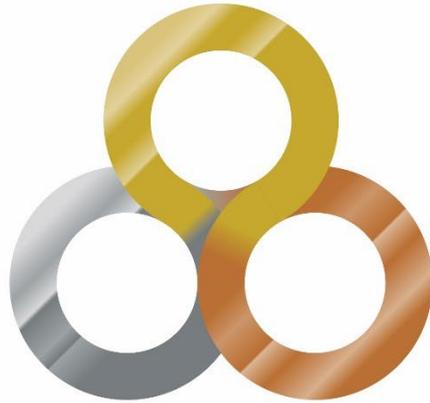


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MEDALLION METALS

L I M I T E D

Interim Financial Report
For the half year ended 31 December 2023

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PREVIOUSLY REPORTED INFORMATION

References in this report may have been made to certain ASX announcements, including exploration results, Mineral Resources, Ore Reserves, production targets and forecast financial information. For full details, refer to said announcement on said date. The Company is not aware of any new information or data that materially affects this information. Other than as specified in this report and other mentioned announcements, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement(s), and in the case of estimates of Mineral Resources, Ore Reserves, production targets and forecast financial information that all material assumptions and technical parameters underpinning the estimates in the relevant announcement continue to apply and have not materially changed other than as it relates to the content of this announcement. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original announcement.

Corporate directory

Directors

John Fitzgerald	Non-Executive Director, Chair
Tony James	Non-Executive Director
Paul Bennett	Managing Director

Management

Ben Larkin	Chief Financial Officer & Company Secretary
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Level 5, 191 St Georges Terrace
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Telephone: 1300 288 664
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Website: www.automicgroup.com.au

Stock Exchange Listing

ASX Ltd
ASX code: MM8

Auditor

BDO Audit (WA) Pty Ltd
Level 9
Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000
Telephone: +61 8 6382 4600

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Directors' Report

Directors' report for the six months ended 31 December 2023

The directors of Medallion Metals Limited (the **Company** or **Medallion**) present their report together with the consolidated interim financial statements of the Medallion group, being the Company and its subsidiaries (together the **Group**), for the six months ended 31 December 2023 (the **period**) and the auditor's review report thereon.

Directors

The directors of the Company at any time during or since the end of the period are as set out below. Directors were in office for the entire period unless otherwise stated.

Mr John Fitzgerald	Non-Executive Director, Chair
Mr Paul Bennett	Managing Director
Mr Anthony (Tony) James	Non-Executive Director

Financial performance

The Company's net loss after tax attributable to the shareholders for the half year to 31 December 2023 was \$1,253,666 (31 December 2022 loss: \$1,965,096). The Company's net assets increased during the half year by \$3,646,067 (31 December 2022 increased: \$3,041,866). The Company's cash position, inclusive of restricted cash, as at 31 December 2023 was \$2,633,611 (31 December 2022: \$2,839,513).

Review of operations

Project location

The Company's projects are located in the Goldfields-Esperance region of Western Australia approximately 550km from Perth, comprising approximately 300km² of mineral tenure straddling the boundary of the Annabelle Volcanics and the Ravensthorpe Tonalite. It is this corridor that has hosted the majority of historical gold and copper production from the region and is host to the Medallion's existing gold-copper Mineral Resources and regional prospects.

Exploration and evaluation activities

The Company's exploration and evaluation efforts during the period have been focussed on the Kundip Mining Centre (**KMC**) at the southeast end of at the Ravensthorpe Gold Project (**RGP**) (Figure 1).

Directors' Report

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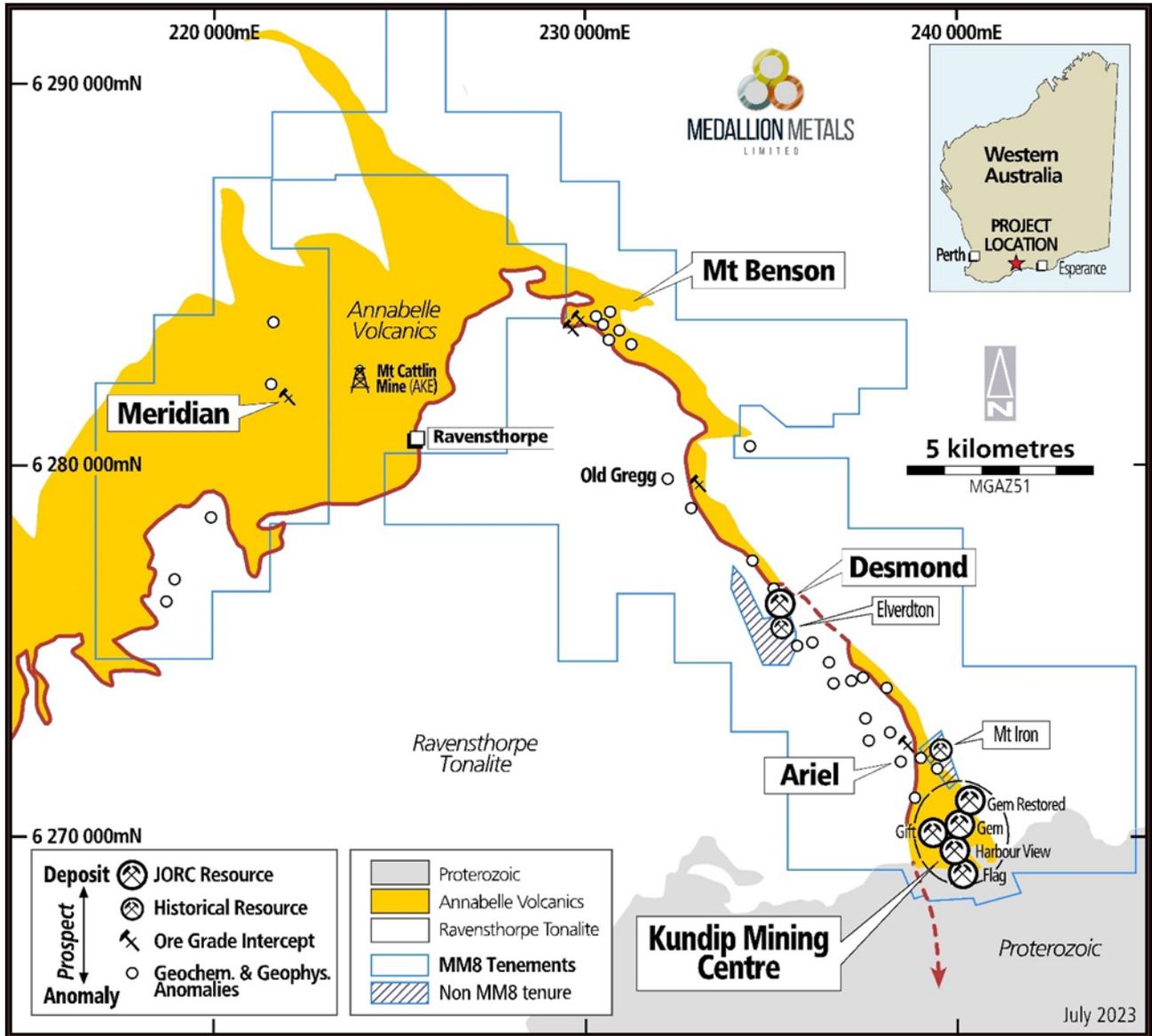


Figure 1: Plan view of the Ravensthorpe Gold Project highlighting Medallion's dominant ground holding over the Annabelle Volcanics. The Kundip Mining Centre is situated at the south-east extent of the belt.

Pre-Feasibility Study

In October 2023, Medallion completed a Pre-Feasibility Study (PFS or Study) evaluating the technical and commercial viability of developing the Mineral Resources within KMC, which is currently host to a Mineral Resource Estimate of 1.3 Moz gold and 59 kt copper¹.

The PFS considered the development of a standalone gold and copper mining and processing operation at KMC. The Study assessed open pit and underground mining and processing utilising an industry standard processing flow sheet comprising gravity, flotation and cyanidation of flotation tailings to recover gold, copper and silver to saleable products (concentrate & doré).

The PFS concluded that KMC is both technically and commercially viable. The proposed development of KMC presents an opportunity for Medallion to establish and grow a gold and copper mining and processing business with an attractive risk-return profile and clear potential to further enhance returns through the expansion of production rates and extensions to mine life. Key PFS statistics are summarised below².

¹ Refer to the Company's ASX announcement 13 February 2023 for further details regarding the Mineral Resource Estimate.

² Refer to the Company's ASX announcement 23 October 2023 for further details regarding the PFS.

Directors' Report

- Nameplate process throughput: 1.5Mtpa (Fresh)
- Production Inventory: 13.9Mt @ 1.8 g/t Au & 0.2 % Cu
 - Open pit: 11.7Mt @ 1.5 g/t Au & 0.2 % Cu
 - Underground: 2.3Mt @ 3.5 g/t Au & 0.6 % Cu
- Metal recovered for sale: 777 koz Au & 16 kt Cu

Financial outcomes and assumptions are shown in Table 1 below (Australian dollars, unless otherwise stated).

Financial		Base	Spot ³
Net Smelter Return (Net Revenue)	\$m	2,424	2,609
Operating	\$m	(1,341)	(1,347)
Capital (pre-production)	\$m	(163)	(163)
Capital (sustaining)	\$m	(134)	(134)
Capital (non-sustaining)	\$m	(8)	(8)
Pre-tax Cashflow	\$m	779	958
Tax paid	\$m	(220)	(274)
Post-tax Cashflow	\$m	559	684
All-In Sustaining Costs (AISC)	\$/oz	1,577	1,558
NPV(7)	\$m	309	392
IRR	%pa	35	42
Payback	yrs	3.0	2.6
Assumptions			
Au price	US\$/oz	1,875	1,980
Ag price	US\$/oz	20	23
Cu price	US\$/t	7,275	7,915
Exchange rate	AU\$:US\$	0.64	0.63

Table 1: KMC PFS Key Outcomes & Assumptions

³ Spot prices observed as at the time of the Study.

Directors' Report

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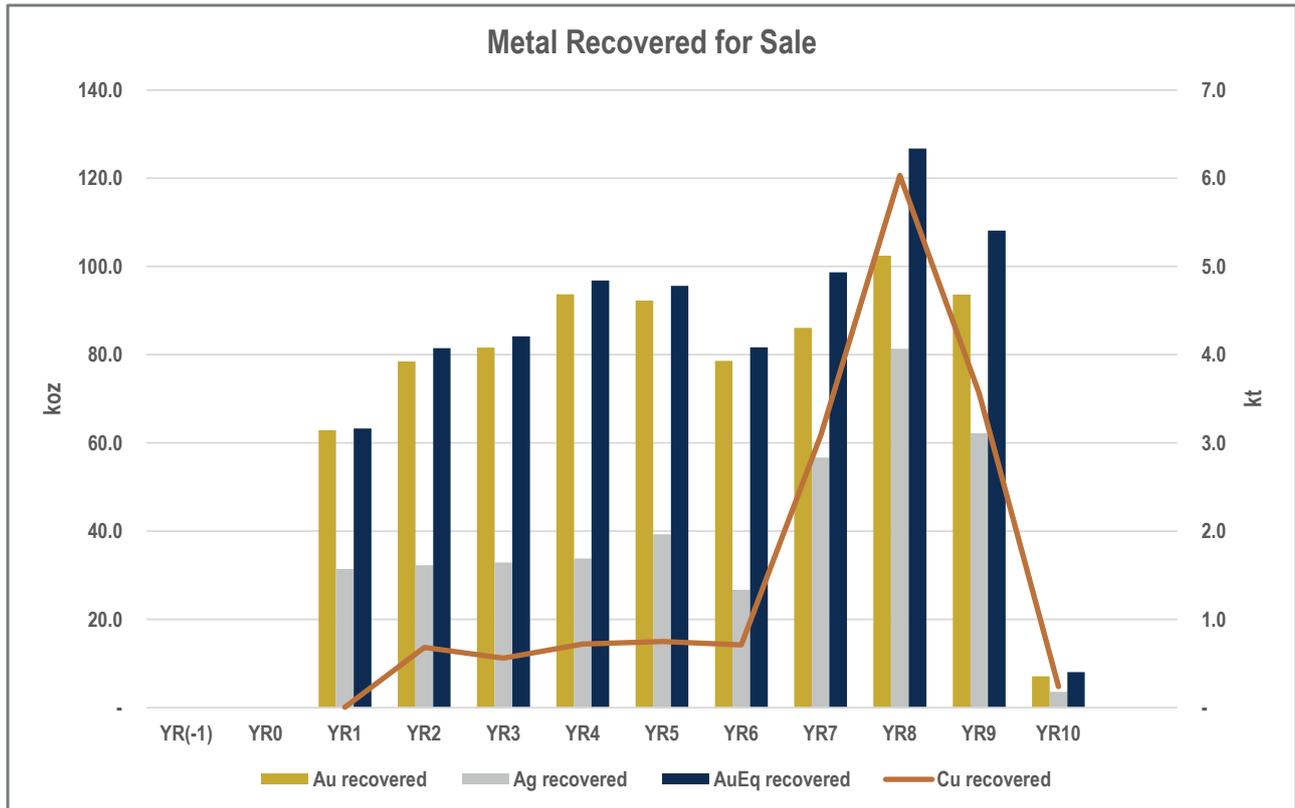


Figure 2: Life of mine metal recovered for sale

The completion of the PFS represents a significant de-risking milestone for RGP. The favourable cost structure in AISC terms provides outstanding leverage to the Australian dollar gold price which is currently trading at or near record levels. Coupled with multiple opportunities to enhance returns through resource growth and new discovery, RGP is progressing into a unique greenfield gold development asset in a Tier 1 jurisdiction.

Medallion will continue to advance RGP toward a Final Investment Decision (FID) through successive de-risking activities which are logically linked and able to be funded from cash reserves available at the time.

Ravensthorpe Camp

Medallion's 89-person Worker Accommodation Village (**Camp**) located in the regional centre of Ravensthorpe continued to provide accommodation services to third party businesses operating in the region. In September 2023, Medallion entered into a sub-lease to grant full access and operation of the Camp to Galaxy Lithium Australia Pty Ltd (**Galaxy**), a subsidiary of Allkem Limited (subsequently renamed Arcadium Limited (ASX: LTM)).

The sub-lease commenced on 1 October 2023 and has a term of 18 months. Sub-lease rent due over the term is \$2.2 million in three equal instalments. The first instalment was received on 30 September 2023 and the final instalment is due on 30 September 2024.

Galaxy must maintain the Camp in good working order and is responsible for all outgoings during the term of the sub-lease.

Medallion will retain access to accommodation and catering services at the Camp throughout the sub-lease term, enabling the Company to carry out planned exploration and other activities at RGP.

NickelSearch Investment

Medallion holds approximately 16 million NickelSearch Limited (ASX:NIS, **NickelSearch**) shares, a lithium and nickel explorer with projects in Ravensthorpe region of Western Australia. Medallion acquired the interest in NickelSearch following the divestment of the RAV8 Nickel Project and certain mineral rights over select tenure in 2021. The market value of this shareholding as at 31 December 2023 was approximately \$1.1 million.

Directors' Report

Capital Raising

During the period, Medallion completed a \$5 million capital raising, comprising of:

- a placement to raise approximately \$2 million (**Placement**) at 6.5 cents per share; and
- a fully underwritten pro-rata, non-renounceable entitlement issue at the same price as the Placement to raise approximately \$3 million (**Rights Issue**).

Medallion's major shareholder, Bolong (Australia) Investment Management Pty Ltd, participated in the capital raising by way of conversion of approximately \$1.1 million of loan principal, reducing the remaining principal to approximately \$2.9 million at the completion of the Placement and Rights Issue.

Updated Ore Reserve Estimate

In January 2024, the Company released an updated Ore Reserve Estimate (ORE) at RGP⁴. Probable Ore Reserves now stand at 610koz of gold and 24kt of copper, a substantial increase from the previous ORE of 270koz gold.

Subsequent events

There have been no events subsequent to balance date which would have a material effect on the Group's interim financial report.

Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 21 and forms part of the directors' report for the six months ended 31 December 2023.

This report is made with a resolution of the directors:



Paul Bennett

Managing Director

Dated at Perth, this 13th day of March 2024

⁴ Refer to the Company's ASX announcement 9 January 2024 for further details regarding the Ore Resource Estimate.

Consolidated interim financial statements

Consolidated interim statement of financial position

As at 31 December 2023

	Note	Dec 2023 \$	Jun 2023 \$
Assets			
Cash and cash equivalents		2,559,307	423,514
Restricted cash		74,304	74,304
Prepayments		29,849	72,323
Trade and other receivables		20,022	350,007
Total current assets		2,683,482	920,148
Financial assets at fair value through profit or loss	5	1,099,956	927,106
Exploration and evaluation assets	6	13,210,163	12,740,005
Property, plant and equipment	7	866,225	911,621
Right of use assets		51,570	87,255
Total non-current assets		15,227,914	14,665,987
Total assets		17,911,396	15,586,135
Liabilities			
Trade and other payables		(212,979)	(788,539)
Deferred rent	8	(366,667)	-
Lease liabilities		(56,121)	(69,799)
Employee benefits		(150,071)	(147,862)
Total current liabilities		(785,838)	(1,006,200)
Lease liabilities		-	(26,245)
Employee benefits		(48,276)	(38,885)
Borrowings	9	(2,916,410)	(4,000,000)
Provisions		(698,552)	(698,552)
Total non-current liabilities		(3,663,238)	(4,763,682)
Total liabilities		(4,449,076)	(5,769,882)
Net assets		13,462,320	9,816,253
Equity			
Share capital	10	32,822,889	28,335,278
Reserves		3,928,895	3,516,773
Accumulated losses		(23,289,464)	(22,035,798)
Total equity		13,462,320	9,816,253

The notes on pages 13 to 17 are an integral part of these consolidated interim financial statements.

Consolidated interim financial statements

Consolidated interim statement of profit or loss and other comprehensive income

For the six months ended 31 December 2023

	Note	Dec 2023 \$	Dec 2022 \$
Camp sub-lease income		366,667	-
Camp revenue		757,936	1,539,773
Grants and subsidies		-	14,954
Administrative expenses		(840,227)	(970,228)
Share-based payment expenses		(195,005)	(75,942)
Exploration and evaluation expenses		(1,457,949)	(2,846,387)
Changes in fair value of financial assets at fair value through profit or loss	5	172,850	471,410
Results from operating activities		(1,195,728)	(1,866,420)
Finance income		44,107	29,642
Finance expense		(102,045)	(128,318)
Net finance expense		(57,938)	(98,676)
Income tax benefit/(expense)		-	-
Loss for the period after income tax		(1,253,666)	(1,965,096)
Other comprehensive profit/(loss)			
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive profit/(loss) for the period net of tax		-	-
Total comprehensive loss for the period		(1,253,666)	(1,965,096)
Earnings per share			
Basic loss per share		(0.00)	(0.01)
Diluted loss per share		(0.00)	(0.01)

The notes on pages 13 to 17 are an integral part of these consolidated interim financial statements.

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Consolidated interim financial statements

Consolidated interim statement of changes in equity

For the six months ended 31 December 2023

	Note	Share Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
Balance 1 July 2022		23,436,069	3,393,493	(16,944,050)	9,885,512
Total comprehensive loss for the period					
Loss for the period		-	-	(1,965,096)	(1,965,096)
Total comprehensive loss for the period		-	-	(1,965,096)	(1,965,096)
Transactions with owners recorded directly in equity					
contributions by and distributions to owners					
Issue of shares, net of costs		4,931,020	-	-	4,931,020
Share based payments		-	75,942	-	75,942
Total contributions by and distributions to owners		4,931,020	75,942	-	5,006,962
Balance as at 31 December 2022		28,367,089	3,469,435	(18,909,146)	12,927,378

	Note	Share Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
Balance 1 July 2023		28,335,278	3,516,773	(22,035,798)	9,816,253
Total comprehensive loss for the period					
Loss for the period		-	-	(1,253,666)	(1,253,666)
Total comprehensive loss for the period		-	-	(1,253,666)	(1,253,666)
Transactions with owners recorded directly in equity					
contributions by and distributions to owners					
Issue of shares, net of costs	10	4,487,611	-	-	4,487,611
Share based payments	11	-	412,122	-	412,122
Total contributions by and distributions to owners		4,487,611	412,122	-	4,899,733
Balance as at 31 December 2023		32,822,889	3,928,895	(23,289,464)	13,462,320

The notes on pages 13 to 17 are an integral part of these consolidated interim financial statements.

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Consolidated interim financial statements

Consolidated interim statement of cash flows

For the six months ended 31 December 2023

	Dec 2023	Dec 2022
	\$	\$
Cash flows from operating activities		
Loss for the period	(1,253,666)	(1,965,096)
Adjustments for:		
Depreciation	81,862	78,823
Net finance costs	51,176	91,917
Changes in fair value of listed equity instruments	(172,850)	(471,410)
Equity settled share based payment transactions	195,005	75,943
	(1,098,473)	(2,189,823)
Changes in:		
Prepayments	42,474	48,722
Trade and other receivables	696,653	(52,215)
Trade and other payables	(559,830)	(492,089)
Employee benefits and provisions	11,599	100,340
Net cash used in operating activities	(907,577)	(2,585,065)
Cash flows from investing activities		
Interest received	43,213	29,069
Payments for property, plant & equipment	(787)	(89,948)
Payments for exploration and evaluation assets	(470,158)	(1,203,975)
Net cash used in investing activities	(427,732)	(1,264,854)
Cash flows from financing activities		
Proceeds from the issue of shares, net of costs	3,621,138	4,931,020
Payments for interest on borrowings	(110,119)	(120,329)
Payments for lease liabilities	(39,917)	(39,632)
Net cash provided by/(used in) financing activities	3,471,102	4,771,059
Net decrease in cash and cash equivalents	2,135,793	921,140
Cash and cash equivalents as at 30 June	423,514	1,844,070
Cash and cash equivalents as at 31 December	2,559,307	2,765,210

The notes on pages 13 to 17 are an integral part of these consolidated interim financial statements.

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Notes to the consolidated interim financial statements

1. Reporting entity

Medallion Metals Limited (the **Company**) is a for profit public company limited by shares and incorporated in Australia.

The consolidated interim financial statements of the Company as at and for the period from 1 July 2023 to 31 December 2023 comprise the Company and its subsidiaries (together referred to as the **Group**). The nature of the operations and principal activities of the Group are as described in the Directors' Report.

2. Statement of compliance

The consolidated interim financial statements are a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated annual report of the Group as at and for the year ended 30 June 2023.

The consolidated interim financial statements were approved by the Board of Directors on 13 March 2024.

3. Basis of preparation

a) Significant accounting policies, judgements and estimates

Except as noted below, the accounting policies, significant judgements and estimates applied by the Group in these consolidated interim financial statements are the same as those applied by the Group in its consolidated annual financial report as at and for the year ended 30 June 2023.

(i) Sub-lease

As described in note 8, the Company has entered into a 18 month sub-lease agreement in respect of its workers accommodation village (**Sub-Lease**).

AASB 16 'Leases' requires that a lessor classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not.

The Group has assessed that the Sub-Lease is an operating lease according to the criteria described in AASB 16 and has accounted for the Sub-Lease on this basis. Accordingly, the Company has retained the head lease liability and the right-of-use asset relating to the head lease in its statement of financial position.

Income received (**Rent**) from the Sub-Lease is recognised on a straight-line basis in profit or loss over the term of the Sub-Lease. Prepaid Rent is recognised 'Deferred Rent', a liability in the statement of financial position and transferred to profit or loss on a straight line basis as earned.

4. Segments

Operating segments

The Group identifies its operating segments based on the internal reports that are reviewed and used by the Managing Director (the 'Chief Operating Decision Maker') in assessing performance and determining the allocation of resources.

The Group has one reportable segment, 'Mineral Exploration', which is the Group's strategic business unit.

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of activities earning revenue. Segment assets are based on the geographical location of assets.

The Group conducts all its activities within Australia and accordingly has assessed its sole geographical segment to be Australia.

Notes to the consolidated interim financial statements

5. Financial assets at fair value through profit or loss

	Dec 2023	Jun 2023
	\$	\$
Opening balance	927,106	2,042,776
Changes in fair value of listed equity instruments recognised in profit or loss	172,850	(1,115,670)
Balance at the end of the period	1,099,956	927,106
Current	-	-
Non-current	1,099,956	927,106
Balance at the end of the period	1,099,956	927,106

The Company's financial assets at fair value through profit or loss comprise of 15,713,662 NickelSearch Limited (ASX: NIS, **NickelSearch**) shares which were issued as consideration for the divestment of the Company's nickel prospective tenure.

As the closing NickelSearch share price on the ASX as at 31 December 2023 was \$0.07 per share, which is higher than the price of \$0.06 per share at 30 June 2023, an unrealised gain of \$172,850 has been recognised as at the end of the period.

6. Exploration and evaluation assets

	Dec 2023	Jun 2023
	\$	\$
Cost		
Opening balance	12,740,005	10,708,100
Additions	470,158	2,031,905
Disposals	-	-
Balance at the end of the period	13,210,163	12,740,005

7. Property, plant and equipment

	Land & buildings	Plant & equipment	Motor vehicles	Office equipment	Total
31 December 2023	\$	\$	\$	\$	\$
Cost					
Opening balance	448,639	487,833	114,357	104,551	1,155,380
Additions	-	1,977	-	-	1,977
Disposals	-	-	-	(2,457)	(2,457)
Balance as at 31 December 2023	448,639	489,810	114,357	102,094	1,154,900
Depreciation					
Opening balance	(7,881)	(131,230)	(54,770)	(49,878)	(243,759)
Depreciation	(1,989)	(24,465)	(7,206)	(12,519)	(46,179)
Disposals	-	-	-	1,263	1,263
Balance as at 31 December 2023	(9,870)	(155,695)	(61,976)	(61,134)	(288,675)
Carrying amount					
Opening balance	444,704	303,811	73,882	72,188	894,585
Balance as at 31 December 2023	438,769	334,115	52,381	40,960	866,225

Notes to the consolidated interim financial statements

	Land & buildings	Plant & equipment	Motor vehicles	Office equipment	Total
30 June 2023	\$	\$	\$	\$	\$
Cost					
Opening balance	448,639	389,526	114,357	97,811	1,050,333
Additions	-	101,757	-	8,387	110,144
Disposals	-	(3,450)	-	(1,647)	(5,097)
Balance as at 30 June 2023	448,639	487,833	114,357	104,551	1,155,380
Depreciation					
Opening balance	(3,935)	(85,715)	(40,475)	(25,623)	(155,748)
Depreciation	(3,946)	(45,977)	(14,295)	(24,819)	(89,037)
Disposals	-	462	-	564	1,026
Balance as at 30 June 2023	(7,881)	(131,230)	(54,770)	(49,878)	(243,759)
Carrying amount					
Opening balance	444,704	303,811	73,882	72,188	894,585
Balance as at 30 June 2023	440,758	356,603	59,587	54,673	911,621

8. Deferred rent

	Dec 2023	Jun 2023
	\$	\$
Opening balance	-	-
Additions during the period	(733,334)	-
Transfers to profit or loss during the period	366,667	-
Balance at the end of the period	(366,667)	-
Current	(366,667)	-
Non-current	-	-
Balance at the end of the period	(366,667)	-

During the period, the Company entered into a sub-lease for its 89 person workers accommodation village with a third party. The Sub-Lease commenced on 1 October 2023 and has a term of 18 months.

Total Rent due over the term is \$2.2 million, payable in 3 equal instalments. The first instalment was paid on 30 September 2023 and represented 6 months of Rent paid in advance. As at balance date, 3 months of Rent remains prepaid and is presented as deferred rent.

9. Borrowings

	Dec 2023	Jun 2023
	\$	\$
Unsecured borrowings	4,000,000	4,000,000
Conversion of borrowings to ordinary shares	(1,083,590)	-
Balance at the end of the period	2,916,410	4,000,000
Non-current	2,916,410	4,000,000
Balance at the end of the period	2,916,410	4,000,000

Notes to the consolidated interim financial statements

During the period, a portion of the unsecured borrowings was converted to fully paid ordinary shares. Refer to note 10 for further information.

The terms and conditions of the Bolong loan have not been amended during or since the end of the period. The loan remains unsecured and not repayable unless there is a change of control event or a decision to develop the Ravensthorpe Gold Project is made.

10. Share capital

	Dec 2023	Jun 2023	Dec 2023	Jun 2023
Ordinary share capital	shares	shares	\$	\$
On issue at the beginning of the period	230,632,518	195,680,115	28,335,278	23,436,069
Issued for cash, net of costs	60,225,116	32,613,353	3,404,021	4,882,609
Issued in the conversion of borrowings	16,670,618	-	1,083,590	-
Exercise of incentive options	123,400	2,339,050	-	16,600
On issue at the end of the period	307,651,652	230,632,518	32,822,889	28,335,278

During July to August 2023, the Company closed a placement and a fully underwritten non-renounceable entitlement issue (**Capital Raising**) issuing 76,895,734 shares at an issue price of \$0.065 per share.

\$3,914,633 was raised in cash (before costs) through the issue of 60,225,116 shares. The Company's major shareholder, Bolong (Australia) Investment Management Pty Ltd (Bolong), elected to participate in the Capital Raising by way of conversion of \$1,083,590 of loan principal, resulting in the issue of 16,670,618 fully paid ordinary shares.

Cash costs associated with the Capital Raising recognised as equity transaction costs were \$293,495. Additional non-cash costs of \$217,117 were recognised as equity transaction costs in respect of options granted to the lead managers of the Capital Raising, which have been accounted for as a share-based payment. Refer to note 11(b) for further information.

Refer to note 11(a) for further information regarding the 123,400 incentive options exercised during the period.

11. Share based payments

(a) Incentive Options Plan

The Group has an established Incentive Options Plans (**IOP**) under which directors, employees and certain other eligible participants may be offered options to acquire shares in the Company, subject to the terms of the IOP and any additional terms and conditions as the Company determines (**Incentive Options**).

There were no movements in options held by key management personnel (**KMP**) during the period.

Incentive Options granted during the period

During the period, the Company issued 157,500 Incentive Options to employees of the Company under the IOP. The options have an exercise price of \$0.00 per option, 32,500 expiring on 15 March 2027 and the remaining 125,000 expiring on 26 November 2027. The options are subject to the following vesting criteria:

- One third vest upon declaring JORC 2012 Mineral Resource Estimate of at least 2 million AuEq ounces at greater than 0.5 g/t AuEq cut-off grade at RGP;
- One third vest upon declaring a JORC 2012 Ore Reserve Estimate for RGP of at least 1 million AuEq ounces; and
- One third vest upon approving a final investment decision to proceed to develop a mine at RGP.

The grant date fair value of the options was determined as \$10,553 (\$0.067 per option) and was measured using the Black-Scholes Option Pricing Model. The inputs used to determine the fair value of options granted during the period were:

Notes to the consolidated interim financial statements

	Employee grant 2 August 2023
Fair value at grant date	\$0.067
Inputs	
Share price	\$0.067
Expected dividends	-
Contractual life (weighted average years)	4.2
Option exercise price	\$0.00
Expected volatility of the underlying shares	90.0%
Risk free rate applied	3.7%

Incentive Options expense recognised during the period

The Company has recognised a share based payments expense of \$195,005 in respect of Incentive Options during the period.

Incentive Options exercised during the period

123,400 Incentive Options were exercised by employees of the Company at a zero exercise price per option per option during the period.

(b) Lead Manager Options

The Company mandated Canaccord Genuity (Australia) Limited and Morgans Corporate Limited to provide joint lead management and underwriting services in relation to the Capital Raising referred to in note 10 (**Mandate**). The terms of the Mandate included the issue of 7 million options exercisable at \$0.0975 per option on or before 8 August 2026 (**Lead Manager Options**).

The grant date fair value of the Lead Manager Options was measured using the Black-Scholes formula. The inputs used to determine the fair value of the options granted were:

	Lead Manager grant 9 August 2023
Fair value at grant date	\$0.031
Inputs	
Share price	\$0.063
Expected dividends	-
Contractual life (years)	3.0
Option exercise price	\$0.10
Expected volatility of the underlying shares	90.0%
Risk free rate applied	3.7%

The resultant fair value of the Lead Manager Options was \$217,117, which was fully recognised in equity transaction costs on the grant date.

12. Subsequent events

There have been no events subsequent to balance date which would have a material effect on the Group's consolidated interim financial statements.

Directors' declaration

1. In the opinion of the directors of Medallion Metals Limited (the **Company**):
 - (a) the consolidated interim financial statements and notes 1 to 12 that are contained within are in accordance with the Corporations Act 2001, including:
 - (i) 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
 - (ii) complying with Australian Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
 - (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.

Signed in accordance with a resolution of the directors:



Paul Bennett
Managing Director

Dated at Perth, this 13th day of March 2024

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Medallion Metals Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Medallion Metals Limited (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated 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 Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group'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 Group’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



Glyn O’Brien

Director

Perth, 13 March 2024

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DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF MEDALLION METALS LIMITED

As lead auditor for the review of Medallion Metals 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.

This declaration is in respect of Medallion Metals Limited and the entity it controlled during the period.



Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth

13 March 2024