's shares have actually traded (commencing after 9 November 2023).

The Performance Rights will expire and lapse if the Director ceases employment with the Company.

METAL HAWK LIMITED
NOTES TO THE FINANCIAL STATEMENTS

7.1 SHARE BASED PAYMENTS (continued)

c) Performance Rights (continued)

Performance Rights granted have been valued using the Trinomial Barrier Option Valuation model, which takes account of factors including the option exercise price and barrier price, the current level and volatility of the underlying share price, the risk-free interest rate, expected dividends on the underlying share, current market price of the underlying share and the expected life of the option. See below for the assumptions used for grants made during the year.

	Tranche A Performance Rights	Tranche B Performance Rights
Number of options	1,750,000	1,750,000
Exercise price (cents)	-	-
Barrier price (cents)	30	40
Grant date	9-Nov-23	9-Nov-23
Expiry date	10-Nov-28	10-Nov-28
Life of the options (years)	5	5
Volatility	100%	100%
Risk free rate	4.22%	4.22%
Fair value at grant date (cents)	18.40	17.90
Share price at grant date (cents)	19.50	19.50

The Tranche A and B Performance Rights were valued at \$635,250 and expensed over the life of the Performance Rights of 5 years. Share-based payment expense of \$18,070 was recognised in the Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 31 December 2023.

7.2 SUBSEQUENT EVENTS

There have been no other matters or circumstances that have arisen since the end of the financial year that have significantly affected, or may significantly affect, the operations of the Company, the results of these operations, or the state of affairs of the Company in future financial years.

7.3 RELATED PARTY TRANSACTIONS

During the half-year ended 31 December 2023, the Company issued 1,750,000 options and 3,500,000 Performance Rights to Directors of the Company, as disclosed above in note 7.1. The Company was assigned a 3-year office lease from Pennock Pty Ltd, a company associated with Director David Pennock, with details disclosed in Note 5.2 and 5.3. The assignment has been entered into on arms-length terms. No other related party transactions occurred during the half-year ended 31 December 2023.

7.4 CONTINGENT LIABILITIES

The Company is not aware of any significant contingencies arising since the last annual reporting date.

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Metal Hawk Limited (the "Company"):
 - (a) the accompanying interim financial statements and notes are in accordance with the *Corporations Act 2001* including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2023 and of its performance for the half-year then ended; and
 - (ii) complying with Australian Accounting Standards, the *Corporations Regulations 2001*, professional reporting requirements and other mandatory requirements.
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
 - (c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the *Corporations Act 2001* for the half-year ended 31 December 2023.

This declaration is signed in accordance with a resolution of the Board of Directors.

Dated at Perth 12th of March 2024.



WILLIAM BELBIN
Director

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Metal Hawk Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Metal Hawk Limited (the Company), which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year ended on that date, a summary of significant 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 the Company does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Company's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and
- (ii) 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*. 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 the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibility of the directors for the 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.

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. 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 Company's financial position as at 31 December 2023 and its financial 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.

BDO Audit (WA) Pty Ltd

BDO


Dean Just

Director

Perth, 12 March 2024