

# HALF YEAR REPORT

ASX : MTM

31 DECEMBER 2023

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**MTM**  
CRITICAL METALS

### Directors and Company Secretary

John Hannaford - Non-Executive Chairman  
Lachlan Reynolds – Managing Director  
David Izzard – Non-Executive Director  
Anthony Hadley – Non-Executive Director

Simon Adams - Company Secretary

### Registered and Principal Office

Suite 2, 38 Colin Street  
West Perth 6005  
Western Australia  
Telephone: +61 8 6391 0112  
Internet: [www.mtmcriticalmetals.com.au](http://www.mtmcriticalmetals.com.au)

### Share Register

Automic Group  
Level 5, 191 St Georges Terrace  
Perth WA 6000  
Phone: 1300 288 664  
Web: [www.automicgroup.com.au](http://www.automicgroup.com.au)

### Securities Exchange Listing

Australian Securities Exchange Limited  
Home Branch – Perth  
Level 40, Central Park  
152-158 St George's Terrace  
Perth WA 6000

### ASX Code

MTM - Fully paid ordinary shares

### Solicitors

Hamilton Locke  
Level 48, 152-158 St George's Terrace  
Perth WA 6000

### Auditor

Hall Chadwick WA Audit Pty Ltd  
283 Rokeby Road  
Subiaco WA 6008

## Director's Report 31 December 2023

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The Directors of MTM Critical Metals Limited (the "Company" or "MTM" and reference to MTM Critical Metals Limited and its subsidiaries as the "Group") present their report on the Company for the period ended 31 December 2023 ("Period").

### Directors

John Andrew Hannaford – Non-executive Chairman  
Lachlan John Reynolds – Managing Director  
David John Izzard – Non-Executive Director  
Anthony Hadley – Non-Executive Director

### Review of Operations

The principal activities of the Company during the financial period were the exploration of mineral tenements in the Abitibi region of Quebec, Canada and in Eastern Goldfields region of Western Australia.

The Company has no reported mineral resources or ore reserves.

### Pomme REE-Nb Project

MTM entered into a binding option agreement with Geomega Resources, Inc. to acquire a 100% interest in the Pomme claims located in Québec, Canada in February 2023. The Pomme Project (27.7km<sup>2</sup>) is located adjacent to the world-class Montviel REE-Nb deposit (owned by Geomega Resources, Inc.), that has a defined total indicated and inferred resource of 266 million tonnes (Mt) @ 1.45% TREO & 0.14% Nb<sub>2</sub>O<sub>5</sub>. In August 2023, the company entered into a second agreement with Geomega Resources, Inc. to acquire the Montviel South Project, also in Québec. The Company is advancing exploration at Pomme to discover a REE-Nb resource.

- A program of 13 diamond drill holes for 5,718 metres of drilling was completed in the 6 months to 31 December 2023 at the Pomme Project, to evaluate the overall geology of the carbonatite complex and define the grade and continuity of the rare earth element (REE) and niobium (Nb) mineralisation that it contains.
- Visual REE mineralisation was identified in all drill holes, indicating a very large mineralised system within the Pomme carbonatite complex, over a >2km<sup>2</sup> area.
- Assay results for the drill holes indicated significant total rare earth oxide (TREO) and niobium mineralisation occurs within the carbonatite complex. Broad zones of consistently mineralised rocks extend over intersections greater than 500m downhole. Importantly, these zones contain intervals of higher-grade mineralisation. Assays confirm that a significant proportion of the TREO grade is high value magnet REE mineralisation - neodymium (Nd) and praseodymium (Pr).
- MTM subsequently bolstered its portfolio of highly prospective REE-Nb targets in Québec, entering into a second binding option agreement with Geomega Resources Inc. to acquire a 100% interest in the Montviel South Project (11.1 km<sup>2</sup>). The new project is located 10km south of MTM's Pomme Project. A program of mapping and geochemical sampling was completed during the reporting period.

### East Laverton Project

The East Laverton Project covers 1,900km<sup>2</sup> in the prolific Eastern Goldfields region of Western Australia and hosts an emerging district-scale REE mineralisation opportunity at Point Kidman in the north of the project as well as gold and base metals anomalies at Seahorse in the south.

- Preliminary metallurgical test work on composite drilling samples collected from the Point Kidman REE prospect showed that there are significant opportunities to potentially optimise the future processing of the clay-hosted mineralisation. Basic metallurgical tests including analysis of different size fractions and leach tests were completed to evaluate recovery of REEs from widespread clay-hosted mineralisation identified by previous aircore drilling.
- A substantial uplift in head grade and rejection of low-grade material was achieved by simple particle size separation. Analysis of the different fraction sizes show that removal of coarse size particles substantial increases in TREE grades, with the average grade generally increasing in progressively finer particle sizes.
- Metallurgical test work results have shown that the majority of mineralisation is not associated with ionic clays. The REE's are instead likely contained within ultrafine REE particles, oxidised rare earth carbonate or rare earth oxide minerals. Recovery of these REE's can be achieved via acid leaching, requiring higher acid concentrations. These results are comparable with the majority of known REE clays projects in Western Australia.

### **Mt Monger Project**

The Mt Monger Gold Project is centred approximately 45km east-northeast of Kambalda and 70km to the southeast of Kalgoorlie-Boulder, within the Goldfields Region of Western Australia. The project comprises exploration tenements covering an area of about 80km<sup>2</sup> and is prospective for gold mineralisation.

- No fieldwork was completed at the Mt Monger project during the reporting period. The Company is assessing strategic options for this project.

### **Ravensthorpe Project**

The Ravensthorpe Project covers a number of exploration licences in Western Australia's Albany-Fraser Orogen and is prospective for a suite of battery metals, including lithium, graphite, nickel-copper-PGE, REE and gold mineralisation. There are numerous active mining operations, project developments and exploration projects in the region.

- No fieldwork was completed at the Ravensthorpe project during the reporting period. The Company completed a strategic review of the project and is currently undertaking a process to divest its exploration licences in the project areas in order to focus on higher priority exploration project held by the Company.

### **Flash Metals Acquisition**

In December 2023, MTM announced it had entered into a binding agreement to acquire 100% of Flash Metals Pty Ltd, the beneficial owner of exploration licenses prospective for niobium (Nb) and rare earth elements (REE) in the West Arunta and South West (Mukinbudin) regions of Western Australia.

- Covering around 140km<sup>2</sup>, the three granted West Arunta Nb-REE licences are located immediately adjacent to tenements held by WA1 Resources Limited and Encounter Resources Limited where niobium-REE mineralised carbonatites have recently been discovered.
- The Flash transaction also includes the acquisition of the Mukinbudin Nb-REE Project, comprising of two exploration licences (approx. 74km<sup>2</sup>) located 250km northeast of Perth in the South West Mineral Field of Western Australia. REE mineralisation has been locally reported by other explorers in the region.
- As part of the Flash Metals transaction, MTM will acquire an option to licence a processing and recycling technology for REE and other critical minerals known as Flash Joule Heating (FJH), which has been developed by researchers at Rice University in the USA.

### **Corporate Activities:**

The company raise \$1 million (before costs) through the issue of a convertible note during the period. The convertible note will be converted to equity at a price that is a 20% discount to the next capital raise (refer to subsequent events).

### **Corporate and Financial Position**

The Company's net loss from operations for the 6-month period to 31 December 2023 was \$1,643,580 (6 months to December 2022 - \$920,908 loss).

At 31 December 2023, the Group had net assets of \$6,824,302 (31 December 2022 - \$8,520,246) with cash reserves of \$494,948 (2022 - \$2,563,066). The Directors believe there are sufficient funds to meet the Company's working capital requirements and as at the date of this report the Company believes it can meet all liabilities as and when they fall due.

This report is prepared on the going concern basis which assumes the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

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

### **Business Strategies and Prospects**

The Company currently has the following business strategies and prospects over the medium to long term:

- (i) Seek to maximise the value through successful exploration activities;
- (ii) Selectively expand the Company's portfolio of exploration assets; and
- (iii) Examine other new business development opportunities in the mining and resources sector.

## Director's Report 31 December 2023

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### Matters subsequent to the end of the financial period

Subsequent to the period end, the company announced that it would raise \$7 million of capital by way of a placement (\$5 million) and rights issue (\$2 million). Tranche 1 of the placement (\$1.6 million) was completed in January. The balance of the placement funds were being issued in a second Tranche that was subject to shareholder approval at a meeting on 14 March 2024. The rights issue offer was withdrawn on 8 March 2024.

At a general meeting held on 14 March 2024, shareholders approved the issue of consideration securities that related to the acquisition of Flash Metals Pty Ltd.



**John Hannaford**  
Chairman

15 March 2024

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**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For the Six-Month Period Ended 31 December 2023**

	<b>Note</b>	<b>31-Dec-23</b> \$	<b>31-Dec-22</b> \$
Other income		9,042	6,496
Administration services		(383,865)	(325,910)
E&E not capitalised		(908,208)	(311,326)
Interest		(677)	(2,158)
Employee expenses		(282,097)	(241,344)
Finance costs of convertible note	8.3	(51,917)	-
Share based payments	5.1.1	(25,858)	(46,666)
<b>Loss from continuing operations before income tax expense</b>		<b>(1,643,580)</b>	<b>(920,908)</b>
Income tax expense		-	-
<b>Loss from continuing operations</b>		<b>(1,643,580)</b>	<b>(920,908)</b>
<b>Loss for the period</b>		<b>(1,643,580)</b>	<b>(920,908)</b>
Other comprehensive income		-	-
Comprehensive loss attributable to Shareholders of the Company		(1,633,642)	(920,908)
Non-controlling Interest		(9,938)	-
<b>Total comprehensive loss for the year</b>		<b>(1,643,580)</b>	<b>(920,908)</b>
Basic and diluted loss per share (cents per share) for continuing operations attributable to the shareholders of the Company		(1.66)	(1.89)
Basic and diluted loss per share (cents per share) attributable to the shareholders of the Company		(1.66)	(1.89)

*The above condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.*

**Condensed Consolidated Statement of Financial Position**  
**As at 31 December 2023**

	Note	31-Dec-23 \$	30-Jun-23 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	2.1	494,948	2,563,066
Trade and other receivables		228,464	36,432
Prepayments	2.2	122,845	157,953
<b>Total current assets</b>		<b>846,257</b>	<b>2,757,451</b>
<b>Non-current assets</b>			
Exploration and evaluation expenditure	3	7,311,624	6,126,419
Property, plant and equipment		18,318	24,847
Right-of-use asset		8,494	12,704
<b>Total non-current assets</b>		<b>7,338,436</b>	<b>6,163,969</b>
<b>Total assets</b>		<b>8,184,693</b>	<b>8,921,420</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade & other payables	2.3	360,563	387,441
Lease liability		9,411	11,103
Convertible Notes	8.3	740,417	-
Derivative liability – convertible note	8.4	250,000	-
<b>Total current liabilities</b>		<b>1,360,391</b>	<b>398,544</b>
<b>Non-current liabilities</b>			
Lease liability		-	2,631
<b>Total non-current liabilities</b>		<b>-</b>	<b>2,631</b>
<b>Total liabilities</b>		<b>1,360,391</b>	<b>401,174</b>
<b>Net assets</b>		<b>6,824,302</b>	<b>8,520,246</b>
<b>Equity</b>			
Share capital	4	11,750,127	11,656,127
Reserves	5	697,858	741,000
Accumulated loss		(5,543,188)	(3,909,546)
Currency Translation Reserve		(103,222)	-
<b>Total equity attributable to shareholders of the Company</b>		<b>6,801,575</b>	<b>8,487,581</b>
<b>Non-Controlling Interest</b>		<b>22,727</b>	<b>32,665</b>
<b>Total equity attributable to shareholders of the Company and non-controlling interest</b>		<b>6,824,302</b>	<b>8,520,246</b>

*The above condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.*

## Condensed Consolidated Statement of Changes in Equity For the Six-Month Period Ended 31 December 2023

Note	Contributed equity \$	Accumulated losses \$	Share-Based Payments Reserve \$	Currency Translation Reserve \$	Non-Controlling Interest \$	Total equity \$
<b>At 1 July 2023</b>	<b>11,656,127</b>	<b>(3,909,546)</b>	<b>741,000</b>	-	<b>32,665</b>	<b>8,520,246</b>
Loss for the year	-	(1,633,642)	-	-	(9,938)	(1,643,580)
<b>Total comprehensive loss for the year</b>	-	<b>(1,633,642)</b>	-	-	<b>(9,938)</b>	<b>(1,643,580)</b>
<b>Transactions with owners in their capacity as owners:</b>						
Issue of new shares net of cost 4.1	94,000	-	-	-	-	94,000
Performance rights exercised	-	-	(69,000)	-	-	(69,000)
Share-based payments	-	-	25,858	-	-	25,858
Foreign Currency Reserve	-	-	-	(103,222)	-	(103,222)
	94,000	-	(43,142)	(103,222)	-	197,636
<b>At 31 December 2023</b>	<b>11,750,127</b>	<b>(5,543,188)</b>	<b>697,858</b>	<b>(103,222)</b>	<b>22,727</b>	<b>6,824,302</b>
<b>At 1 July 2022</b>	<b>6,617,555</b>	<b>(2,160,265)</b>	<b>542,471</b>	-	<b>32,665</b>	<b>5,032,426</b>
Loss for 6 months to 31 December 2022	-	(920,908)	-	-	-	(920,908)
<b>Total comprehensive loss for the year</b>	-	<b>(920,908)</b>	-	-	-	<b>(920,908)</b>
<b>Transactions with owners in their capacity as owners:</b>						
Issue of new shares net of cost	1,773,109	-	-	-	-	1,773,109
Share-based payments	-	-	96,487	-	-	96,487
	1,773,109	-	96,487	-	-	1,869,596
<b>At 31 December 2022</b>	<b>8,390,664</b>	<b>(3,081,173)</b>	<b>638,958</b>	-	<b>32,665</b>	<b>5,981,114</b>

**Condensed Consolidated Statement of Cash Flows  
For the Six-Month Period Ended 31 December 2023**

	31-Dec-23	31-Dec-22
Note	\$	\$
<b>Cash flows from operating activities</b>		
Proceeds from cost reimbursement	-	6,496
Payments to suppliers and employees	(920,842)	(521,082)
<b>Net cash outflow from operating activities</b>	(920,842)	(514,586)
<b>Cash flows from investing activities</b>		
Interest Received	9,042	-
Payments for exploration and evaluation expenditure	(2,094,219)	(761,117)
Payments for acquisition of property plant and equipment	(599)	(1,566)
<b>Net cash outflow from investing activities</b>	(2,085,776)	(762,683)
<b>Cash flows from financing activities</b>		
Net proceeds from issue of shares	-	1,822,931
Net proceeds from issue of convertible notes	938,500	-
<b>Net cash inflow from financing activities</b>	938,500	1,822,931
<b>Cash and cash equivalents at the beginning of the period</b>	2,563,066	1,398,709
Net increase/ (decrease) in cash and cash equivalents	(2,068,118)	545,662
<b>Cash and cash equivalents at the end of the period</b>	2.1 494,948	1,944,371

*The above condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.*

### 1. Basis of preparation

The half year report of MTM Critical Metals Limited for the period ended 31 December 2023 was authorised for issue in accordance with a resolution of the directors on 15 March 2024.

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed interim financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

The interim report has been prepared on a historical cost basis, except for the revaluation of certain financial instruments to fair value. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

#### 1.1. Statement of Compliance

The interim financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

The following is a summary of the material accounting policies adopted by the entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

#### 1.2. Basis of Measurement

The financial report has been prepared on a historical cost basis.

#### 1.3. Functional and Presentation Currency

The financial report is presented in Australian dollars.

#### 1.4. Compliance with IFRS

These financial statements comply with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

#### 1.5. Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of MTM Critical Metals Limited ('company' or 'parent entity') as at 31 December 2023 and the results of all subsidiaries for the period then ended. MTM Critical Metals Limited and its subsidiaries together are referred to in this financial report as the group or the consolidated entity.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

A list of controlled entities is contained in note 6.1.1 to the financial statements.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment

of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

### 1.6. Going Concern

The financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and realisation of assets and the settlement of liabilities in the ordinary course of business.

The Company incurred a loss for the 6 months to 31 December 2023 of \$1,643,580 (31 Dec 2022: \$920,908) and net cash outflows from operating activities of \$920,842 (31 Dec 2022: \$514,586). These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern. In the event the above matters are not achieved, the Company will be required to raise funds for working capital from debt or equity source.

The ability of the Company to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital from equity markets and managing cashflow in line with available funds.

- The ability of the Company to raise capital as and when necessary, and/or
- The ability to defer discretionary operating and capital expenditure in relation to exploration activities; and/or
- The successful exploration of the Company's tenements; and/or
- Exploration expenditure will be deployed to targets that have the highest prospectivity for mineral discovery and this expenditure is discretionary.

The directors have prepared a cash flow forecast, which indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Company's history of raising capital to date, the directors are confident of the Company's ability to raise additional funds as and when they are required.

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

## Notes to the Condensed Consolidated Financial Statements

### 2. Working Capital Management

#### 2.1. Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any bank overdrafts.

	31 December 2023 \$	30 June 2023 \$
Cash at bank and in hand	494,948	2,563,066

#### 2.2. Prepayments

Prepayments are made up as follows:

	31 December 2023 \$	30 June 2023 \$
Tenement Rent	66,740	123,232
Tenement Rates	36,926	-
Prepaid Insurance	15,952	31,494
Other	3,227	3,227
Total Prepayments	122,845	157,953

#### 2.3. Trade and Other Payables

Trade and other payables are carried at amortised cost and represent liabilities for the goods and services provided to the Group prior to the end of the financial period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days.

	31 December 2023 \$	30 June 2023 \$
Trade payables	215,402	205,138
Accrued expenses	68,945	140,109
Other payables	76,216	42,193
Total trade and other payables	360,563	387,440

### 3. Exploration & Evaluation Expenditure

	31 Dec 2023 \$	30 Jun 2023 \$
Exploration and evaluation	7,311,625	6,126,419
Opening Balance	6,126,420	3,851,645
Movement:		
Expenditure incurred	2,038,922	1,652,109
Acquisition of tenements	54,491	590,000
Impairment	(898,270)	-
Outside Equity interest	(9,939)	32,665
<b>Closing balance</b>	<b>7,311,624</b>	<b>6,126,419</b>

## Notes to the Condensed Consolidated Financial Statements

### 4. Share Capital

	31-Dec-23		30-Jun-23	
	No of Shares	\$	No of Shares	\$
Contributed equity	99,437,091	12,679,474	98,380,058	12,585,474
Cost of equity	-	(929,347)	-	(929,347)
<b>Total share capital</b>	<b>99,437,091</b>	<b>11,750,127</b>	<b>98,380,058</b>	<b>11,656,127</b>

#### 4.1. Movement in shares on issue

	Date	Number of shares	Issue price \$	Value \$
Balance at 30 June 2023		98,380,058		11,656,127
Conversion of performance rights to shares	29-Aug-2023	200,000	0.120	24,000
Conversion of performance rights to shares	25-Sep-2023	300,000	0.110	33,000
Issue of shares – Acquisition	03-Oct-2023	457,033	0.055	25,000
Conversion of performance rights to shares	13-Dec-2023	100,000	0.120	12,000
Less: Transaction Costs		-	-	-
<b>Balance at 31 December 2023</b>		<b>99,437,091</b>		<b>11,750,127</b>

### 5. Reserves

	31-Dec-23		30-Jun-23	
	No of Shares	\$	No of Shares	\$
Founder options (unlisted)	3,000,000	-	3,000,000	-
Director options (unlisted)	5,000,000	248,841	5,000,000	248,841
Employee options (unlisted)	2,250,000	249,222	2,250,000	249,222
Loyalty options (listed)	14,316,666	71,582	14,316,666	71,582
Capital raising options (listed)	34,514,209	-	34,514,209	-
Broker Fee options (listed)	4,000,000	91,150	4,000,000	91,150
Employee Performance Rights (listed)	500,000	37,063	1,200,000	80,205
<b>Total options</b>	<b>63,580,875</b>	<b>697,858</b>	<b>64,280,875</b>	<b>741,000</b>

#### 5.1. Share Based Payments

##### 5.1.1. Recognised Share-Based Payments

	31-Dec-23	30-Jun-23
Options issued to directors & management recognised in Profit & Loss	-	46,666
Share-based payments recognised in equity	25,858	-
<b>Total share-based payments</b>	<b>25,858</b>	<b>46,666</b>

### 6. Group Structure and Segment Information

#### 6.1. Basis of Consolidation

##### 6.1.1. Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases.

Investments in subsidiaries are carried at their cost of acquisition in the Company's financial statements.

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name of entity	Country of incorporation	Equity holding %	Date of incorporation
Mt Monger Minerals Pty Ltd	Australia	100	04/05/2020
Tigers Paw Prospecting Pty Ltd	Australia	100	09/07/2020
Golden Wheelbarrow No 1 Pty Ltd	Australia	100	10/06/2020
Golden Wheelbarrow No 2 Pty Ltd	Australia	75	17/06/2020
Critical Element Exploration Pty Ltd	Australia	100	22/11/2022
MTM Ressources Inc	Canada	100	09/04/2023

##### 6.1.2. Transactions eliminated on consolidation

Intragroup balances, and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

#### 6.2. Segment information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Group does not have any material operating segments with discrete financial information. The Group has assets and liabilities which are primarily related to the mining industry and are located within Western Australia and Québec, Canada. The Board of Directors review internal management reports on a regular basis that is consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows. As a result, a reconciliation of the assets, liabilities and operating costs of the Company across the jurisdictions of Australia and Canada at 31 December 2023 are as follows:

6.2. Segment information (Cont)

	Note	Australia \$	Canada \$	TOTAL \$
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	2.1	494,152	796	494,948
Trade and other receivables		19,302	209,162	228,464
Prepayments	2.2	122,845	-	122,845
<b>Total current assets</b>		<b>636,299</b>	<b>209,958</b>	<b>846,257</b>
<b>Non-current assets</b>				
Exploration and evaluation expenditure	3	5,312,366	1,999,258	7,311,624
Property, plant and equipment		18,318	-	18,318
Right-of-use asset		8,494	-	8,494
<b>Total non-current assets</b>		<b>5,339,178</b>	<b>1,999,258</b>	<b>7,338,436</b>
<b>Total assets</b>		<b>5,975,477</b>	<b>2,209,216</b>	<b>8,184,693</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade & other payables	2.3	202,495	158,068	360,563
Lease liability		9,411	-	9,411
Convertible notes		740,417	-	740,417
Derivative liability – convertible note		250,000	-	250,000
<b>Total current liabilities</b>		<b>1,202,323</b>	<b>158,068</b>	<b>1,360,391</b>
<b>Non-current liabilities</b>				
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>1,202,323</b>	<b>158,068</b>	<b>1,360,391</b>
<b>Net assets</b>		<b>4,773,154</b>	<b>2,051,148</b>	<b>6,824,302</b>

	Note	Australia \$	Canada \$	Total \$
Other income		9,042	-	9,042
Administration services		(316,227)	(67,638)	(383,865)
E&E not capitalised		(908,208)	-	(908,208)
Interest		(677)	-	(677)
Employee expenses		(282,097)	-	(282,097)
Finance costs of convertible note		(51,917)	-	(51,917)
Share based payments	6.2	(25,858)	-	(25,858)
<b>Loss from continuing operations before income tax expense</b>		<b>(1,575,942)</b>	<b>(67,638)</b>	<b>(1,643,580)</b>
Income tax expense		-	-	-
<b>Loss from continuing operations</b>		<b>(1,575,942)</b>	<b>(67,638)</b>	<b>(1,643,580)</b>
<b>Loss for the period</b>		<b>(1,575,942)</b>	<b>(67,638)</b>	<b>(1,643,580)</b>

8. Other

8.1. Events Occurring After the Reporting Period

Subsequent to the period end, the company announced that it would raise \$7 million of capital by way of a placement (\$5 million) and rights issue (\$2 million). Tranche 1 of the placement (\$1.6 million) was completed in January. The balance of the placement funds were being issued in a second Tranche that was subject to shareholder approval at a meeting on 14 March 2024. The rights issue offer was withdrawn on [8] March 2024.

### 8. Other (Cont.)

#### 8.2. Commitments and Contingencies

There are no commitments that have been made by the Company as at the balance date other than the obligation to perform minimum annual exploration expenditure amounts specified by the Western Australian State Government to retain tenements in which it has an interest. The Company can apply for exemption from compliance with minimum tenement expenditure requirements. Due to the nature and scale of Mt Monger's activities it is unable to estimate its likely tenement holdings and therefore minimum expenditure requirements more than 1 year ahead. The aggregate of the prescribed minimum expenditure conditions applicable to the granted tenements for the next twelve months is \$1,164,840. If the prescribed expenditure conditions are not met with respect to a tenement, that tenement is liable to forfeiture if an exemption is not granted.

The Company does not have any contingent liabilities.

#### 8.3. Convertible notes – current liability

	31 December 2023 \$	30 June 2023 \$
Convertible Note	740,417	-
	<u>740,417</u>	<u>-</u>
Opening Balance	-	-
Note issued:	1,000,000	-
Convertible note transition costs	(61,500)	-
Conversion rights (derivative liability)	(250,000)	-
Finance costs on unwinding convertible note	51,917	-
<b>Closing balance</b>	<b><u>740,417</u></b>	<b><u>-</u></b>

\$1,000,000 convertible notes were issued on 7<sup>th</sup> November 2023. Interest is payable and commences accruing 90 days from the date of issue until the conversion date at a rate of 12% per annum. At the conversion date (no later than 31 October 2024), notes are converted to shares at a price equal to a price 20% below the issue price of the next capital raise by the Company after the issue of the notes (Placement announce on 12 January 2024 to raise capital at a price of \$0.08 per share – conversion price of notes \$0.064 per share). The notes cannot be repaid in cash and will only be converted to ordinary shares.

#### 8.4. Derivative liability - convertible notes

	31 December 2023 \$	30 June 2023 \$
Derivative Liability	250,000	-
	<u>250,000</u>	<u>-</u>

The derivative liability associated with the convertible note detailed in 8.3 represents the fair value associated with the convertible right discount entitlement to the convertible note holders.

## Directors' Declaration

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In accordance with a resolution of the directors of MTM Critical Metals Limited, I state that:

- (1) In the opinion of the directors:
  - (a) the financial statements, notes and the additional disclosures included in the directors' report designated as audited, of the Group 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 period ended on that date; and
    - (ii) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, 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.
- (2) The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
- (3) 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 period ended 31 December 2023.

On behalf of the Board.



John Hannaford  
Chairman  
15 March 2024

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF MTM CRITICAL METALS LIMITED

### Conclusion

We have reviewed the accompanying half-year financial report of MTM Critical Metals Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

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

- a. Giving a true and fair view of the Consolidated Entity'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 *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* 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.

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

### Material Uncertainty Related to Going Concern

We draw attention to Note 1.6 in the financial report, which indicates that the Consolidated Entity incurred a net loss of \$1,643,580 during the half year ended 31 December 2023. As stated in Note 1.6, these events or conditions, along with other matters as set forth in Note 1.6, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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## 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 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 Consolidated Entity's financial position as at 31 December 2023 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.

  
HALL CHADWICK WA AUDIT PTY LTD

  
MARK DELAURENTIS CA  
Director

Dated 15<sup>th</sup> day of March 2024  
Perth, Western Australia

To the Board of Directors

## AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit Director for the review of the financial statements of MTM Critical Metals Limited for the half year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours Faithfully,

  
HALL CHADWICK WA AUDIT PTY LTD

  
MARK DELAURENTIS CA  
Director

Dated 15<sup>th</sup> day of March 2024  
Perth, Western Australia

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