2022 ANNUAL REPORT

RED DIRT METALS LIMITED

(Formerly TNT Mines Limited)

ACN 107 244 039

Table of Contents

CORPORATE DIRECTORY

DIRECTORS

David Flanagan	Non- Executive Chairman
Mr Matthew Boyes	Managing Director and Chief Executive Officer
Jiahe (Gower) He	Executive Director
James Croser	Non-Executive Director
Nader El Sayed	Non-Executive Director
Tim Manners	Non-Executive Director

COMPANY SECRETARY

Steven Wood

Registered Office and Principal Place of Business
Suite 4, 6 Centro Avenue
Subiaco WA 6008
Tel: +61 8 6109 0104

Share Registry
Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace
Perth WA 6000
Australian Tel: 1300 850 505
International Tel: +61 3 9415 4000
www.computershare.com.au

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

Solicitors
Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Securities Exchange Listing
Red Dirt Metals Limited securities are listed on the Australian Securities Exchange (ASX)

ASX Code
RDT

Website and Corporate Governance Statement
www.reddirtmetals.com.au

Company Email
info@reddirtmetals.com.au

Chairman's Letter

To all valued shareholders,

I am pleased to present you with the Red Dirt Metals Limited Annual Report for the financial year ended 30 June 2022.

The past 12 months has been transformational for the Company in multiple areas. Red Dirt Metals is now focused on the new commodity, lithium; in a new location, Mt Ida; with a refreshed board and a rapid development mindset.

As the recently appointed Chairman of the Board, I gratefully acknowledge the work of the outgoing Chairman, Mr Alexander Hewlett. Mr Hewlett was instrumental in guiding the Company to the enviable position we are now in. He founded Warriedar Mining Pty Ltd, which was vended into Red Dirt (previously TNT Mines Limited) and ultimately rebranded the Company Red Dirt Metals Limited last year following the successful acquisition of the Mt Ida Lithium Project.

During the year, the purchase of the Mt Ida Project and the subsequent discovery of high-grade lithium bearing pegmatites saw a rapid pivot from the previous gold focus, towards the excellent potential for world class, hard rock lithium on the Mt Ida tenements. The critical nature of lithium to global markets to assist the drive towards decarbonised economies has seen unprecedent demand for lithium supply and a corresponding buoyant market price. Consequently, Red Dirt is looking to accelerate all aspects of the Mt Ida Lithium Project towards production to meet the global lithium supply shortage.

As part of the pivot towards the Mt Ida Lithium Project, two projects have been divested recently. The Warriedar Gold Project and the East Canyon Uranium-Vanadium Project have both been sold, allowing greater concentration of expenditure and resources on Mt Ida.

The quality of the Mt Ida Lithium Project is self-evident from the results released during the year. The success of the +70,000m of exploration drilling has given the Company a great deal of confidence in the Mt Ida deposit. However, the real advantage that the Company holds as it looks to bring these deposits into production is the existing Mining Lease and Heritage approval. The clearance of these two key regulatory hurdles gives Red Dirt a clear path to now move through the next stages of development including Maiden Resource Estimate, Feasibility Studies, and Financial Investment Decision. Personally, I'm excited to see the outcomes of each of these substantial work streams and I am confident that the Red Dirt team has the capability and drive to deliver a positive outcome for shareholders.

The Mt Ida Lithium Project retains significant scope for exploration growth, but the Company has other opportunities to add significant scale and value via exploration upside. The recently acquired Yinnetharra Lithium Project shows excellent prospectivity and we look forward to the results of the initial drill programme scheduled to commence towards the end of the calendar year.

The team that has been assembled at both a Board and Executive level is experienced, professional and aligned with the goal of driving Mt Ida towards production. This has been most publicly evident in the changes made at the Board level. The addition of Mr Tim Manners, Mr Jiahe "Gower" He, and myself have broadened the skill set of the Board, specifically adding significant experience in mine development and offtake marketing. A collective recognition of the need to swiftly develop the Mt Ida Lithium Project has led to these changes and your Company is now actively working to achieve this outcome. As your new Chairman, I look forward to using my experience to guide the team and I look toward to a busy year ahead.

Finally, thanks to you, our shareholders for ongoing support and we look forward to keeping you updated on our progress.

David Flanagan
Chairman

Review of Operations

Your directors submit their annual report of Red Dirt Metals Limited ("Red Dirt Metals" or the "Company") for the year ended 30 June 2022.

2022 was a transformational year for Red Dirt Metals with the acquisition of 100% of the issued capital in Mt Ida Gold Pty Ltd, a wholly owned subsidiary of Ora Banda Mining Ltd (OBM) on 23 September 2021. The subsequent discovery of significant Lithium-Caesium-Tantalum (LCT) pegmatites has led to the Company to transitioning its resources to focus on lithium exploration in Western Australia.

Mt Ida

In September 2021, Red Dirt Metals acquired a 100% interest in Mt Ida Gold Pty Ltd, the holder of the Mt Ida Gold Project comprising 29 tenements and located approximately 100km north-west of Menzies in the WA goldfields.

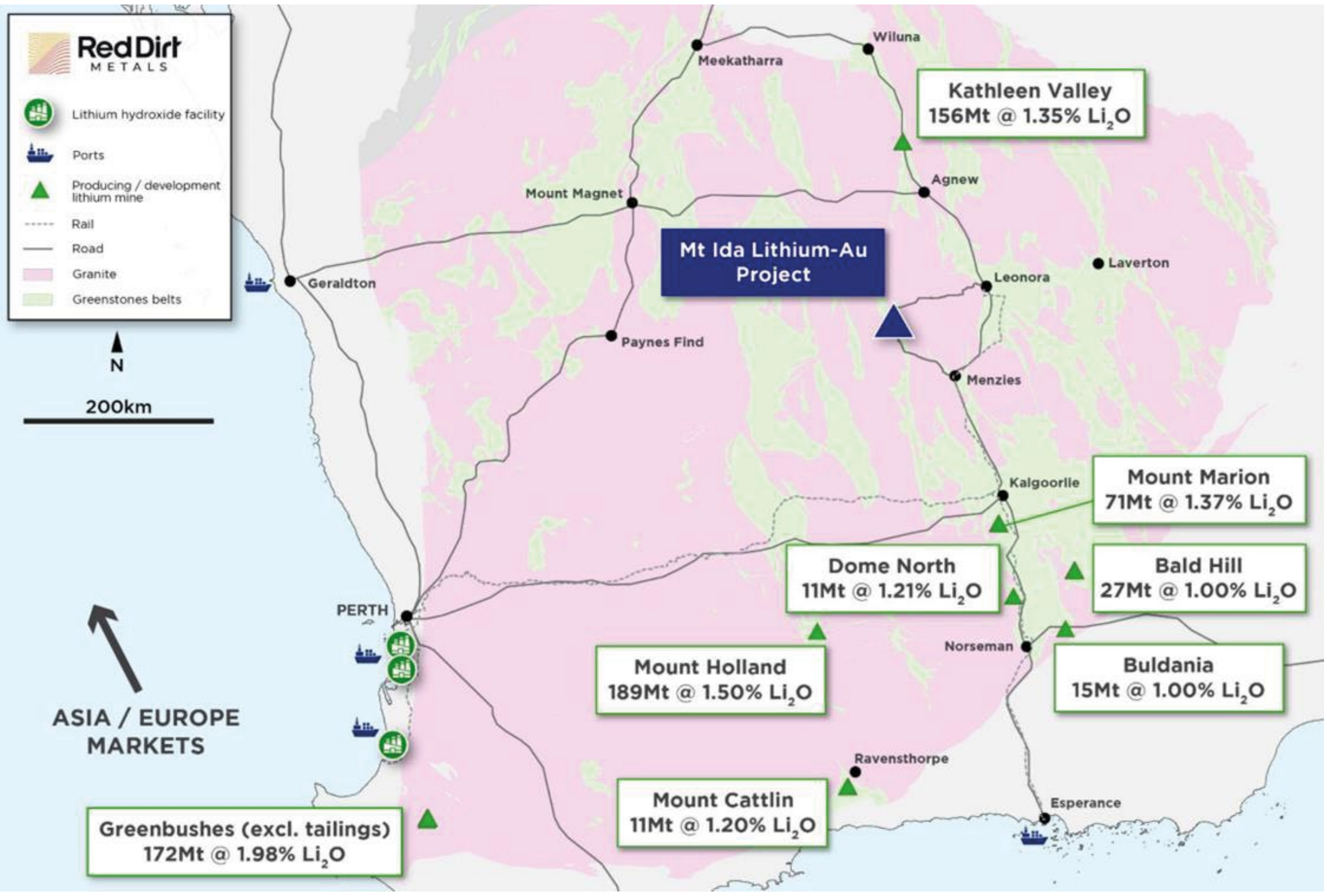

FIGURE 1: LOCATION OF THE MT IDA LITHIUM PROJECT

Lithium

Whilst undertaking the technical due diligence of the Mt Ida Project, it was noted that multiple high-grade lithium intervals had been intersected within pegmatite bodies on the western contact of the main Mt Ida granite intrusive, known as the Copperfield Granite.

Initial investigations from available data shows pegmatite outcropping in 5 separate locations proximal to the main granitic intrusive, and along the contact with the western bounding mafic amphibolite units which host the high-grade Mt Ida gold copper lodes.

To follow up these outcroppings, the Company conducted XRD analysis on historical representative samples which returned additional positive results, justifying further investigation with an initial drill program.

Since this initial investigation, extensive drill programs have been undertaken with over 70,000 metres already completed since the purchase of the Project.

Over 17,600 drill results have been received for Mt Ida with LCT pegmatites in the province confirmed of the newly named Mt Ida Lithium Project. The grade and width of the three main LCT pegmatites (Sister Sam, Timoni and Sparrow), are consistent and require further drilling to determine the full extent of the deposits.

Assay highlights from the programs during the year include:

- 29m @ 1.41% Li_2O and 253 ppm Ta_2O_5 from 199m in IDRC074
- 23m @ 1.61% Li_2O and 189 ppm Ta_2O_5 from 162m in IDRC070
- 20.1m @ 1.64% Li_2O and 407 ppm Ta_2O_5 from 245m in IDRC173

No historic exploration had been carried out with the intention of targeting these Lithium bearing pegmatite intrusives. Several large areas on both the eastern and western limbs of the granitic intrusive provide targets for future exploration.

Drilling

Drilling at the southern Sister Sam Pegmatite during the year has consistently reported exceptional grades of Li_2O over significant thicknesses. Sister Sam has now been delineated to a down-plunge extent of greater than 600m and the nearby Timoni Pegmatite is nearing 500m down-plunge. The Timoni Pegmatite has also reported shallow high grade Li_2O intervals within 40m from surface and justifies further investigation.

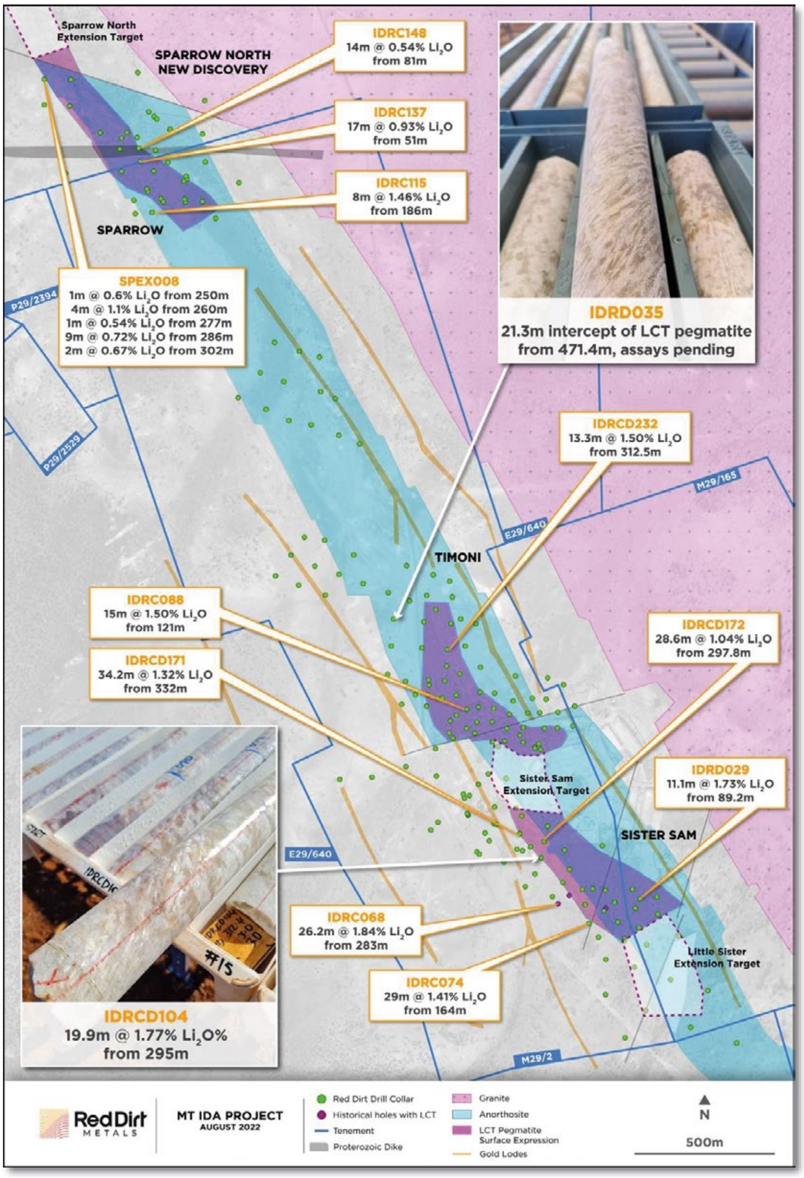

FIGURE 2: PLANVIEW OF CENTRAL MT IDA AREA WITH PEGMATITE BODIES AND SIGNIFICANT DRILL INTERCEPTS FOR LITHIUM AND GOLD

Four rigs were on site at the end of June (2 RC and 2 Diamond) achieving an average drilling rate of 108m of RC and 52m of Diamond per rig per day. A further Aircore rig arrived subsequent to year-end to complete the first regional exploration campaign, following receipt and processing of an extensive surface geochemical programme along the highly prospective Copperfield granite margin. The primary focus of the Company is advancing the resource drill-out and regional exploration programmes as quickly as practicable.

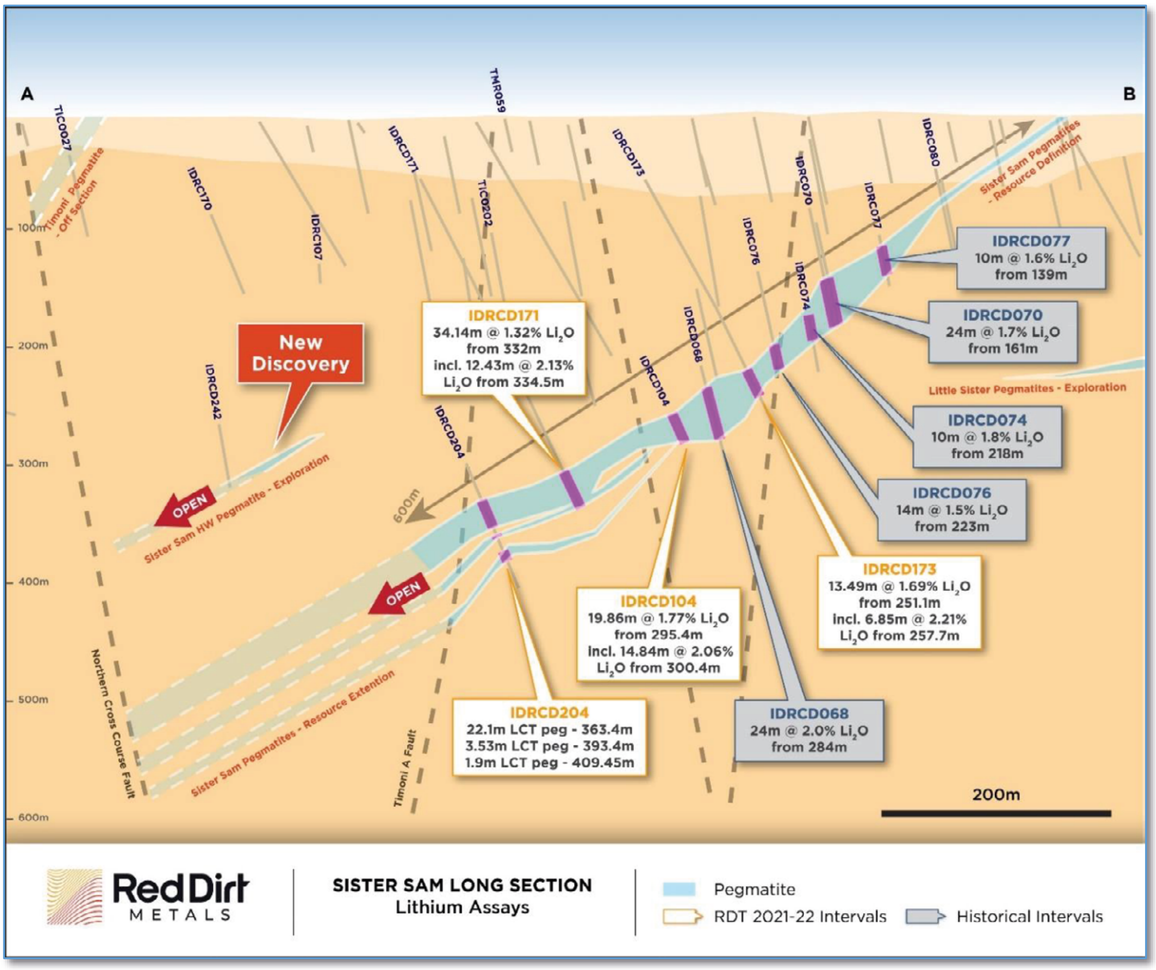

Figure 3: Oblique section through central area of Sister Sam pegmatite interpreted pegmatite boy and Li_2O assay results

During FY 2022, diamond drilling at the Sister Sam and Timoni pegmatites mainly focused on the collection of a representative metallurgical sample for follow up comprehensive testwork. An initial parcel of 275kg of sample was submitted as part of the comprehensive Pre-Feasibility Study (PFS) level test work programme collected from core extracted from the Sister Sam pegmatite. The ongoing metallurgical drill campaign is designed to produce approximately 2,500kg of diamond core sample which will make up the master composite for a final representative sample from the Timoni, Sister Sam and Sparrow pegmatites, aiming to, as accurately as possible, represent the global metallurgical characteristics of the maiden resource area.

Sighter Metallurgical testwork results

Sighter testwork including preliminary Dense Media Separation (DMS) and flotation was completed during the year by Nagrom Laboratories Perth. The sample submitted represented a full cross section from the Sister Sam Pegmatite from the hanging wall through to the footwall contacts.

FIGURE 4: HIGH PURITY SPODUMENE DMS CONCENTRATE (SC 6.5) PRODUCED FROM 3.35MM-+0.85MM DMS 2.95 FEED

Highlights from the results included:

- Positive first-pass metallurgical testwork with headline recovery of 74% Li_2O to 6.2% Li_2O concentrate utilising DMS-Flotation flowsheet.
- 50% Li_2O recovered by DMS to a 6.08% Li_2O concentrate.
- Low iron impurity of 0.04% Fe_2O_3 in concentrate.
- Additional testwork planned for improvements to recovery and optimisation of flowsheet.
- Collection of large scale comprehensive testwork sample +2,500kg nearing completion with PRIMERO Engineering contracted to oversee second phase of testwork.

The objective of this sighter metallurgical testwork programme was to perform a first pass check on the amenability of ore from the Mt Ida Lithium Project to DMS and flotation processing. Whilst encouraging, the sample was not considered to be representative of the entire Sister Sam pegmatite or the Mt Ida project as a whole due to the ore being sourced from a single drill hole with comparatively high Li_2O grade and low Fe_2O_3 grade.

A larger sample for second-round comprehensive testing has been submitted during the year for optical sorting and HLS work, which has now begun. Results are expected to be released during the remainder of 2022. The initial DMS numbers will provide a clear indication if the Company can proceed with a DMS only plant design to facilitate a lower capital-intensive plant and speed of product to market.

Gold & Copper

The Mt Ida Gold Project contains total resources of 318,000 t @ 13.8g/t of gold for 141koz, Indicated Resources total 136,000t @ 18.6 g/t gold for 81koz with 182,000t @ 10.3 g/t gold for 60koz in Inferred category. The gold resource at Mt Ida is calculated under the JORC 2004 guidelines with no material change to the existing resources since estimation.

While the lithium projects are the priority, the Company intends to investigate opportunities to add value for RDT shareholders with the gold assets. Results from diamond and RC holes during the past year have returned high-grade gold and copper assays from within the central Mt Ida project area:

- IDRD035 intersected *5.61m @ 52.69g/t Au & 1.07% Cu (finished in 14.96 g/t Au)* from 303.46m downhole,
- IDRC207 intersecting *4m @ 12g/t Au and 1.4% Cu* and IDRCD106 intersecting 3m @ 24.21 g/t Au from 385m.

Hole IDRD035 has helped confirm historical drilling results and will aid in the preparation of a maiden JORC2012 Mineral Resource Estimate scheduled for Q4 2022.

Drill holes IDRD002 and IDRCD106, which both returned results in excess of 20gram-metres, highlight the potential for two new high-grade shoots to be present within the Baldock lode at depth and along strike to the south.

These exciting results demonstrate significant upside to the gold-copper exploration potential at the Mt Ida project, with significant results recorded along the Baldock thrust over 1.5km in strike. In July 2022, once having completed the pegmatite resource delineation drilling and the metallurgical sample collection, the Company has designed approximately 15,000m of drilling to explore the gold copper potential along strike and down dip of what is a underexplored corridor.

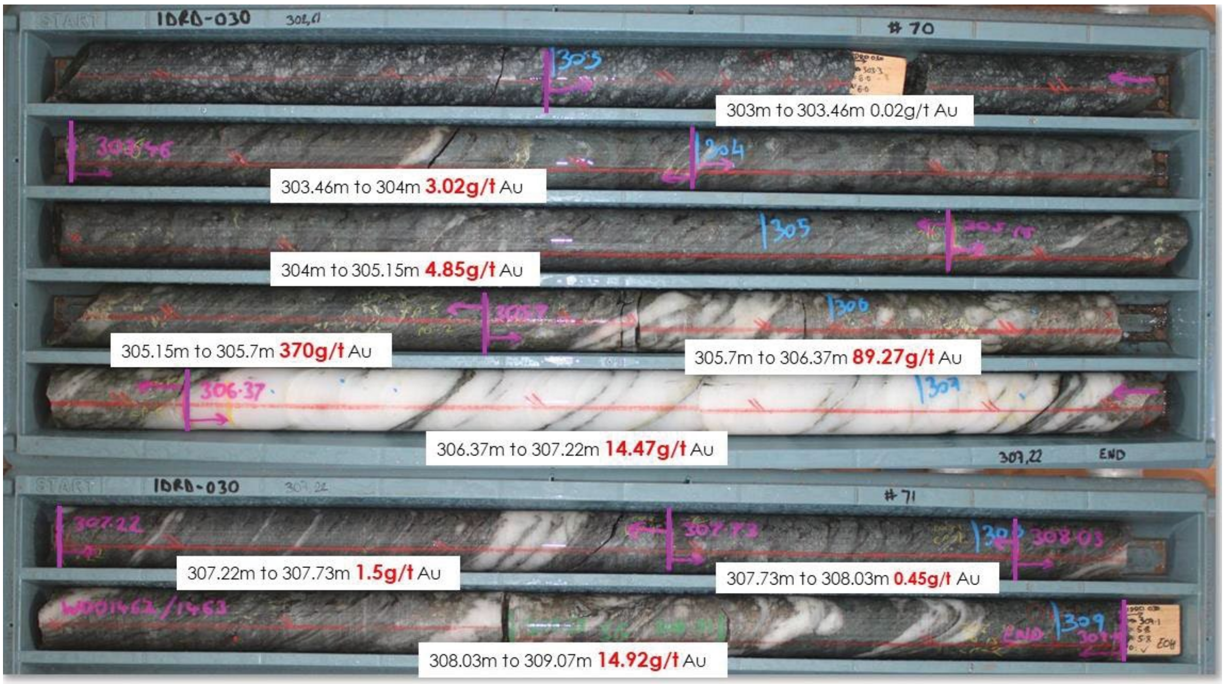

FIGURE 5: MINERALISED HIGH GRADE CORE INTERVAL WITHIN THE BALDOCK LODE ANNOTATED WITH ASSAYS FOR GOLD

The IDRC207 intercept has effectively extended the Meteor lode another 50m further to the north-west than its previously modelled limits and demonstrates the potential for additional high grade shoot hosted gold-copper mineralisation within the Baldock-Meteor gold field. RDT has commenced a full review of the existing gold mineralisation with a view to update a revised and JORC 2012 compliant resource estimate over all the Mt Ida gold and gold-copper lodes. RDT firmly believes that significant potential exists for further exploration success and a material increase in the existing gold endowment at Mt Ida.

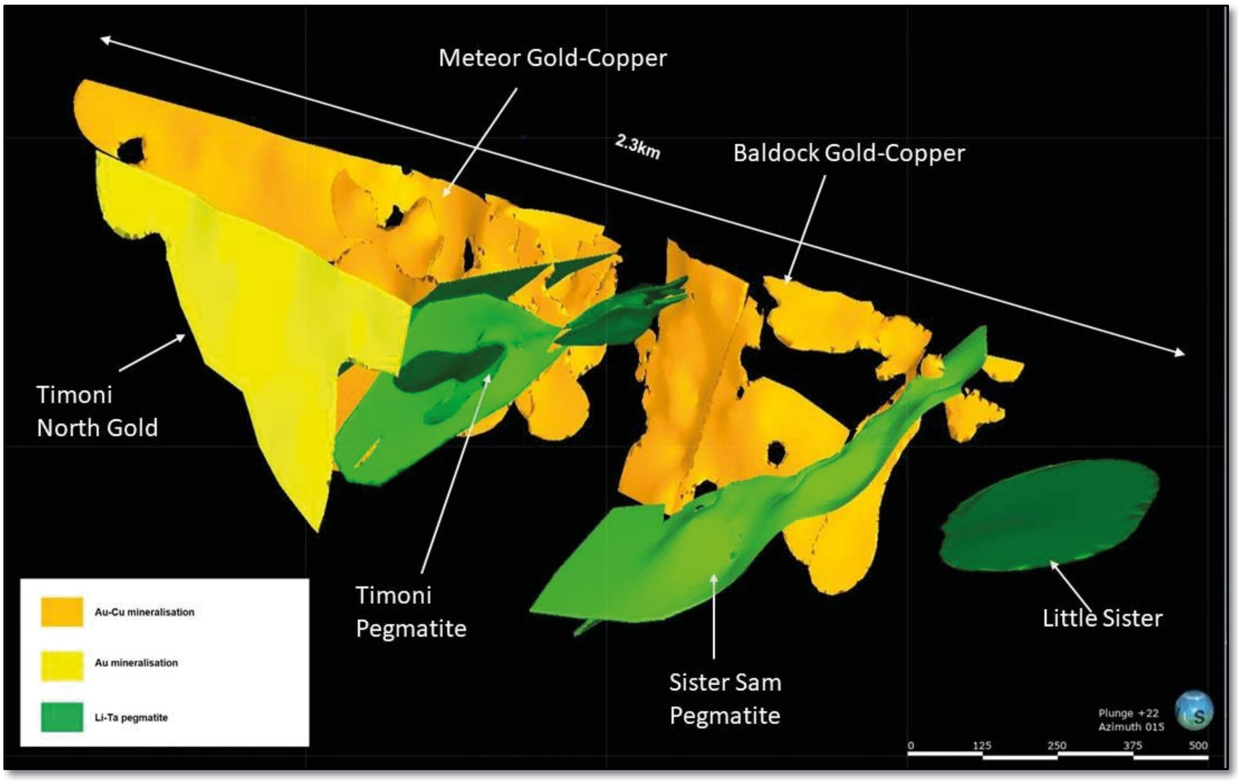

FIGURE 6: 3D IMAGE SHOWING THE SPATIAL PROXIMITY OF THE MT IDA PEGMATITE INTRUSIVE BODIES TO KNOWN GOLD-COPPER LODES

Eastern pegmatite and regional exploration

Exploration drilling and surface sampling on the eastern side of the Copperfield granite has successfully identified three separate mineralised pegmatite prospects at the Blackbeard prospect, the Vane Prospect and the Forrest Belle prospect. Drilling at the Blackbeard prospect has confirmed LCT mineralisation within a swarm of pegmatites with assay results expected for this prospect in approximately 5 weeks. Surface sampling at the Vane prospect has identified LCT mineralisation in an outcropping pegmatite with rock chip R0015 assaying **2.37% Li_2O** and surface mapping has identified the Vane and Forrest Belle pegmatites over 400m of strike.

Consolidation of Mt Ida landholding

Subsequent to the acquisition of Mt Ida Gold Pty Ltd, the Company completed an acquisition of tenements adjoining the Company's current landholding within the Mt Ida Lithium Project area via a total cash consideration amounting to $2,000,000. The Tenement Package comprises approximately 11km^2 of highly prospective lithium and gold terrain, inclusive of the historical Golden Vale gold mine.

The acquisition of the Tenement Package also consolidates 100% ownership of Mt Ida Mining Lease M29/165 via the inclusion of the remaining 5% not currently held by Red Dirt. The acquisition is complementary to its existing suite of tenements at Mt Ida of over 150 km^2, as it provides a contiguous landholding within the prospective LCT pegmatite zone around the Copperfield granite.

Yinnetharra

Beyond the Mt Ida Lithium Project and subsequent to the end of FY2022, Red Dirt Metals has agreed to acquire Lithium explorer Electrostate Limited, the ultimate holder of the Yinnetharra Project. The Yinnetharra Lithium Project covers 520km^2 in the central Gascoyne region and is an excellent opportunity for the Red Dirt Team to follow up some initially encouraging drill results on the ground.

The Project has seen a limited amount of exploration to date although the presence of multiple outcropping LCT bearing pegmatites has been confirmed with excellent grade and widths of spodumene bearing mineralisation intercepted. Significant intervals of near surface mineralisation have been drilled with lithium bearing pegmatites intersected from surface outcrop with little discernible depletion and leaching of lithium within the shallow weathering profile.

A drilling programme is currently in planning.

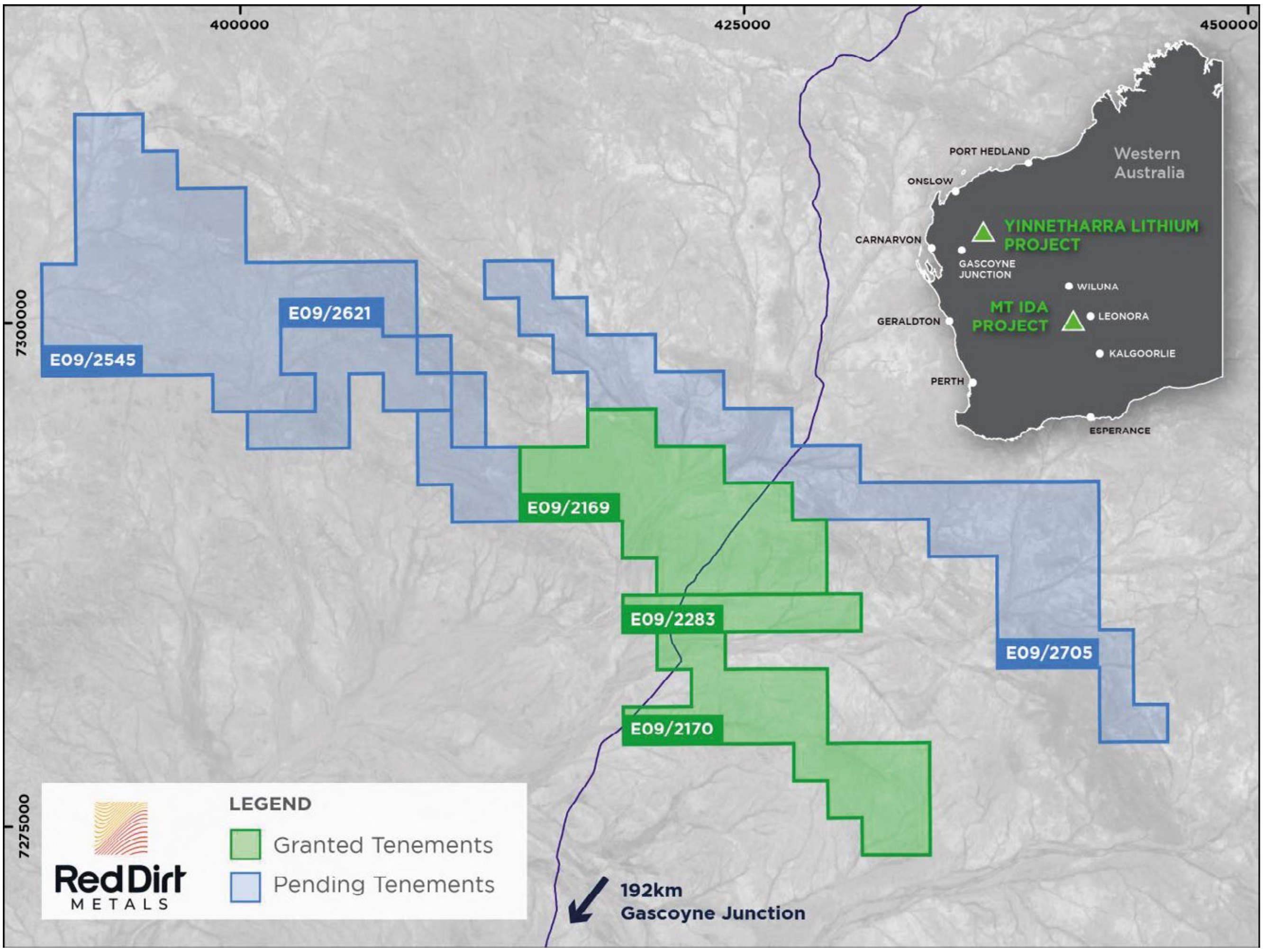

FIGURE 7: YINNETHARRA LITHIUM PROJECT LOCATION

Eureka Gold Project

The Eureka gold project is located roughly 50km north of Kalgoorlie. Access is via the Goldfields Highway from Kalgoorlie then 2km unsealed road. Eureka is a high-grade asset on granted Mining Leases with strong potential for walk-up drill targets. Management consider that the strike and depth potential of the Eureka mineralised system has not been fully tested, and hosts potential for additional shallow mineralisation in a strongly endowed mineral terrain.

Although the current focus of the Company remains with the Mt Ida Project, excellent drilling results were achieved earlier in the financial year.

The initial planned RC drilling has been completed for a total metreage of 1,816m from 13 holes. The shallow mineralisation (32m to 36m downhole) in hole WRRC0136 showed potential for a repeat of the deeper hosted structure closer to surface where limited drilling has been completed to date, this four-metre composite will now be resampled and submitted and assays reported once available.

Significant assays returned from the second RC programme at Eureka include:

- 3m @ 48.75 g/t Au from 129m in WRRC0135
- 4m @ 11.2 g/t Au from 32m in WRRC0136 (within 4m composite)
- 1m @ 5.97 g/t Au from 108m in WRRC0127

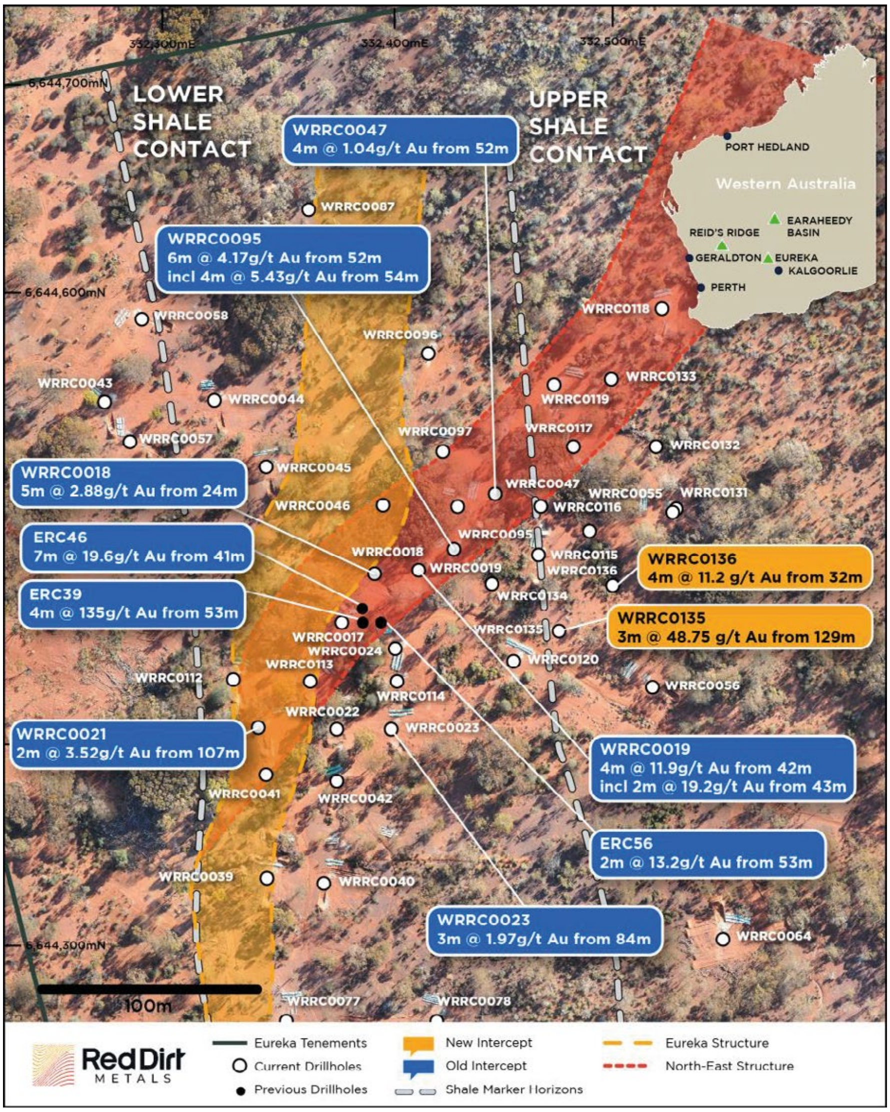

***Figure 8*: Eureka North High grade area with recent drillholes and interpreted structural corridor**

The resource was last updated in June 2021 by CUBE consulting and is included below:

Resource Category	Cut-off Grade	Tonnes (t)	Grade (g/t Au)	Contained Metal (Oz Au)
Indicated	0.3	1,437,000	1.4	65,000
	0.5	**1,269,000**	**1.5**	**62,000**
	0.8	983,000	1.8	56,000
	1.0	811,000	2.0	52,000
Inferred	**0.3**	1,341,000	1.2	52,000
	0.5	**1,183,000**	**1.3**	**50,000**
	0.8	887,000	1.5	43,000
	1.0	666,000	1.7	37,000
ALL Resources	0.3	2,778,000	1.3	116,000
	0.5	**2,452,000**	**1.4**	**112,000**
	0.8	1,870,000	1.7	100,000
	1.0	1,477,000	1.9	88,000

TABLE 1: EUREKA GOLD PROJECT– IN SITU MINERAL RESOURCES (AS OF 23 JUNE 2021)

Earaheedy Basin project

The Company has made an application to secure a major land position in the Earaheedy Basin, east of Wiluna in Western Australia. The pegged ground is located northwest of the recent major discovery by Rumble Resources at its Chinook zinc-lead discovery at their Earaheedy Project on 19 April 2021, the Company lodged an application for a licence covering 930km^2 directly to the north over the Mount Lockridge fault.

The tenement covers an area considered to have potential to host structurally and stratigraphically hosted lead zinc deposits, first pass exploration will commence as soon as access and permitting is completed which the company expects to be finalised by year end.

After the end of FY2022, the status was upgraded to granted.

Reids Ridge-Warriedar Project Area

The Company has decided to divest the Warriedar gold assets to concentrate expenditure and resources on advancing the Mt Ida Lithium project. With 47 tenements now under RDT management the company needs to prioritise capital expenditure and resources to the companies core assets.

Subsequent to year-end, Red Dirt completed the divestment of its Warriedar Gold Project to Anova Metals Limited (ASX:AWV) which comprises of 7 tenements over a combined area of (6711 Hectares) 68km^2. Red Dirt has executed a binding agreement for the consideration of 100M Anova shares, which has a value of $1M at 30 June 2022.

Settlement of the transaction occurred subsequent to FY22.

CORPORATE

Financing

Early in the financial year the Company completed a $5.25m placement via the issue of 35,000,000 ordinary shares at $0.15 per share. In addition, on 7 September 2021 the Company announced a $15,000,000 capital raise via a converting loan to help fund the acquisition of the Mt Ida Project. The loan converted to ordinary shares at $0.15 per share upon receipt of shareholder approval at the Annual General Meeting on 18 November 2021. Investors who partook in the placement also received free attaching options on a 1:4 basis, exercisable at $0.25 per share expiring on 18 November 2024.

In February 2022 Red Dirt Metals completed a further capital raising of $22,000,000 via the issue of 43,137,255 ordinary shares $0.51 per share. These placing proceeds are to be used to accelerate the exploration activities at the Mt Ida Lithium-Gold Project and technical studies moving towards a PFS.

Throughout the financial year, $7,417,243 was received via the conversion of 29,668,971 options with an exercise price of $0.25.

Divestment of East Canyon

During June 2022, Red Dirt completed the divestment of the East Canyon uranium-vanadium project to Uvre Ltd (Uvre), and Uvre commenced trading under ASX ticker UVA. Uvre is the 100% owner of Vanacorp Pty Ltd, the ultimate holder of the East Canyon uranium-vanadium project.

Red Dirt Metals received $225,000 in cash and 5,000,000 fully paid ordinary shares in Uvre under the terms of the divestment of the East Canyon Project to Uvre. The Uvre shares held by Red Dirt are escrowed until 5 June 2024. Red Dirt's shareholding currently equates to 12.22% of the issued capital of Uvre.

Managing Director Appointment and Board Changes

The Company was pleased to announce the appointment of Matthew Boyes to the Board of Red Dirt as Managing Director from 1 December 2021. Mr Boyes was previously the Chief Executive Officer of Red Dirt.

Mr Boyes is a qualified geologist and fellow of the Australasian Institute of Mining and Metallurgy with more than 25 years' experience in the industry. He recently served as Chief Operating Officer for AIM-listed Patagonia Gold, overseeing the construction of two standalone gold-silver heap leach projects in southern Argentina.

On 1 March 2022, the Company announced the appointment of highly experienced financial and mining executive, Mr Tim Manners, as a Non-Executive Director of the Company. Mr Manners is a finance professional with over 25 years' experience in corporate finance, accounting, financial management and business development functions within the resources industry. Mr Manners has been involved in exploration, developing, and producing companies both in Australia and overseas. As part of the appointment, Mr Brett Mitchell resigned from the position as Non-Executive Director.

With effect from 20 June 2022, the company welcomed the appointment of highly accomplished mining executive, and experienced Lithium and battery metals industry professional, Mr Jiahe "Gower" He, as Executive Director of Corporate Development to the Board of Red Dirt Metals. Mr He is a highly regarded finance and commercial professional with over 20 years' experience in the resource sector. He has a strong track record in business development, marketing, and commercial strategy execution. Prior to joining Red Dirt, Mr He held various senior positions working for Mitsui & Co (Aust) executing various Lithium related, trading, off-take and strategic marketing initiatives.

Post balance date on 29 August 2022, the Board appointed Mr David Flanagan as Non-Executive Chairman of the Company. As part of the appointment, Mr Alexander Hewlett resigned from the Board. David's appointment will assist with the Company moving through the stages of exploration to production, with his significant experience in mining operations and resource development across Australia, Indonesia and Africa over the past 30 years.

Tenements held as at the end of the reporting period

Tenement	Holder	Location	Status	Beneficial Interest
Mount Ida Project				
E29/0640	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
E29/0771	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
E29/0895	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
E29/0944	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
E29/0964	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
L29/0074	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
M29/0002	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
M29/0094	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
M29/0165	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
M29/0422	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
M29/0429	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
P29/2394	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
P29/2397	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
P29/2398	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
P29/2399	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
P29/2400	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
P29/2401	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
P29/2402	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
P29/2403	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
P29/2404	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
P29/2405	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
P29/2406	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
P29/2407	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
P29/2487	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
P29/2529	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
P29/2666	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
P29/2667	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
P29/2668	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
P29/2669	Mt Ida Gold Pty Ltd	Western Australia	Granted	100%
L29/0166	Mt Ida Gold Pty Ltd	Western Australia	Application	100%
L29/0171	Mt Ida Gold Pty Ltd	Western Australia	Application	100%

Eureka Gold Project				
M24/189	Warriedar Mining Pty Ltd	Western Australia	Granted	100%
M24/584	Warriedar Mining Pty Ltd	Western Australia	Granted	100%
M24/585	Warriedar Mining Pty Ltd	Western Australia	Granted	100%
M24/586	Warriedar Mining Pty Ltd	Western Australia	Granted	100%
L24/234	Warriedar Mining Pty Ltd	Western Australia	Granted	100%
P24/5116	Warriedar Mining Pty Ltd	Western Australia	Granted	100%
P24/5548	Warriedar Mining Pty Ltd	Western Australia	Application	100%
P24/5549	Warriedar Mining Pty Ltd	Western Australia	Application	100%
Mt Lockeridge/Earahhedy Basin				
E69/3871	Mt Lockeridge Holdings Pty Ltd	Western Australia	Application	100%
Warriedar Projects*				
E59/1696	Warriedar Mining Pty Ltd	Western Australia	Granted	100%
E59/1723	Warriedar Mining Pty Ltd	Western Australia	Granted	100%
E59/1966	Warriedar Mining Pty Ltd	Western Australia	Granted	100%
E59/2104	Warriedar Mining Pty Ltd	Western Australia	Granted	100%
M59/755	Warriedar Mining Pty Ltd	Western Australia	Granted	100%
P59/2070	Warriedar Mining Pty Ltd	Western Australia	Granted	100%
E59/2575	Warriedar Mining Pty Ltd	Western Australia	Granted	100%
Pelley Ridge Project				
Pelley Ridge Claim Group	Metals of America Inc.	Montana, North America	Granted	100%

**Refer to ASX announcement on 16 August 2022, referencing a binding agreement to sell the project to Anova Metals Limited.*

Environmental Social and Governance

Red Dirt Metals commenced measuring and implementing ESG systems and policies during the year. The Company's Sustainability Report has been finalised and included on the Company's website at https://reddirtmetals.com.au/sustainability/.

During the year, baseline surveys for flora and fauna were completed. A heritage survey was completed with no additional heritage surveys area required. No sites of cultural significance have been identified during the survey. The survey participants confirmed that they had surveyed the area in the past, without coming across any cultural material. Cultural awareness training was also completed for site and Perth based personnel.

Additional baseline surveys are currently underway including hydrogeology, materials characterisation and subterranean fauna.

Fuel Usage	kL	GHG			Total Scope 1 emissions	Total Energy Consumed (GJ)
		CO2	CH4	N2O		
Red Dirt Metals and contractors	435.10	1174	2	7	1182	16795
Oil & Grease	**kL**	**C02**	**CH4**	**N2O**	**Total Scope 1 emissions**	**Total Energy Consumed (GJ)**
Grease	1.7	-	-	-	-	66
Oil	8.9	5	-	-	5	345
Electricity Usage	**(kWh)**	**Emission Factor (EF)**			**Total Scope 2 emissions**	**Total Energy Consumed (GJ)**
Electricity Purchased	6,447	0.68			4	23
		Total Emissions - Scope 1 & 2				**1,191**
		Total Energy Consumed for year ended 2022				**17,229**

**data calculated using the NGER Emissions and Energy Threshold Calculator.*

The Company is delighted to report that the commissioning of its new Solar Farm and Battery Storage system has commenced following its recent installation. A 20kW solar array comprising 52x390W panels will feed a containerized bank of 28x3.5kWh lithium batteries for a combined output of 98kWh. This battery storage system is designed to feed 240VAC power to the Mt Ida camp and provide on average 70-80% of the camps electricity needs and underpins the Company’s commitment to establishing solid sustainability credentials as the Mt Ida project develops.

***Figure 9*; 20kW Solar farm and 98kWh battery installation to provide energy for the Mt Ida camp**

Competent Persons Statement

The information in this report that relates to estimation and reporting of Mineral Resources Is based on information compiled by Mr Brian Fitzpatrick. Mr Fitzpatrick is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person (CP) as defined in the 2012 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Mr Fitzpatrick is a full-time employee of Cube Consulting Pty Ltd, which specialises in mineral resource estimation, evaluation and exploration. Neither Mr Fitzpatrick nor Cube Consulting Pty Ltd holds any interest in Red Dirt Metals, its related parties, or in any of the mineral properties that are the subject of this announcement. Mr Fitzpatrick contents to the inclusion in this announcement of all technical statements based on his information in the form and context in which it appears.

The information in this release that relates to Exploration as those terms are defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserve", is based on information compiled by Mr. Matthew Boyes, who is the Managing Director of the Company and a Fellow of the Australian Institute of Geoscientists. Mr. Boyes has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserve". Mr. Boyes consents to the inclusion of the matters based on his information in the form and context in which it appears.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Red Dirt Metals Limited support and have adhered to the principles of sound corporate governance. The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council and considers that the Company is compliant with many of those guidelines which are of importance to the commercial operation of the Company. During the financial year, shareholders continued to receive the benefit of an efficient and cost-effective corporate governance policy for the Company.

Details of Red Dirt Metals current corporate governance practices is set out in the Company's corporate governance statement which can be viewed on the Company website at https://reddirtmetals.com.au/corporate-governance/

Director's Report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the "consolidated entity" or the "group") consisting of Red Dirt Metals Limited ("Red Dirt Metals" or the "Company") and the entities it controlled at the end of, or during the year ended 30 June 2022.

Directors

The following persons were directors of Red Dirt Metals Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Director	Title	Appointment Date	Resignation Date
Matthew Boyes[1]	Managing Director and CEO	1 November 2021	-
Jiahe (Gower) He	Executive Director	20 June 2022	-
David Flanagan	Non-Executive Chairman	29 August 2022	-
Alexander Hewlett	Non-Executive Chairman	4 December 2020	29 August 2022
James Croser	Non-Executive Director	4 December 2020	-
Nader El Sayed	Non-Executive Director	1 March 2021	-
Tim Manners	Non-Executive Director	1 March 2022	-
Brett Mitchell	Non-Executive Director	1 February 2019	1 March 2022

[1]Mr Boyes previously held the position of Chief Executive Officer from 16 November 2020.

Principal Activities

During the financial year the principal continuing activities of the consolidated entity consisted of the exploration and evaluation of the consolidated entity's tenements predominantly situated in Western Australia, Australia.

Financial Review

Red Dirt Metals has recorded an operating loss after income tax from continuing operations for the year ended 30 June 2022 of $8,055,242 (2021: $703,744) and net operating cash outflows of $1,208,400 (2021: $740,444).

The company invested $12,445,476 in exploration throughout the year excluding acquisition costs (2021: $3,203,505) and raised $42,250,000 in capital during the year via share placements (2021: 3,950,000).

Dividends

No dividend has been declared or paid by the Company since the start of the financial period and the Directors do not at present recommend a dividend.

Annual General Meeting

The Company's Annual General Meeting ("AGM") was held on 18 November 2021 with all resolutions passed and decided by way of poll.

Matters subsequent to reporting date

On 7 July 2022, the Company held a general meeting and received shareholder approval to issue 5,000,000 unlisted performance rights expiring 31 December 2023 and 1,000,000 unlisted options with an exercise price of $0.77 expiring 26 July 2025 to Directors pursuant to the performance rights and options plan approved by shareholders on 2 July 2019, which was re-adopted at the general meeting. These securities were agreed to be issued during the year ended 30 June 2022 and have been accounted for as such within the financial statements.

On 16 August 2022, the Company announced that it had entered into an agreement for the divestment of its Warriedar Gold Project to Anova Metals Limited (ASX: AWV). The Company agreed to divest the Warriedar Gold Project which comprises of seven tenements over a combined area of (6,711 Hectares) 68km^2, by way of a binding agreement satisfied by the issue of 100M Anova shares at a deemed issue price of A$0.012 per share ("Consideration Shares"). The Consideration Shares to be issued to the Company will be escrowed for a period of six months. As at 30 June 2022 the fair value of the Consideration Shares was $1,000,000.

On 29 August 2022, the company announced the appointment of Mr David Flanagan as Chairman. As a result of Mr Flanagan's appointment, Mr Alexander Hewlett resigned as Director and Chairman. Commensurate with Mr Flanagan's appointment he has been issued 6,000,000 performance rights vesting in three equal tranches of 2,000,000 upon the achievement of a 20-day Volume Weighted Average Price (VWAP) of $1.00, $1.20 and $1.50 respectively, subject to continuous employment.

Director's Report (continued)

On 12 September 2022, Subject to a 7-day due diligence period, Red Dirt Metals agreed to acquire Lithium explorer Electrostate Limited, being the 100% holder of the Yinnetharra Lithium Project covering 520km^2 in the central Gascoyne region of Western Australia. Consideration for the acquisition includes $15,000,000 of ordinary shares in the Company (26,455,026 shares at a deemed issue price of $0.567), 2,666,666 options with an expiry date of 18 months and an exercise price of $0.75, along with deferred consideration amounting to $10,000,000 upon delineation of a JORC 2012 compliant resource in excess of 15 million tonnes @ 0.9% Li_2O or greater within four years, payable in cash or via the issue of ordinary shares (at the Company's election) calculated using a deemed issue price equal to the 10-day VWAP up to and including the date the condition is met.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely Developments

Other than as referred to in this report, further information as to likely developments in the operations of the Company and likely results of those operations would, in the opinion of Directors, be speculative.

Significant changes in the state of affairs

Other than as disclosed elsewhere in this Director's Report, there have been no significant changes in the state of affairs of the Company during the year ended 30 June 2022.

Environmental Regulations

The consolidated entity is subject to and is compliant with all aspects of environmental regulation of its exploration and mining activities. The directors are not aware of any environmental law that is not being complied with.

NGER act

The Directors consider the National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the Directors have determined that the NGER Act will have no effect on the Company for the current nor subsequent financial year. The Directors will reassess this position as and when the need arises.

Convertible Securities

Options

At the date of this report, unissued shares of the Group under option are:

Number of Securities	Exercise Price	Number vested	Expiry Date
3,750,000	$0.25	3,750,000	30 June 2023
15,902,425	$0.25	15,902,425	01 Oct 2024
17,678,604	$0.25	17,678,604	18 Nov 2024
4,000,000	$0.25	4,000,000	21 Sept 2025
1,000,000	$0.77	-	26 July 2025
42,331,029		**41,331,029**	

Performance Rights

At the date of this report, unissued shares of the Group pursuant to performance rights issued to incentivise its directors, employees and other vendors are:

Number of Securities	Grant Date	Number vested	Expiry Date
300,000	3 Dec 2020	-	03 Dec 2025
1,750,000	20 Jul 2020	-	31 Dec 2022
325,000	1 Oct 2021	150,000	31 Dec 2023
5,000,000	7 Jul 2022	-	31 Dec 2023
6,000,000	29 Aug 2022	-	26 Aug 2027
13,375,000		150,000	

Director's Report (continued)

Performance Shares

At the date of this report there are 6,750,000 unissued Shares of the Company under Performance Shares with a milestone of the Company announcing a JORC compliant resource estimate for the Pelley Ridge Project of at least "indicated" status of at least 2 million tonnes of at least 6% Zn equivalent. Each performance share will convert to an ordinary share on a one for one basis.

Indemnification and insurance of officers

The Company has agreements with each of the Directors and Officers of the Company in office at the date of this report and former Directors indemnifying them to the extent permitted by law against all liabilities incurred in their capacity as officers of the Company and its controlled entities and all reasonable legal costs incurred by any of them in the defence of an action for a liability incurred by that officer. The indemnity continues to have effect when the Directors and Officers cease to hold office.

The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and Officers' liability as such disclosures are prohibited under the terms of the contract.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Director Information

Name:	**David Flanagan**
Title:	Non-Executive Chairman (Appointed 29 August 2022)
Qualifications:	BSc in Mining & Minerals Exploration Geology, WASM, MAusIMM, FAICD
Experience and expertise:	Mr Flanagan is a geologist with more than 30 years' experience in mining operations and resource development in Australia, Indonesia and Africa. David completed his studies at Curtin's Western Australian School of Mines in Kalgoorlie. He is a Fellow of the Australian Institute of Company Directors and was the founding Managing Director of Atlas Iron Limited, during which he oversaw its growth from a junior explorer to an ASX top 50 Company. David is currently Chairman of Battery Minerals Limited, Non-Executive Director at MACA Limited and Chair of Australian Remote Operations for Space and Earth.
Other current ASX directorships:	Battery Minerals Limited (Executive Chairman), Australian Remote Operations for Space and Earth (Executive Chairman) and MACA Limited (Non-Executive).
Former ASX directorships (last 3 years):	Non-Executive Chairman, CZR Resources Limited (resigned 10 September 2021) Non-Executive Director, Magmatic Resources Limited (resigned 4 February 2021)
Interests in shares and convertible securities held at the date of this report	David Flanagan <the Flanagan Family a/c> 6,000,000 Performance rights expiring 26 August 2027

Name:	**Matthew Boyes**
Title:	Managing Director & Chief Executive Officer
Qualifications:	BSc in Mining & Minerals Exploration Geology, WASM, MAusIMM (fellow)
Experience and expertise:	Mr Boyes is a qualified Geologist and Fellow of the Australasian Institute of Mining and Metallurgy with 25 years industry experience with a strong background in minerals resources, project development, construction and operations management. Mr Boyes has recently served as COO for AIM listed Patagonia Gold successfully overseeing the development and construction of two standalone Gold-Silver heap leach projects in southern Argentina. Mr Boyes has significant experience is product evaluations and financing with a focus on the junior market sector.
Other current ASX directorships:	none
Former ASX directorships (last 3 years):	n/a
Interests in shares and convertible securities held at the date of this report	**Mr Matthew Garfield Boyes** 1,521,788 Ordinary Shares 862,864 Unlisted options exercisable at $0.25 expiring 1 October 2024

Director's Report (continued)

	Mrs Tiziana Marras 50,000 Ordinary Shares 300,000 Performance rights expiring 4 December 2025 1,500,000 Performance rights expiring 31 December 2023

Name:	**Jiahe (Gower) He**
Title:	Executive Director
Qualifications:	**Bcom (Accounting and Finance), CPA**
Experience and expertise:	Mr He is a highly regarded finance and commercial professional with over 20 years' experience in the resource sector. He has a strong track record in business development, marketing, and commercial strategy execution. Prior to joining Red Dirt, Mr He held various senior positions working for Mitsui & Co (Aust) executing various Lithium related, trading, off-take and strategic marketing initiatives across Australia, Japan and China.
Other current ASX directorships:	none
Former ASX directorships (last 3 years):	n/a
Interests in shares and convertible securities held at the date of this report	**Daman International Investments Pty Ltd** 40,000 Ordinary Shares 1,500,000 Performance rights expiring 31 December 2023

Name:	**James Croser**
Title:	Non-Executive Director
Qualifications:	Bachelor's degree from the Western Australian School of Mines and is a holder of a Western Australian First Class Mine Managers' Certificate
Experience and expertise:	Mr Croser is a qualified mining engineer, with 20 years of operations, technical and management experience in the Australian mining sector. Mr Croser is currently Director of Vaportrail Pty Ltd, a privately-owned mining consultancy business. Mr Croser has served previously on the Board for ASX-listed mining companies Kalgoorlie Mining Company Ltd & Resources & Energy Group Ltd, while also founding & developing several private mining companies across Western Australia in recent years. Mr Croser has held statutory mine management positions for Perilya Ltd and La Mancha Resources Ltd, including as inaugural underground manager for the definitive feasibility study & construction of the one-million-ounce Frog's Leg Gold Mine.
Other current ASX directorships:	Nil
Former ASX directorships (last 3 years):	Spectrum Metals Limited (resigned 25 February 2020)
Interests in shares and convertible securities held at the date of this report	**Mrs Amanda Jane Croser <Croser Family A/C>** 5,480,377 Ordinary Shares 1,000,000 Performance rights expiring 31 December 2023 3,183,008 Unlisted options exercisable at $0.25 expiring 1 October 2024 1,000,000 Unlisted options exercisable at $0.25 expiring 21 September 2025

Director's Report (continued)

Name:	**Nader El Sayed**
Title:	Non-Executive Director
Qualifications:	Bachelor of Commerce (Banking & Finance), Masters (Accounting) and has completed the Australian Institute of Chartered Accountants program.
Experience and expertise:	Mr El Sayed is currently the Chief Executive Officer of Multiplant Holdings, a mining and civil services business in Western Australia. His previous roles include a senior management position with KPMG providing assurance, capital markets and other advisory services to key Australian and international resource companies. Mr El Sayed brings a wealth of risk management, corporate governance, strategic and financial experience to the Board.
Other current ASX directorships:	none
Former ASX directorships (last 3 years):	Spectrum Metals Limited (resigned 25 February 2020), Hammer Metals Limited (resigned 30 June 2020).
Interests in shares and convertible securities held at the date of this report	**Nameo Pty Ltd** 2,533,893 Ordinary Shares 1,342,233 Unlisted options exercisable at $0.25 expiring 1 October 2024 1,000,000 Unlisted options exercisable at $0.25 expiring 21 September 2025

Name:	**Tim Manners**
Title:	Non-Executive Director
Qualifications:	Bachelor of Business (Accounting), FCA, AGIA, MAICD
Experience and expertise:	Mr Manners is a finance professional with over 25 years' experience in corporate finance, accounting, financial management and business development functions within the resources industry. Mr Manners has been involved in exploration, developing, and producing companies both in Australia and overseas. Mr Manners has held senior financial positions in various sectors including precious and base metals, industrial minerals, (including lithium and tantalum experience at the Greenbushes and Wodgina operations) and in bulk commodities. Mr Manners is currently the Chief Financial Officer of ASX 200 Ramelius Resources Ltd.
Other current ASX directorships:	none
Former ASX directorships (last 3 years):	Mr Manners was appointed as a Director of Spectrum Metals Limited (25 February 2020 to 23 June 2020) and Apollo Consolidated Limited (19 November 2021 to 16 December 2021) from the time Ramelius Resources Ltd took control of these entities until they were delisted.
Interests in shares and convertible securities held as at the date of this report	**Mr Timothy Peter Manners** 425,874 Ordinary Shares 41,667 Unlisted options exercisable at $0.25 expiring 18 November 2024 1,000,000 Unlisted options exercisable at $0.77 expiring 26 July 2025

Director's Report (continued)

Name:	**Alexander Hewlett**
Title:	Non-Executive Chairman (**resigned 29 August 2022)**
Qualifications:	Bachelor's degree (Geology) from the University of Western Australia
Experience and expertise:	Mr Hewlett is a qualified Geologist, highly skilled at project identification and acquisition with a flair for company and investor communications. He has raised significant funds for both domestic and international projects in the mining and exploration sector and has served on several boards on the ASX.
Other current directorships:	Wildcat Resources Ltd
Former directorships (last 3 years):	Hammer Metals Limited (resigned 1 October 2018), Spectrum Metals Limited (resigned 6 May 2020), Black Cat Syndicate Limited (resigned 28 February 2021).
Interests in shares and convertible securities held at the date of resignation	**Elefantino Pty Ltd <Talula A/C>** 5,095,761 Ordinary Shares 1,000,000 Performance rights expiring 31 December 2023 3,183,008 Unlisted options exercisable at $0.25 expiring 1 October 2024 1,000,000 Unlisted options exercisable at $0.25 expiring 21 September 2025 **Mazza Resources Pty Ltd** 307,693 Ordinary Shares

Company Secretary

Mr Steven Wood and Ms Bronte Sebbes were appointed as joint secretaries on 1 June 2021. Ms Sebbes later resigned in August 2021.

Mr Steven Wood is a qualified Chartered Accountant and has experience with acting as Company Secretary for various companies via his role as a corporate advisor with Grange Consulting Group Pty Ltd, of which he is a Director.

Directors' Meetings

The number of board meetings held during the year and for the period to the date of this Annual Report that each Director was entitled to attend, and the number of meetings attended by each director was as follows:

	Directors' Meetings	
Director	Number eligible to attend	Number attended
Matthew Boyes	3	3
Jiahe (Gower) He	-	-
Alexander Hewlett	5	5
James Croser	5	5
Nader El Sayed	5	5
Tim Manners	2	2
Brett Mitchell	3	3

[1]*Appointed 29 August 2022.*

Director's Report (continued)

Remuneration Report (Audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service Agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to Key Management Personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- Competitiveness and reasonableness
- Acceptability to shareholders
- Performance linkage / alignment of executive compensation
- Transparency

In the absence of a dedicated Nomination and Remuneration Committee, the Board has assumed the responsibility for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- Having economic profit as a core component of plan design
- Focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- Attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- Rewarding capability and experience
- Reflecting competitive reward for contribution to growth in shareholder wealth
- Providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive Directors' remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. No external advice was received during the year. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

Maximum aggregate amount

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 18 November 2021, where the shareholders approved a maximum annual aggregate remuneration of $300,000.

Director’s Report (continued)
Remuneration Report (Audited) (continued)

Executive remuneration

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- Base pay and non-monetary benefits
- Short-term performance incentives
- Share-based payments
- Other remuneration such as superannuation and long service leave

The combination of these comprises the executive’s total remuneration

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved within a 12month period.

The long-term incentives ('LTI') share-based payments issued under the rights and options plan approved by shareholders on 2 July 2019 which was re-adopted at a general meeting held 7 July 2022. Shares are awarded to directors and other key management personnel over various period lengths determined by long-term incentive measures. These include increase in shareholder value relative to the entire market and the meeting of key Project milestones which carry both performance and service conditions. Details of share-based compensation to directors is detailed below. The Board reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2022.

Consolidated entity performance and link to remuneration

Remuneration for certain individuals is directly linked to the performance of the consolidated entity. A portion of cash bonus and incentive payments are dependent on defined earnings per share targets being met. The remaining portion of the cash bonus and incentive payments are at the discretion of the Board. Refer to the section 'Additional information' below for details of the earnings and total shareholders return for the last five years.

Voting and comments made at the company’s 2021 Annual General Meeting (“AGM”)

At the 2021 AGM, held 18 November 2021, 99% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2021. The company did not receive any specific feedback at the AGM regarding its remuneration policies.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of Red Dirt Metals Ltd are:

- Matthew Boyes – Managing Director and Chief Executive Officer
- Jiahe (Gower) He – Executive Director
- Alexander Hewlett – Non-Executive Chairman, resigned 29 August 2022
- James Croser – Non-Executive Director
- Nader El Sayed – Non-Executive Director
- Tim Manners – Non-Executive Director
- Brett Mitchell – Non-Executive Director, *resigned 1 March 2022*

Director's Report (continued)
Remuneration Report (Audited) (continued)

Remuneration of Directors and Key Management Personnel

	Fixed Remuneration			Variable Remuneration			
2022	Cash Salary and fees	Superannuation	ETPs	Bonus/ Other	Performance Rights [5]	Options	Total
Non-Executive							
Alexander Hewlett [7]	175,159	4,000	-	-	84,966	179,119	443,244
James Croser	124,992	4,000	-	-	84,966	179,119	393,077
Nader El Sayed	40,000	4,000	-	-	-	179,119	223,119
Tim Manners [1, 6]	13,333	1,333	-	-	-	80,013	94,679
Brett Mitchell [2]	52,667	2,667	-	-	-	179,119	234,453
Executive							
Matthew Boyes [3]	244,405	23,261	-	-	107,299	-	374,965
Jiahe (Gower) He [4]	9,308	931	-	-	33,840	-	44,079
Total	**659,864**	**40,192**	**-**	**-**	**311,071**	**796,489**	**1,807,616**

[1] Appointed 1 March 2022.
[2] Resigned 1 March 2022.
[3] Appointed as Managing Director 1 December 2021 - Includes remuneration for the period Mr Boyes was considered an Other Key management person.
[4] Appointed 20 June 2022.
[5] Represents Performance Rights offered to directors during FY22, subject to shareholder approval, which was obtained 7 July 2022 at a general meeting. The rights were unissued as at 30 June 2022 and thus do not feature in the directors holdings within the remuneration report. Instead they are included within the relevant holdings as at the date of the Director's report.
[6] Represents Options offered during FY22, subject to shareholder approval, which was obtained 7 July 2022. The options were unissued as at 30 June 2022 and thus do not feature in the directors holdings within the remuneration report. Instead they are included within the relevant director holdings as at the date of the Director's report.
[7] Resigned 29 August 2022.

Non-Executive Director fees amounted to $176,000 inclusive of superannuation during the financial year, with the balance of cash remuneration relating to fees paid under consultancy agreements for services outside of being a Director.

	Fixed Remuneration			Variable Remuneration			
	Cash Salary and fees	Superannuation	ETPs	Bonus/ Other	Performance Rights [5]	Options	Total
2021	$	$	$	$	$	$	$
Non-Executive							
Alexander Hewlett [7]	72,149	2,199	-	-	-	-	74,348
James Croser [7]	30,799	2,199	-	-	-	-	32,998
Nader El Sayed [8]	14,667	-	-	-	-	-	14,667
Brett Mitchell	104,000	-	-	-	-	-	104,000
Nick Castleden [9]	15,000	-	-	-	-	-	15,000
Peter Woods [10]	33,360	-	-	-	-	-	33,360
Other Key Management							
Matthew Boyes [11]	119,673	11,369	-	-	66,263	-	197,305
Total	**389,648**	**15,767**	**-**	**-**	**66,263**	**-**	**471,678**

[7] Appointed 4 December 2020.
[8] Appointed 1 March 2021.
[9] Resigned 4 December 2020.
[10] Resigned 1 March 2021.
[11] Commenced 18 November 2020.

Director's Report (continued)
Remuneration Report (Audited) (continued)

The proportion of remuneration linked to performance and the fixed proportion is as follows:

	Fixed Remuneration		At Risk - STI		At Risk - LTI[12]	
Director	2022	2021	2022	2021	2022	2021
Non-Executive						
Alexander Hewlett	40%	100%	40%	-	20%	-
James Croser	33%	100%	46%	-	21%	-
Nader El Sayed	20%	100%	80%	-	-	-
Tim Manners	15%	-	85%	-	-	
Brett Mitchell	24%	100%	76%	-	-	-
Nick Castleden	-	100%	-	-	-	-
Peter Woods	-	100%	-	-	-	-
Executive						
Matthew Boyes	71%	66%	-	-	29%	34%
Jiahe (Gower) He	23%	-	28%	-	49%	-

[12] *Represents the % of remuneration directly linked to performance.*

Service Agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Director	Appointed	Annual Fee[1] ($)	Effective Dates	
Matthew Boyes	18-Nov-20 (CEO)	231,000	1-Jul-21	30-Nov-21
	1-Dec-22 (MD)	279,400	1-Dec-21	30-Apr-22
	1-May-22	330,000	1-May-22	Date of this report
Jiahe (Gower) He	20-Jun-22	330,000	20-Jun-22	Date of this report
Alexander Hewlett	4-Dec-20	44,000	1-Jun-21	29-Aug-22
David Flanagan	29-Aug-22	132,600	29-Aug-22	Date of this report
James Croser	4-Dec-20	44,000	1-Jun-21	Date of this report
Nader El Sayed	1-Mar-21	44,000	1-Jun-21	Date of this report
Tim Manners	1-Mar-22	44,000	1-Mar-22	Date of this report
Brett Mitchell	27-Jun-17	44,000	1-Jun-21	1-Mar-22

[1] *All amounts are stated inclusive of statutory superannuation.*

Name	**Matthew Boyes**
Title	Managing Director & CEO
Agreement Dates	18 November 2020 to 30 November 2021 (CEO)
	1 December 2021 to present (Managing Director & CEO)
Details	Base salary of $231,000, which increased to $279,400 upon becoming Managing Director 1 December 2021. From 1 May 2022 total remuneration increased to $330,000, comprising a base salary of $286,000 and director fees of $44,000. All amounts are stated inclusive of superannuation. 3 month written notice period for termination. Various equity-based remuneration.

Director's Report (continued)
Remuneration Report (Audited) (continued)

Name	**Jiahe (Gower) He**
Title	Executive Director
Agreement Dates	20 June 2022 to present
Details	Total remuneration of $330,000, comprising a base salary of $286,000 and director fees of $44,000. All amounts are stated inclusive of superannuation. 3 month written notice period for termination. Various performance related equity-based remuneration.

Name	**Alexander Hewlett**
Title	Non-Executive Chairman
Agreement Dates	4 December 2020 to 29 August 2022 (Non-Executive). Resigned 29 August 2022. 1 January 2021 to present (Consultancy)
Details	Non-Executive Director fees of $44,000 inclusive of superannuation. Consultancy agreement signed with **Mazza Resources Pty Ltd** for services provided outside of directorship at a daily rate of $1,000 per day (ex-GST). One month notice period for termination of consultancy agreement. Various performance related equity-based remuneration.

Name	**Nader El Sayed**
Title	Non-Executive Director
Agreement Dates	1 March 2021 to present (Non-Executive)
Details	Non-Executive Director fees of $44,000 inclusive of superannuation. No notice period for termination. Various performance related equity-based remuneration.

Name	**James Croser**
Title	Non-Executive Director
Agreement Dates	4 December 2020 to present 1 January 2021 to present (Consultancy)
Details	Non-Executive Director fees of $44,000 inclusive of superannuation. Consultancy agreement signed with **Vaportrail Pty Ltd** for services provided outside of directorship at a daily rate of $1,000 per day (ex-GST). One month notice period for termination of consultancy agreement. Various performance related equity-based remuneration.

Name	**Tim Manners**
Title	Non-Executive Director
Agreement Dates	1 March 2022 to **present**
Details	Non-Executive Director fees of $44,000 inclusive of superannuation. Various performance related equity-based remuneration.

Name	**David Flanagan**
Title	Non-Executive Chairman
Agreement Dates	29 August to Present
Details	Director fees of $120,000 per annum plus statutory superannuation. No notice period for termination. Various performance related equity-based remuneration.

Director's Report (continued)
Remuneration Report (Audited) (continued)

Share-based compensation

The terms and conditions of share- based payment arrangements granted over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Options

- Grant 1 – On 16 September 2021, the company held a general meeting and received shareholder approval to issue 1,000,000 options to each of the Directors of Red Dirt Metals Limited at that time.
- Grant 2 - On 7 July 2022, the company held a general meeting and received shareholder approval to issue 1,000,000 options to Tim Manners subject to 12 months of continuous employment. The options were issued post 30 June 2022.

The valuation of each grant of options was derived using a Black-Scholes valuation model, with the following underlying inputs and assumptions:

	Grant 1	Grant 2	Total
Grant date	16-Sep-21	7-Jul-22	
Vesting date	Immediately	1-Mar-23	
Expiry date	21-Sep-25	26-Jul-25	
No. securities	4,000,000	1,000,000	5,000,000
Security entitlement	One share	One share	
Listed/unlisted	Unlisted	Unlisted	
Exercise price	$0.250	$0.770	
Spot price	$0.275	$0.380	
Expected volatility	90%	126%	
Risk-free rate	0.16%	2.62%	
Dividend Yield	Nil	Nil	
Value of option	$0.179	$0.240	
Total Value ($)	**716,476**	**240,039**	**956,515**
Expense recognised during FY22 ($)	**716,476**	**80,013**	**796,489**

Options (continued)

	Grant 1 $	Grant 2 $	Total $
Reconciliation by Director			
Alexander Hewlett	179,119	-	179,119
James Croser	179,119	-	179,119
Nader El Sayed	179,119	-	179,119
Brett Mitchell	179,119	-	179,119
Tim Manners	-	240,039	240,039
Total Value	**716,476**	**240,039**	**956,515**
Alexander Hewlett	179,119	-	179,119
James Croser	179,119	-	179,119
Nader El Sayed	179,119	-	179,119
Brett Mitchell	179,119	-	179,119
Tim Manners	-	80,013	80,013
Expense recognised during FY22 ($)	**716,476**	**80,013**	**796,489**

Performance Rights

On 7 July 2022, the company held a general meeting and received shareholder approval to issue 5,000,000 unlisted performance rights to directors Matthew Boyes, Alexander Hewlett, James Croser and Jiahe (Gower) He pursuant to the performance rights and options plan approved by shareholders on 2 July 2019, which was re-adopted at the general meeting. The Performance Rights were issued to directors post 30 June 2022, allocated based on the following milestones (vesting conditions):

Director's Report (continued)
Remuneration Report (Audited) (continued)

- Tranche 1 - The successful increase of gold resources for the Company by 250,000 ounces (at 0.5 g/t Au cut-off) or delineation of 10,000,000 tonnes of Li_2O at greater than 1% grade (at 0.3% cut-off) before 30 June 2023[1].
- Tranche 2 - The achievement of a $1.00 20-day volume weighted average price ('VWAP") prior to the expiry date, being 31 December 2023.
- Tranche 3 - The achievement of a $1.20 20-day volume weighted average price ('VWAP") prior to the expiry date, being 31 December 2023.
- Tranche 4 - Mr Jiahe (Gower) He completing 12 months continuous employment with the Company.
- Tranche 5 - The execution by the Company of a binding agreement between the Company and a third party(s) whereby the third party(s) undertakes to:
  - purchase a minimum of 10% of the annual production of the Mt Ida Project over the first three years of operations; or
  - provide funding for the construction of the Mt Ida Project.

	Tranche 1[1]	Tranche 2	Tranche 3	Tranche 4	Tranche 5	Total
Director						
Matthew Boyes[2]	750,000	375,000	375,000	-	-	1,500,000
Alexander Hewlett	500,000	250,000	250,000	-	-	1,000,000
James Croser	500,000	250,000	250,000	-	-	1,000,000
Jiahe (Gower) He	-	250,000	-	250,000	1,000,000	1,500,000
Total	**1,750,000**	**1,125,000**	**875,000**	**250,000**	**1,000,000**	**5,000,000**

[1]This increase is to be measured from the current total reported resources of 318,000t @13.8g/t of gold for 141,000 ounces at the Company's Mt Ida Project (Refer to ASX Announcement 28th July 2021 "Ora Banda Mining June 2021 Quarterly activities report").
[2]The vesting of Matthew Boyes Performance Rights are also subject to continuous employment with the Company until 30 June 2023, which management have deemed a 100% probability at 30 June 2022

The valuation of performance rights was performed via the relevant Hoadley Option Valuation Model for Tranche 2 and 3, whilst a 'per security' valuation has been used for the other tranches with appropriate probability attached. Valuations have been derived using the following underlying inputs and assumptions:

Security class	Tranche 1[3]	Tranche 2[4]	Tranche 3[4]	Tranche 4[3]	Tranche 5[3]	Total
Grant date[5]	7-Jul-22	7-Jul-22	7-Jul-22	7-Jul-22	7-Jul-22	
Vesting date	31-Dec-22	31-Dec-23	31-Dec-23	20-Jun-23	31-Dec-23	
Expiry date	31-Dec-23	31-Dec-23	31-Dec-23	31-Dec-23	31-Dec-23	
No. Securities	1,750,000	1,125,000	875,000	250,000	1,000,000	5,000,000
Security entitlement	One Share	One Share	One Share	One Share	One Share	
Listed/unlisted	Unlisted	Unlisted	Unlisted	Unlisted	Unlisted	
Exercise price	$Nil	$Nil	$Nil	$Nil	$Nil	
Share Price Targets (20-day-VWAP)	N/A	1.0000	1.2000	N/A	N/A	
Implied barrier price (approx.)	N/A	1.5391	1.8469	N/A	N/A	
Expected volatility	N/A	126%	126%	N/A	N/A	
Risk-free rate	N/A	2.62%	2.62%	N/A	N/A	
Dividend yield	N/A	Nil	Nil	N/A	N/A	
Value of each security	0.3800	0.2433	0.2211	0.3800	0.3800	
Probability	75%	100%	100%	100%	50%	
Total Value ($)	**498,750**	**273,712**	**193,463**	**95,000**	**190,000**	**1,250,925**
Expense recognised during FY22[6] ($)	**183,795**	**64,771**	**54,078**	**12,138**	**16,439**	**331,221**

Director's Report (continued)
Remuneration Report (Audited) (continued)

	Tranche 1 $	Tranche 2 $	Tranche 3 $	Tranche 4 $	Tranche 5 $	Total $
Reconciliation by Director						
Matthew Boyes	213,750	91,237	82,913	-	-	387,900
Alexander Hewlett	142,500	60,825	55,275	-	-	258,600
James Croser	142,500	60,825	55,275	-	-	258,600
Jiahe (Gower) He	-	60,825	-	95,000	190,000	345,825
Total Value	**498,750**	**273,712**	**193,463**	**95,000**	**190,000**	**1,250,925**
Matthew Boyes	78,769	25,503	23,176	-	-	127,449
Alexander Hewlett	52,513	17,002	15,451	-	-	84,966
James Croser	52,513	17,002	15,451	-	-	84,966
Jiahe (Gower) He	-	5,264	-	12,138	16,439	33,840
Expense recognised during FY22[6]	**183,795**	**64,771**	**54,078**	**12,138**	**16,439**	**331,221**

[3]The value of each right has been calculated using the share price as at the grant date, with the value calculated based on the number of instruments expected to vest.
[4]The value of each right has been calculated using a combination of Hoadley's Barrier1 Model and Hoadley's Parisian model ('Parisian Barrier1 Model').
[5]Performance rights have been valued at the grant date, being the date that shareholder approval was received to issue securities to directors.
[6] The expense recognised during the period is from the date the securities were offered to Messer's Boyes, Hewlett & Croser (30 November 2021) and Mr He (5 May 2022).

Additional Information

The earnings of the consolidated entity for the five years to 30 June 2022 are summarised below:

	2022	2021	2020	2019	2018
Net loss after tax ($)	(8,055,242)	(703,744)	(1,567,345)	(1,074,490)	(552,503)
Share price at financial year end ($)	0.38	0.16	0.15	0.11	0.22
Total Dividends declared (cents per share)	Nil	Nil	Nil	Nil	Nil
Basic loss per share (cents per share)	(3.65)	(1.00)	(5.11)	(3.52)	(2.64)

Additional Disclosures relating to Key Management Personnel

As at the year end, the relevant beneficial interest of each Director in the ordinary share capital of the Company shown in the register of Director's Shareholdings is as follows:

Directors and Senior Executives interest in Ordinary Shares

Directors	Balance at the start of the year	Additions	Disposals	Other Changes during the year	Balance at resignation date	Balance at the end of the year
Matthew Boyes [1]	1,521,788	50,000	-	-	-	1,571,788
Alexander Hewlett [4]	5,070,121	333,333	-	-	-	5,403,454
James Croser	5,147,044	333,333	-	-	-	5,480,377
Nader El Sayed	2,200,560	333,333	-	-	-	2,533,893
Tim Manners [2]	-	-	-	425,874	-	425,874
Brett Mitchell [3]	1,439,424	960,833	(462,500)	-	1,937,757	-
	15,378,937	**2,010,832**	**(462,500)**	**425,874**	**1,937,757**	**15,415,386**

[1] Appointed as Managing Director 1 December 2021 - Amounts include holdings & net acquisitions/disposals for the period Mr Boyes was considered Key Management Personnel.
[2] Appointed 1 March 2022. Other changes during the year include the number of securities declared on director appointment.
[3] Resigned 1 March 2022.
[4] Resigned 29 August 2022.

Director's Report (continued)
Remuneration Report (Audited) (continued)

Directors and Senior Executives interest in Options

Directors	Balance at the start of the year	Additions	Exercised	Expired, forfeited, Disposed or Other	Balance at resignation date	Balance at the end of the year	% vested and exercise-able at year end
Matthew Boyes [4]	862,864	-	-	-	-	862,864	100%
Alexander Hewlett[5, 9]	3,183,008	1,000,000	-	-	-	4,183,008	100%
James Croser [5]	3,183,008	1,000,000	-	-	-	4,183,008	100%
Nader El Sayed [6]	1,342,233	1,000,000	-	-	-	2,342,233	100%
Tim Manners [7]	-	-	-	41,667	-	41,667	0%
Brett Mitchell [8]	3,325,000	1,208,334	(473,333)	(1,051,667)	3,008,334	-	-
	11,896,113	**4,208,334**	**(473,333)**	**(1,010,000)**	**3,008,334**	**11,612,780**	

[4] Appointed as Managing Director 1 December 2021 - Amounts include holdings & net acquisitions/disposals for the period Mr Boyes was considered an Other Key management person including vendor options received in FY21 relating to the acquisition of Warriedar Mining Pty Ltd.
[5] Appointed 4 December 2020. Opening balance includes vendor options received in FY21 relating to the acquisition of Warriedar Mining Pty Ltd.
[6] Appointed 1 March 2021.Opening balance includes vendor options received in FY21 relating to the acquisition of Warriedar Mining Pty Ltd.
[7] Appointed 1 March 2022. Other changes during the year include the number of securities declared on director appointment.
[8] Resigned 1 March 2022.
[9] Resigned 29 August 2022.

Directors and Senior Executives interest in Performance Rights

Directors	Balance at the start of the year	Granted	Exercised	Expired, forfeited, Disposed or Other	Balance at the end of the year	% vested and exercisable at year end
Matthew Boyes [9]	450,000	-	(150,000)	-	300,000	0%
	450,000	**-**	**(150,000)**	**-**	**300,000**	

[9] Appointed as Managing Director 1 December 2021. Opening balance includes beneficial interest and amounts exercised are stated for the period where Mr Boyes was considered and Other Key management person.

Other Transactions with Key Management Personnel and their Related entities

Directors and officers, or their personally related entities, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Details of the transactions including amounts accrued but unpaid at the end of the year as follows:

			Net Transactions		Balances owing (to) / from	
Related Party	Relationship	Nature of transaction	2022	2021	2022	2021
Chieftain Securities Pty Ltd / Chieftain Securities (WA) Pty Ltd	(i)	Corporate advisory fees	-	50,000	-	-
Chieftain Securities Pty Ltd / Chieftain Securities (WA) Pty Ltd	(i)	Capital raising fees	275,520	93,275	-	-
Jaytona Pty Ltd T/A Multiplant Holdings	(ii)	Charges for rental of corporate office	5,371	8,817	-	(2,053)
Croser Family Trust	(iii)	Charges for rental of warehouse	11,050	-	-	-
			291,941	**152,092**	**-**	**(2,053)**

(i) Cheiftain Securities Pty Ltd and Chieftain Securities (WA) are companies associated with Mr Brett Mitchell. Transactions included up until his resignation of 1 March 2022.
(ii) Jaytona Pty Ltd T/A Multiplant Holdings is a company associated with Mr Nader El Sayed.
(iii) Croser Family Trust is a trust associated with Mr James Croser.

This concludes the remuneration report, which has been audited

Director's Report (continued)

AUDITOR

Hall Chadwick has been appointed auditor of the Company in accordance with section 327 of the *Corporations Act 2001*.

NON-AUDIT SERVICES

During the 2022-year Hall Chadwick, the Company's auditor did not perform any other services in addition to their statutory duties.

AUDITOR'S INDEPENDENCE DECLARATION

The Lead Auditor's Independence Declaration as required under section 307C of the Corporations Act is set out on page 35 of this Annual Report and forms part of the Directors' Report for the year ended 30 June 2022.

Signed in accordance with a resolution of Directors.

Matthew Boyes
Managing Director and CEO
Perth, Western Australia

Signed at Perth on this 27th day of September 2022

Director's Report (continued)

Auditor's Independence Declaration

HALL CHADWICK

To the Board of Directors

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

As lead audit director for the audit of the financial statements of Red Dirt Metals Limited for the financial year ended 30 June 2022, 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 audit; and
- any applicable code of professional conduct in relation to the audit.

Yours Faithfully

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

D M BELL CA
Director

Dated this 27th day of September 2022
Perth, Western Australia

Consolidated Financial Statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2022

	Notes	2022 $	2021 $
Revenue			
Other income	5	108,249	10,408
Net fair value gain/(loss) on financial assets	9	(478,731)	-
Net gain/(loss) on disposal & deconsolidation of subsidiary	10	376,001	-
		5,519	10,408
Expenses			
Corporate expenses		(111,763)	(54,795)
Administration expenses		(135,565)	(56,503)
Professional and consultancy fees		(591,126)	(182,060)
Employee benefits expense		(533,249)	(311,037)
Travel and marketing expenses		(226,288)	(114,765)
Other expenses		(111,710)	(30,361)
Share based payments	31	(1,386,914)	38,124
Impairment expense	12	(4,894,563)	-
Depreciation		(63,190)	(2,698)
Finance costs		(6,393)	(57)
Loss before income tax from continuing operations		**(8,055,242)**	**(703,744)**
Income tax expense / (benefit)	6	-	-
Loss for the year from continuing operations		**(8,055,242)**	**(703,744)**
Discontinued operations			
Loss after tax for the year from discontinued operations		-	(1,116)
Loss for the year		**(8,055,242)**	**(704,860)**
Item that may be reclassified subsequently to profit and loss			
Exchange differences on the translation of foreign operations		(28,589)	(11,226)
Other comprehensive income / (loss) net of tax for the year		**(8,083,831)**	**(716,086)**
Total comprehensive loss attributable to owners of the company		**(8,083,831)**	**(716,086)**
Loss per share			
Basic and diluted loss for the year attributable to ordinary equity holders of the parent (cents)	30	**(3.65)**	**(1.00)**
Loss per share for continuing operations			
Basic and diluted loss for the year attributable to ordinary equity holders of the parent (cents)	30	**(3.65)**	**(1.00)**

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

Consolidated Financial Statements

Consolidated Statement of Financial Position

As at 30 June 2022

	Notes	2022 $	2021 $
Assets			
Current Assets			
Cash and cash equivalents	7	23,359,876	1,612,294
Trade and other receivables	8	193,838	160,466
Financial assets at fair value through profit or loss	9	221,269	-
Non-current assets classified as held for sale	10	1,599,704	792,447
Total Current Assets		**25,374,687**	**2,565,207**
Non-Current Assets			
Exploration and evaluation asset	12	39,438,128	17,328,064
Property, plant and equipment	13	1,200,920	205,919
Other receivables	8	-	450,000
Right-of-Use Asset	14	207,856	-
Financial assets at fair value through profit or loss	9	700,000	-
Total Non-Current Assets		**41,546,904**	**17,983,983**
Total Assets		**66,921,591**	**20,549,190**
Liabilities			
Current Liabilities			
Trade and other payables	15	3,393,114	650,920
Liabilities directly associated with non-current assets classified as held for sale	10	599,704	613
Lease Liability	14	94,504	-
Total Current Liabilities		**4,087,322**	**651,533**
Non-Current Liabilities			
Rehabilitation Provision	16	2,357,763	-
Lease Liability	14	117,560	-
Total Non-Current Liabilities		**2,475,323**	**651,533**
Total liabilities		**6,562,645**	**651,533**
Net Assets		**60,358,946**	**19,897,657**
Contributed Equity			
Issued share capital	17	70,709,238	23,391,032
Share Option reserve	18	5,659,212	4,432,298
Foreign currency reserve	18	(38,590)	(10,001)
Accumulated losses	19	(15,970,914)	(7,915,672)
Total Equity		**60,358,946**	**19,897,657**

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

Consolidated Financial Statements

Consolidated Statement of Changes in Equity
For the year ended 30 June 2022

	Issued share capital	Share based payment reserve	Foreign currency translation reserve	Accumulated losses	Total Equity
	$	$	$	$	$
Balance as at 30 June 2020	**10,322,497**	**625,748**	**1,225**	**(7,210,812)**	**3,738,658**
Loss for the year	-	-	-	(704,860)	**(704,860)**
Other comprehensive income / (loss)	-	-	(11,226)	-	**(11,226)**
Total comprehensive loss for the period	**-**	**-**	**(11,226)**	**(704,860)**	**(716,086)**
Transactions with owners in their capacity as owners					
Shares issued during the year	3,950,000	-	-	-	**3,950,000**
Shares & options issued in consideration of asset acquisition	9,317,250	3,570,275	-	-	**12,887,525**
Unmarketable parcel share	(166)	-	-	-	**(166)**
Share based payments	-	236,275	-	-	**236,275**
Costs of shares issued	(198,549)	-	-	-	**(198,549)**
Balance as at 30 June 2021	**23,391,032**	**4,432,298**	**(10,001)**	**(7,915,672)**	**19,897,657**
Loss for the year	-	-	-	(8,055,242)	**(8,055,242)**
Other comprehensive income / (loss)	-	-	(28,589)	-	**(28,589)**
Total comprehensive loss for the period	**-**	**-**	**(28,589)**	**(8,055,242)**	**(8,083,831)**
Transactions with owners in their capacity as owners					
Shares issued	42,250,000	-	-	-	**42,250,000**
Transfer from conversion of performance rights	160,000	(160,000)	-	-	**-**
Exercise of options	7,417,243	-	-	-	**7,417,243**
Unmarketable parcel share	(4)	-	-	-	**(4)**
Share based payments	-	1,386,914	-	-	**1,386,914**
Costs of shares issued	(2,509,033)	-	-	-	**(2,509,033)**
Balance as at 30 June 2022	**70,709,238**	**5,659,212**	**(38,590)**	**(15,970,914)**	**60,358,946**

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

Consolidated Financial Statements

Consolidated Statement of Cash Flows

For the year ended 30 June 2022

	Notes	2022 $	2021 $
Cash flows from operating activities			
Receipts from customers		100,000	-
Payments to suppliers and employees		(1,350,487)	(747,807)
Interest received		10,521	7,363
Interest paid		(6,393)	-
Fuel Rebate		37,959	-
Net cash outflow from operating activities	29	**(1,208,400)**	**(740,444)**
Cash flows from investing activities			
Cash acquired through assets acquisition		-	17,972
Proceeds from disposal of subsidiary (net of cash disposed)	10	225,000	-
Acquisition of Mt Ida Gold Pty Ltd	11	(11,041,192)	-
Tenement acquisitions	11	(2,200,000)	-
Payments for exploration and evaluation		(10,245,476)	(3,203,505)
Purchase of plant and equipment		(932,686)	(58,209)
Proceeds from sales of assets		50,000	50,000
Net cash outflow from investing activities		**(24,144,354)**	**(3,193,742)**
Cash flows from financing activities			
Proceeds from issue of ordinary shares		42,250,000	3,950,000
Proceeds from the exercise of convertible securities		7,417,243	-
Principal payments of Lease Liability		(54,358)	-
Share issue costs		(2,512,549)	(198,715)
Net cash inflow from financing activities		**47,100,336**	**3,751,285**
Net (decrease) / increase in cash and cash equivalents		**21,747,582**	**(182,901)**
Cash and cash equivalents at the beginning of the financial year		1,612,294	1,797,995
Foreign exchange movement in cash		-	(2,800)
Cash and cash equivalents at the end of the financial year	7	**23,359,876**	**1,612,294**

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

Notes to the Consolidated Financial Statements

Notes to the Consolidated Financial Statements (continued)

1. CORPORATE INFORMATION

Red Dirt Metals Limited (the “Company” or “Red Dirt Metals”) is a company incorporated and domiciled in Australia whose shares are publicly listed on the ASX (ASX Code: RDT). The consolidated financial statements are presented in the Australian currency. The consolidated financial statements of the Company as at and for the year ended 30 June 2022 comprise the Company and its subsidiaries (together referred to as the “Group”). The Group’s principal activity is that of mineral exploration and evaluation of new and existing projects in Australia and the United States.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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

Basis of preparation

The general purpose financial statements have been prepared in accordance with Australian Accounting Standards (‘AASs’), other authoritative pronouncements of the Australian Accounting Standards Board (‘AASB’), Australian Accounting Interpretations and the Corporations Act 2001. The financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 26.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Red Dirt Metals Ltd ('Company' or 'Group') as at 30 June 2022 and the results of all subsidiaries for the year then ended. Red Dirt Metals Ltd and its subsidiaries together are referred to in these financial statements as the ‘Company’ or ‘Group’ or ‘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.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity 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 consolidated entity.

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.

Notes to the Consolidated Financial Statements (continued)

Non-controlling interest in 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.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity. The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint arrangements are either classified as a joint operation or a joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which only exists when decisions about the relevant activities require the unanimous consent of the parties sharing control. Classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to net assets of the arrangement.

The Company applies judgement when assessing whether a joint arrangement is a joint operation or a joint venture. These judgements take into consideration the rights and obligations provided for by the structure and legal form of the arrangement, the terms agreed to by the parties in the contractual agreement, and, when relevant, other facts and circumstances. These judgements are reassessed and re-evaluated as facts and circumstances change regarding the joint arrangement.

For joint arrangements classified as joint operations, the Company recognises in its financial statements, its proportionate interest in:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

For joint arrangements classified as joint ventures, the Company recognises its interest in the joint venture as an investment and accounts for that investment using equity method accounting as prescribed in AASB 11 Joint Arrangements unless the Company is exempted by a specific exemption according to that Standard.

Notes to the Consolidated Financial Statements (continued)

Revenue and other income

The consolidated entity recognised revenue and other income as follows:

Interest

Interest revenue which is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established, measured at the fair value of the consideration received or receivable.

Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associated entities operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Discontinued operations

A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

Notes to the Consolidated Financial Statements (continued)

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

Notes to the Consolidated Financial Statements (continued)

Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Property, plant and equipment

Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation

surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss. Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Motor Vehicles	3 - 10 years
Office/Computer Equipment	3 - 10 years
Exploration plant and equipment	3 - 20 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Notes to the Consolidated Financial Statements (continued)

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either Binomial, Parisian Barrier1 or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with vesting & non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Notes to the Consolidated Financial Statements (continued)

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial, Parisian Barrier1 or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Paragraph 19 of AASB 2 states that vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the shares or share options at the measurement date. Instead, vesting conditions shall be taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for goods and services received as consideration for the equity.

Paragraph 21 of the standard state that market conditions, such as a target share price upon which vesting is conditioned, shall be taken into account when estimating the fair value of the equity instruments granted.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Notes to the Consolidated Financial Statements (continued)

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2022. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Notes to the Consolidated Financial Statements (continued)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial, Parisian Barrier1 or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 31 for further information.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made. Refer to notes 10 & 12 for further information.

Rehabilitation provision

A provision has been made for the present value of anticipated costs for future rehabilitation of land explored or mined. The consolidated entity's exploration activities are subject to various laws and regulations governing the protection of the environment. The consolidated entity recognises management's best estimate for assets retirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision. Refer to note 16 for further information.

Fair value measurement hierarchy

The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective. Refer to note 22 for further information.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions. Refer to notes 10 & 12 for further information.

Notes to the Consolidated Financial Statements (continued)

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Notes to the Consolidated Financial Statements (continued)

4. OPERATING SEGMENTS

Identification of reportable operating segments

The company currently reports in three operating segments (2021: two), being exploration and evaluation operations related to Eureka/Warriedar, Mt Ida and Other projects. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM') in assessing performance and in determining the allocation of resources.

The board reviews financial information on the same basis as presented in the financial statements and has therefore determined the operating segments on this basis.

Consolidated - 30 June 2022	Eureka/Warriedar $	Mt Ida $	Other $	Total $
Revenue	49,454	36,333	1,126	86,913
Expenditure	(202,873)	(279)	(20,276)	(223,428)
Impairment	(3,575,122)	(2,132)	(1,317,309)	(4,894,563)
Loss before income tax expense	**(3,728,541)**	**33,922**	**(1,336,459)**	**(5,031,078)**
Unallocated revenue				(81,395)
Unallocated expenditure				(2,942,769)
Income tax expense				-
Loss after income tax expense from continuing operations				**(8,055,242)**
Assets				
Exploration assets (refer note 12)	13,890,230	25,533,103	14,795	39,438,128
Other segment assets	465,797	3,530,485	21,191	4,017,473
Total segment assets	**14,356,027**	**29,063,588**	**35,986**	**43,455,601**
Unallocated assets:				
Cash and cash equivalents				20,744,187
Trade and other receivables				(16,378)
Financial assets				921,269
Non-current assets held for sale				1,599,704
Right-of-use assets				207,856
Property, plant and equipment				9,352
Total Assets				**66,921,591**
Liabilities				
Segment liabilities	947,176	3,674,989	8,893	4,631,058
Total segment liabilities	**947,176**	**3,674,989**	**8,893**	**4,631,058**
Unallocated liabilities:				
Trade and other payables				1,119,819
Lease liabilities				212,064
Liabilities directly associated with assets held for sale				599,704
Total Liabilities				**6,562,645**

Notes to the Consolidated Financial Statements (continued)

Consolidated - 30 June 2021	Warriedar $	Other $	Total $
Revenue	3,045	-	3,045
Expenditure	(75,645)	(1,672)	(77,317)
Loss before income tax expense	**(72,600)**	**(1,672)**	**(74,272)**
Unallocated revenue			7,363
Unallocated expenditure			(636,835)
Income tax expense			-
Loss after income tax expense from continuing operations			**(703,744)**
Loss after tax from discontinued operations			(1,116)
Loss for the year			**(704,860)**
Assets			
Exploration assets (refer note 12)	16,090,127	1,237,937	17,328,064
Other segment assets	294,214	19,138	313,352
Total segment assets	**16,384,341**	**1,257,075**	**17,641,416**
Unallocated assets:			
Cash and cash equivalents			1,520,403
Trade and other receivables			594,924
Non-current assets held for sale			792,447
Total Assets			**20,549,190**
Liabilities			
Segment liabilities	276,862	298	277,160
Total Segment liabilities	**276,862**	**298**	**277,160**
Unallocated liabilities:			
Trade and other payables			373,760
Liabilities directly associated with assets held for sale			613
Total Liabilities			**651,533**

Notes to the Consolidated Financial Statements (continued)

5. OTHER INCOME

	2022 $	2021 $
Profit on sale of fixed assets	50,000	-
Tax incentives	37,959	3,045
Net gain/(loss) on disposal of non-current assets (refer note 29)	1,326	-
Interest Income	18,964	7,363
Total Other Income	**108,249**	**10,408**

6. INCOME TAX

	2022 $	2021 $
The prima facie tax on profit/(loss) from continuing operations and discontinued operations before income tax is reconciled to the income tax as follows:		
(Loss) from continuing operations before income tax expense	(8,055,242)	(704,860)
Prima facie tax payable on (loss) from continuing operations and discontinued operations before income tax at the rate of **25% (2021: 26%)**	(2,013,811)	(183,264)
Tax effect of:		
Other permanent differences	381,223	(8,710)
Impact of reduction in future corporate tax rate	-	103,763
Movement in temporary differences	(3,391,330)	(895,424)
Taxable losses not recognised	5,023,918	983,635
Income tax benefit	**-**	**-**
Deferred Tax		
*Deferred tax assets not recognised at **25% (2021: 26%)***		
Provisions and accruals	37,112	7,406
Capital raising costs	532,483	61,568
Assets held for sale	49,613	-
Tax losses	7,663,922	2,191,515
Total Deferred tax assets (unrecognised)	**8,283,130**	**2,260,489**
*Deferred tax liabilities not recognised at **25% (2021: 26%)***		
Prepayments	4,546	2,056
Financial assets at fair value	23,174	-
Exploration and expenditure	4,521,796	1,022,894
Total Deferred tax liabilities (unrecognised)	**4,549,516**	**1,024,950**

The tax benefits of the above deferred tax assets will only be obtained if:

(i) The company derives future assessable income of a nature and an amount sufficient to enable the benefits to be utilised;
(ii) The company continues to comply with the conditions for deductibility imposed by law; and
(iii) No changes in income tax legislation adversely affects the company in utilising the benefits.

Change in future corporate tax rate

There has been a legislated change in the corporate tax rate that will apply to future income years. The impact of this reduction in the corporate tax rate has been reflected in the unrecognised deferred tax positions and the prima face income tax reconciliation above.

Notes to the Consolidated Financial Statements (continued)

Income Tax Consolidation

Red Dirt and its wholly owned Australian subsidiaries are part on an income tax consolidated group and have entered into tax sharing and tax funding agreements. Under the terms of these agreements, the subsidiaries will reimburse Red Dirt for any current income tax payable by Red Dirt arising in respect of their activities. The reimbursements are payable at the same time as the associated income tax liability falls due and will therefore be recognised as a current tax-related receivable by Red Dirt when they arise. In the opinion of the Directors, the tax sharing agreement is also a valid agreement under the tax consolidation legislation and limits the joint and several liability of the subsidiaries in the case of a default by Red Dirt.

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits on call with financial institutions, and other short-term, highly liquid investments.

	2022 $	2021 $
Cash at bank	13,316,313	1,612,294
Cash on deposit	10,043,563	-
Balance as per statement of cash flows	**23,359,876**	**1,612,294**

Refer to note 21 for further information on financial risk measurement

8. TRADE AND OTHER RECEIVABLES

	2022 $	2021 $
Current Assets		
Government taxes receivable	92,212	40,346
Other receivables	101,626	120,120
Total Trade and Other receivables - current	**193,838**	**160,466**
Non-Current Assets		
Other receivables	-	450,000
Total Trade and Other receivables - non-current	**-**	**450,000**

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2022 $	2021 $
Listed ordinary shares - designated at fair value through profit or loss	921,269	-
Total Financial Assets	**921,269**	**-**
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening fair value	-	-
Additions	1,400,000	-
Revaluation increase (refer note 29)	(478,731)	-
Closing fair value	**921,269**	**-**
Classification		
Current	221,269	-
Non-current[1]	700,000	-
Total Financial Assets	**921,269**	**-**

[1]Escrowed for a period of 23 months from balance date. Refer to note 22 for further information on fair value measurement.

Notes to the Consolidated Financial Statements (continued)

10. NON-CURRENT ASSETS HELD FOR SALE

	2022 $	2021 $
Assets and liabilities of Vanacorp Pty Ltd classified as held for sale:		
Non-current assets classified as held for sale		
Trade and other receivables	41,884	41,955
Exploration and evaluation assets	563,565	750,492
	605,449	**792,447**
Liabilities directly associated with non-current assets classified as held for sale		
Trade and other payables	321,623	613
	321,623	**613**
Net assets of disposal group	**283,826**	**791,834**

Disposal of Vanacorp

On 1 November 2021, the group entered into a binding term sheet for the sale of 100% of the fully paid ordinary shares in capital of Vanacorp Aust Pty Ltd, a wholly owned subsidiary of the group, to UVRE Limited. On 31 May 2022, control was deemed to have been lost and thus the entity was deconsolidated under *AASB10 Consolidated Financial statements*.

Total Consideration for the sale is as follows:

	2022 $	2021 $
Cash – acquisition settlement	225,000	-
Ordinary Shares in UVRE Ltd carried as a financial asset	1,000,000	-
Total consideration	**1,225,000**	-
Adjustments on sale of subsidiary		
Less: Investment in Subsidiary - Vanacorp	525,000	-
Subtotal - Gain on Sale of Subsidiary	**700,000**	**-**
Adjustments on deconsolidation of subsidiary		
Less: Net Assets of Subsidiary - Vanacorp	(283,826)	-
Add: Shares in Vanacorp Aust Pty Ltd - transferred	281,450	-
Less: Loan Forgiveness	(321,623)	-
Subtotal - Loss on deconsolidation of Subsidiary	**(323,999)**	**-**
Total Gain recognised on sale and deconsolidation	**376,001**	**-**

	2022 $	2021 $
Reconciliation		
Non-current assets classified as held for sale		
Opening Balance		
Vanacorp - Trade and other receivables	41,955	-
Vanacorp - Exploration and evaluation assets (refer note 12)	750,492	-
Subtotal	**792,447**	**-**
Movement during the year:		
Addition of Vanacorp	-	792,447
Vanacorp - Trade and other receivables	(70)	-
Vanacorp - Exploration and evaluation assets (refer note 12)	59,544	-

Notes to the Consolidated Financial Statements (continued)

	2022 $	2021 $
Vanacorp - Disposal	(851,921)	-
Warriedar - Reid's Ridge - Exploration and Evaluation Assets - reclassification (refer note 12)	5,174,826	-
Warriedar - Reids Ridge - Impairment Expense[1]	(3,575,122)	-
Closing Balance	**1,599,704**	**792,447**
Liabilities directly associated with non-current assets classified as held for sale		
Opening Balance	613	
Addition of Vanacorp	-	613
Vanacorp - Disposal	(613)	-
Warriedar - Reid's Ridge - Rehabilitation Provision - (refer note 16)	599,704	-
Closing Balance	**599,704**	**613**

[1] Impairment relates to a write-down of the Warriedar project whereby a sale was agreed post balance date at an amount lower than the carrying value of the project at 30 June amounting to $3,575,122.

11. ASSET ACQUISITION

Mt Ida Gold Pty Ltd

On 24 September 2021 Red Dirt Metals completed the acquisition of 100% of the issued capital in Mt Ida Gold Pty Ltd, a wholly owned subsidiary of Ora Banda Mining Ltd and the holder of the Mt Ida project.

Total Consideration for the purchase is as follows:

	2022 $	2021 $
Purchase consideration:		
Cash - acquisition settlement	11,000,000	-
Cash - pro-rata rents and rates	41,192	-
Acquisition costs - Stamp Duty	557,616	-
Total consideration	**11,598,808**	**-**
Less: Assets and Liabilities acquired:		
Exploration and Evaluation Assets[1]	885,098	-
Non-Current Liabilities (refer to note 16)	(2,292,355)	-
Net Identifiable Liabilities acquired	**(1,407,257)**	**-**
Excess between consideration and net liabilities acquired reflected as capitalised exploration and evaluation assets[1]	**13,006,065**	**-**

[1]Total increase in exploration and evaluation expenditure on acquisition is $13,891,164. Refer to note 12 for further information.

Mt Ida - Hooper tenements

Subsequent to the acquisition of Mt Ida Gold Pty Ltd, the Company completed an acquisition of tenements adjoining the Company's current landholding within the Mt Ida Lithium Project area via a total cash consideration amounting to $2,000,000. The Tenement Package comprises approximately 11km^2 of highly prospective lithium and gold terrain, inclusive of the historical Golden Vale gold mine.

The acquisition of the Tenement Package also consolidates 100% ownership of Mt Ida Mining Lease M29/165 via the inclusion of the remaining 5% not previously held by Red Dirt. The acquisition is complementary to its existing suite of tenements at Mt Ida of over 150km^2, as it provides a contiguous landholding within the prospective LCT pegmatite zone around the Copperfield granite.

Notes to the Consolidated Financial Statements (continued)

Total Consideration for the purchase is as follows:

	2022 $	2022 $
Purchase consideration:		
Cash - acquisition settlement	2,000,000	-
Cash - Option premium	200,000	-
Acquisition costs - Landholder duties	117,515	-
Total consideration[2]	**2,317,515**	-

[2]*Total increase in exploration and evaluation expenditure on acquisition is $2,317,515. Refer to note 12 for further information.*

Warriedar Mining

On 19 October 2020, the company entered into a share sale agreement with Warriedar Mining Pty Ltd, subsequently approved by shareholders on 30 November 2020, to acquire 100% of tenements consisting of the Eureka gold and Warriedar (Reid's ridge) projects.

Total Consideration for the purchase is as follows:

	2022 $	2021 $
Purchase consideration:		
29,550,000 Ordinary shares issued to Vendors (refer note 17)	-	8,717,250
10,500,000 unlisted options vesting immediately to Vendors (refer note 31)	-	1,785,137
9,250,000 unlisted options with performance milestones (refer note 31)	-	1,572,621
2,000,000 facilitation shares to the corporate advisor (refer note 17)	-	600,000
1,250,000 facilitation options to the corporate advisor (refer note 31)	-	212,516
Total consideration	-	**12,887,524**
Less: Assets and Liabilities acquired:		
Current Assets	-	31,826
Exploration and Evaluation Assets[3]	-	1,671,120
Other Non-Current Assets	-	151,091
Current Liabilities	-	(190,499)
Net Identifiable Assets acquired	-	**1,663,538**
Excess between consideration and net assets acquired reflected as an asset acquisition[3]	-	**11,223,986**

[3]*Total increase in exploration and evaluation expenditure on acquisition is $nil (2021: $12,895,106). Refer to note 12 for further information.*

12. EXPLORATION AND EVALUATION ASSETS

	2022 $	2021 $
Exploration and evaluation costs carried forward in respect of mining areas of interest		
Opening net book amount	17,328,064	1,759,315
Capitalised exploration and evaluation costs	11,790,084	3,424,136
Asset acquisition – Mt Ida Gold Pty Ltd (refer note 11)	13,891,164	-
Asset acquisition – Hooper Tenements (refer note 11)	2,317,515	-
Acquisition costs – Rehabilitation Provision (refer to note 16)	1,388,294	-
Acquisition costs – Warriedar Mining	-	12,895,106
Exploration costs written off during the year [1]	(1,319,441)	-
Vanacorp – Transfer to assets held for sale (refer note 10)	(59,544)	(750,492)
Warriedar Mining – Reid's Ridge -Transfer to assets held for sale (refer note 10)	(5,174,826)	-
Eureka – Revised Rehabilitation provision (refer note 16)	117,269	-
Mt Ida – Revised Rehabilitation provision (refer note 16)	(840,451)	-
Total Exploration and Evaluation Assets	**39,438,128**	**17,328,064**

[1] Impairment predominately relates to a write-down of the Pelley Ridge Zinc project whereby management did not renew the licence post balance date, amounting to $1,317,309.

Notes to the Consolidated Financial Statements (continued)

Reconciliation	2021 $	Acquisition costs $	Additions $	Disposals/ Other $	2022 $
Australia WA - Eureka Gold/Reid's Ridge	16,090,127	1,388,294	1,586,635	(5,174,826)	13,890,230
Australia WA - Mt Ida	-	15,368,225	10,164,878	-	25,533,103
Australia - Other	22,511	-	-	(7,716)	14,795
USA - Pelly Ridge Zinc	1,215,426	-	96,299	(1,311,725)	-
Total Exploration and Evaluation assets	**17,328,064**	**16,756,519**	**11,847,812**	**(6,494,267)**	**39,438,128**

13. PROPERTY, PLANT AND EQUIPMENT

	Office Equipment $	Computer Equipment $	Exploration Plant & equipment $	Total $
Balance at 1 July 2020	11,127	-	232,166	**243,293**
Depreciation[1]	(2,698)	-	(34,676)	**(37,374)**
Balance at 30 June 2021	**8,429**	**-**	**197,490**	**205,919**
Cost	11,127	-	232,166	**243,293**
Accumulated Depreciation	(2,698)	-	(34,676)	**(37,374)**
Net	**8,429**	**-**	**197,490**	**205,919**
Balance at 1 July 2021	8,429	-	197,490	**205,919**
Additions	7,078	6,305	1,103,757	**1,117,140**
Disposals	-	-	(2,176)	**(2,176)**
Depreciation[1]	(4,155)	(468)	(115,340)	**(119,963)**
Balance at 30 June 2022	**11,352**	**5,837**	**1,183,731**	**1,200,920**
Cost	18,205	6,305	1,333,705	**1,358,215**
Accumulated Depreciation	(6,853)	(468)	(149,974)	**(157,295)**
Net	**11,352**	**5,837**	**1,183,731**	**1,200,920**

[1]Depreciation of $115,340 (2021: $34,677) related to exploration plant & equipment has been capitalised to exploration and evaluation assets.

14. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

	2022 $	2021 $
Right-of-use Assets		
Opening Balance	-	-
Buildings - Right-of-use	266,423	-
Less: Accumulated depreciation	(58,567)	-
Total Right-of-use Assets	**207,856**	**-**
Lease liabilities		
Opening Balance	-	-
Lease Liability	266,423	-
Less: Lease repayments	(60,752)	-
Add: Interest	6,393	-
Closing Balance	**212,064**	**-**
Classification		
Lease Liability - current	94,504	-
Lease Liability - non-current	117,560	-
Total Lease Liabilities	**212,064**	**-**

Notes to the Consolidated Financial Statements (continued)

15. TRADE AND OTHER PAYABLES

	2022 $	2021 $
Trade payables	2,264,847	189,516
Other payables and accruals	1,128,297	461,404
Total Trade and Other payables	**3,393,144**	**650,920**

16. REHABILITATION PROVISION

As referenced above in notes 11 and 12, the Company both acquired and assessed rehabilitation provisions during the year.

Assumptions, which are based on the current economic environment, have been made which the company believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions, however, actual rehabilitation costs will ultimately depend upon future market prices for necessary decommissioning works required which will reflect market conditions at the relevant time.

	2022 $	2021 $
Mt Ida (refer note 11)	2,292,355	-
Mt Ida - revised estimates	(840,451)	-
Warriedar Mining - Eureka & Reid's Ridge (refer note 12)	1,388,294	-
Warriedar Mining - Eureka - revised estimates	117,269	-
Less: Reid's Ridge reclassified (refer note 10)	(599,704)	-
Total Rehabilitation Provision	**2,357,763**	**-**

17. SHARE CAPITAL

	2022		2021	
	No. Shares	$	No. Shares	$
Ordinary shares fully paid	304,554,426	70,709,238	96,423,200	23,391,032

Movements in ordinary share capital

	Date	No. Shares	Issue price $	Total $
Opening balance	**1-Jul-20**	**34,488,584**		**10,322,497**
Placement to professional and sophisticated investors	1-Jul-20	5,173,287	0.130	627,527
Placement to professional and sophisticated investors	30-Oct-20	25,211,329	0.130	3,277,473
Shares issued for the 100% acquisition of Warriedar Mining[1]	04-Dec-20	29,550,000	0.295	8,717,250
Share based payments[1]	04-Dec-20	2,000,000	0.300	600,000
Unmarketable parcel share movement				(166)
Less: costs of issue				(198,549)
Closing balance	**30-Jun-21**	**96,423,200**		**23,391,032**
Placement to professional and sophisticated investors	06-Jul-21	23,625,029	0.150	3,543,754
Placement to professional and sophisticated investors	21-Sep-21	11,374,971	0.150	1,706,246
Shares issued via converting loan	18-Nov-21	100,000,000	0.150	15,000,000
Conversion of $0.285 Performance rights to employees	07-Oct-21	150,000	0.285	42,750
Placement to professional and sophisticated investors	04-Mar-22	43,137,255	0.510	22,000,000
Conversion of $0.25 Options	Various	29,668,971	0.250	7,417,243
Conversion of Performance rights to employees	Various	175,000	0.670	117,250
Unmarketable parcel share movement				(4)
Less: costs of issue				(2,509,033)
Closing balance	**30-Jun-22**	**304,554,426**		**70,709,238**

[1]*In relation to acquisition of Warriedar Mining, refer to note 11 for further information.*

Notes to the Consolidated Financial Statements (continued)

Ordinary shares

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

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

18. RESERVES

	2022 $	2021 $
Share option reserve		
Opening balance	4,432,298	625,748
Movement during the year	1,226,914	3,806,550
Closing balance	**5,659,212**	**4,432,298**
Foreign currency translation reserve		
Opening balance	(10,001)	1,225
Movement during the year	(28,589)	(11,226)
Closing balance	**(38,590)**	**(10,001)**

19. ACCUMULATED LOSSES

	2022 $	2021 $
Opening balance	7,915,672	7,210,812
Net loss for the year	8,055,242	704,860
Total Accumulated losses	**15,970,914**	**7,915,672**

20. DIVIDENDS

No dividends were paid during the financial year. No recommendation for payment of dividends has been made.

21. FINANCIAL INSTRUMENTS

Financial Risk Management Policies

The Group activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Red Dirt Metals Limited.

Risk management is carried out by the full Board of Directors as the Company believes that it is crucial for all Board members to be involved in this process. The CEO, with the assistance of senior management as required, has responsibility for identifying, assessing, treating and monitoring risks and reporting to the Board on financial risk management.

Market Risk

The Company is exposed to a variety of financial risks through its financial instruments for example, interest rate risk, liquidity risk and credit risk, as well as foreign currency risk.

Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity’s functional currency. The risk is measured using cash flow forecasting.

Notes to the Consolidated Financial Statements (continued)

The consolidated entity has not entered into any derivative financial instruments to hedge such transactions and anticipated future receipts or payments that are denominated in a foreign currency. The board manages the purchase of foreign currency to meet operational requirements.

The consolidated entity's exposure to foreign currency risk at the reporting date is a follows:

	2022 $	2021 $
Cash and cash equivalents held in denomination currency		
Cash and cash equivalents - $USD	19,653	18,969
Consolidated entity sensitivity		
Exchange rates per AUD as at 30 June - $USD	0.6887	0.7531

A 10% increase/decrease in value of the Australian dollar against the above currencies at 30 June would have an immaterial effect on the Group's post-tax loss or net assets.

Interest Rate Risk

Interest rate risk is the risk that a financial instrument's value will fluctuate. At reporting date, the Company does not have long term borrowings and its exposure to interest rate risk is assessed as low. The Group monitors its interest rate risk through sensitivity analysis with the result of changes in market interest rates and the effective weighted average interest rates on classes of financial instruments of the Company summarised in the following tables:

	Floating interest rate	1 Year or less	Over 1 to 5 years	Non-interest bearing	Remaining contractual maturities	Weighted average interest rate
2022	$	$	$	$	$	%
Financial assets						
Cash and cash equivalents	23,359,876	23,359,876	-	-	23,359,876	0.42%
Trade and other receivables	-	-	-	101,626	101,626	
Financial assets	-	-	-	921,269	921,269	
Total Financial assets	**23,359,876**	**23,359,876**	**-**	**1,022,895**	**24,382,771**	
Financial liabilities						
Trade and other payables	-	-	-	3,393,114	3,393,114	
Total Financial liabilities	**-**	**-**	**-**	**3,393,114**	**3,393,114**	
2021						
Financial assets						
Cash and cash equivalents	1,612,294	1,612,294	-	-	1,612,294	0.43%
Trade and other receivables	-			570,120	570,120	
Total Financial assets	**1,612,294**	**1,612,294**	**-**	**570,120**	**2,182,414**	
Financial liabilities						
Trade and other payables	-	-	-	650,920	650,920	
Total Financial liabilities	-	-	-	**650,920**	**650,920**	

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The Group does not have any significant concentration of credit risk. Credit risk related to balances with banks and other financial institutions is managed by investing surplus funds in financial institutions that maintain a high credit rating. As the Group does not presently have any trade debtors, lending, significant stock levels or any other credit risk, a formal credit risk management policy is not maintained.

Notes to the Consolidated Financial Statements (continued)

Liquidity risk

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Group. Due to the nature of the Company activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitors the state of equity markets in conjunction with the Group current and future funding requirements, with a view to initiating appropriate capital raisings as required. The financial liabilities of the Group are confined to trade and other payables as disclosed in the statement of financial position. All trade and other payables are non-interest bearing and due within 12 months of the reporting date.

Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders. The working capital position of the Group is as follows:

	2022 $	2021 $
Cash and cash equivalents (refer note 7)	23,359,876	1,612,294
Trade and other receivables (refer note 8)	193,838	160,466
Financial Assets (refer note 9)	921,269	-
Non-current assets classified as held for sale (refer note 10)	1,599,704	792,447
Trade and other payables (refer note 15)	(3,393,114)	(650,920)
Liabilities directly associated with non-current assets classified as held for sale (refer note 10)	(599,704)	(613)
Working capital position	**22,081,869**	**1,913,674**

22. FAIR VALUE MEASUREMENT

Fair value hierarchy

The following table details the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- **Level 1**: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- **Level 2**: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- **Level 3:** Unobservable inputs for the asset or liability

	Level 1 $	Level 2 $	Level 3 $	Total $
2022				
Financial Assets (refer to note 9)	921,269	-	-	921,269
Total	**921,269**	**-**	**-**	**921,269**

23. KEY MANAGEMENT PERSONNEL DISCLOSURES

Compensation

	2022 $	2021 $
Short-term benefits	659,864	389,648
Post-employment benefits	40,192	15,767
Share based payments	1,107,560	66,263
Total	**1,807,616**	**471,678**

Option holdings

The numbers of options over ordinary shares in the Company held during the financial year by directors of Red Dirt Metals Limited and other key personnel of the Company, is 11,612,780 (2021:11,896,113).

Notes to the Consolidated Financial Statements (continued)

Shareholdings

The number of shares in the Company held during the financial year by the directors of Red Dirt Metals Limited and other key management personnel of the Company, including their personally related parties, was 15,415,386 (2021:15,378,937).

Performance rights

The number of performance rights in the Company held during the financial year by the directors or Key Management Personnel of Red Dirt Metals Limited, including their personally related parties, was 300,000 (2021: 450,000).

Loans to key management personnel

There were no loans to key management personnel during the year.

24. AUDITOR'S REMUNERATION

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2022 $	2021 $
Audit services - Hall Chadwick		
Audit/Review of the financial statements	**35,578**	**33,782**

25. COMMITMENTS AND CONTINGENCIES

Exploration commitments

The Company has certain commitments to meet minimum expenditure requirements on the mineral exploration assets it has an interest in. Capital commitments at the reporting date but not recognised as liabilities, payable:

	2022 $	2021 $
Within one year	787,400	468,142
Later than one year but not later than five years	3,149,600	1,860,178
	3,937,000	**2,328,320**

Contingent Liabilities

There are no contingent liabilities to disclose relating to the current or prior financial years.

26. PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

	2022 $	2021 $
Total comprehensive (loss) for the year	**(7,910,835)**	**(718,533)**
Current assets	22,548,782	1,565,327
Non-current assets	39,741,724	18,706,089
Total assets	**62,290,506**	**20,271,416**
Current liabilities	1,814,027	373,759
Non-current liabilities	117,560	-
Total liabilities	**1,931,587**	**373,759**
Net Assets	**60,358,919**	**19,897,657**
Contributed equity	70,709,238	23,391,032
Reserve	5,793,212	4,432,298
Accumulated losses	(16,143,531)	(7,925,673)
Total Equity	**60,358,919**	**19,897,657**

Notes to the Consolidated Financial Statements (continued)

Commitment and contingent liabilities of the parent

The parent entity did not have any contingent liabilities or commitments, as at 30 June 2022 (30 June 2021: nil) other than as disclosed at note 27.

Guarantees entered into the parent entity

There were no guarantees entered into by the parent entity as at 30 June 2022 (30 June 2021: nil).

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less impairment, in the parent entity.
- Investments in joint ventures are accounted for at cost, less any impairment, in the parent entity.
  Dividends received from subsidiaries are recognised as other income by the parent entity's statement of profit or loss when its right to receive the dividend is established, noting its receipt may be an indicator of an impairment of the investment.

RED DIRT METALS LIMITED – Annual Report 2022

Notes to the Consolidated Financial Statements (continued)

27. RELATED PARTY TRANSACTIONS

Parent Entity

Red Dirt Metals Ltd (formerly TNT Mines Limited) is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 28.

Key management personnel

Disclosures relating to key management personnel are set out in note 23 and the remuneration report included in the directors' report.

Other Transactions with Key Management Personnel and their Related entities

Directors and officers, or their personally related entities, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Details of the transactions including amounts accrued but unpaid at the end of the year as follows:

			Net Transactions		Balances owing (to) / from	
Related Party	Relationship	Nature of transaction	2022	2021	2022	2021
Chieftain Securities Pty Ltd	(i)	Corporate advisory fees to 31 December 20	-	35,000	-	-
Chieftain Securities Pty Ltd	(i)	Charges from Chieftain for capital raising costs to 30 June 21	-	93,275	-	-
Chieftain Securities (WA) Pty Ltd	(ii)	Corporate advisory fees from 1 January 21	-	15,000	-	-
Chieftain Securities (WA) Pty Ltd	(ii)	Charges from Chieftain for capital raising costs from 1 July 21	275,520	-	-	-
Jaytona Pty Ltd T/A Multiplant Holdings	(iii)	Charges for rental of corporate office	5,371	8,817	-	(2,053)
Croser Family Trust	(iv)	Charges for rental of warehouse	11,050	-	-	-
			291,941	**152,092**	**-**	**(2,053)**

(i) Cheiftain Securities Pty Ltd is a company associated with Mr Brett Mitchell. Transactions included up until resignation 1 March 2022.
(ii) Cheiftain Securities (WA) Pty Ltd is a company associated with Mr Brett Mitchell. Transactions included up until resignation 1 March 2022.
(iii) Jaytona Pty Ltd T/A Multiplant Holdings is a company associated with Mr Nader El Sayed.
(iv) Croser Family Trust is a trust associated with Mr James Croser.

Notes to the Consolidated Financial Statements (continued)

28. CONSOLIDATED ENTITIES

		Ownership Interest 2022 %	2021 %
Parent Entity:			
Red Dirt Metals Limited	Australia		
Subsidiaries			
Mt Ida Gold Pty Ltd	Australia	100	-
Warriedar Mining Pty Ltd	Australia	100	100
Mt Lockeridge Pty Ltd *(formerly TNT Australia Pty Ltd)*	Australia	100	100
Metals of America LLC	USA	100	100
Vanacorp Aust Pty Ltd[1]	Australia	-	100
Subsidiaries of Vanacorp Aust Pty Ltd			
Vanacorp USA LLC	USA	-	100

[1] *Vanacorp Aust Pty Ltd was deconsolidated during the period - refer note 10*

29. CASH FLOW INFORMATION

	2022 $	2021 $
Reconciliation of loss after income tax to net cash outflow from operating activities		
Loss after income tax expense for the year	**(8,055,242)**	**(704,860)**
Adjustments for:		
Depreciation and amortisation	63,190	2,698
Impairment of non-current assets	4,894,563	-
Net (gain)/loss on disposal of non-current assets	(1,326)	-
Net fair value (gain)/loss on financial assets (refer note 9)	478,731	-
Net (gain)/loss on disposal & deconsolidation of subsidiary (refer note 10)	(376,001)	-
Share-based payments (refer note 31)	1,386,914	(38,124)
Foreign exchange differences	(40,319)	(2,698)
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	58,581	(62,869)
Increase/(decrease) in trade and other payables	382,509	65,409
Net cash outflow from operating activities	**(1,208,400)**	**(740,444)**

30. LOSS PER SHARE

	2022 $	2021 $
Basic loss per share (cents)	(3.65)	(1.00)
Diluted loss per share (cents)	(3.65)	(1.00)
Reconciliation of earnings to profit or loss		
(Loss) used in calculating basic and diluted loss per share	**(8,055,242)**	**(703,744)**
	No. Shares	No. Shares
Weighted average number of ordinary shares and potential ordinary shares		
Weighted average number of ordinary shares used in calculating basic and diluted loss per share	220,397,403	70,377,225

Notes to the Consolidated Financial Statements (continued)

At 30 June 2022, the Company had on issue 2,375,000 performance rights (2021: 2,200,000), 6,750,000 performance shares (2021: 6,750,000) and 41,331,029 options (2021: 44,000,000). Given the Group made a loss during the current financial year, these potential shares are considered non-dilutive and are therefore not included in the diluted EPS calculation.

31. SHARE BASED PAYMENTS

The terms and conditions of share- based payment arrangements granted over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Options

- Grant 1 – On 16 September 2021, the company held a general meeting and received shareholder approval to issue 1,000,000 options to each of the Directors of Red Dirt Metals Limited at that time.
- Grant 2 - On 7 July 2022, the company held a general meeting and received shareholder approval to issue 1,000,000 options to Tim Manners subject to 12 months of continuous employment. The options were issued post 30 June 2022, however accrued for based on the service condition requirements following his appointment on 1 March 2022.

The valuation of each grant of options was derived using a Black-Scholes valuation model, with the following underlying inputs and assumptions:

	Grant 1	Grant 2	Total
Grant date	16-Sep-21	7-Jul-22	
Vesting date	Immediately	1-Mar-23	
Expiry date	21-Sep-25	26-Jul-25	
No. securities	4,000,000	1,000,000	5,000,000
Security entitlement	One share	One share	
Listed/unlisted	Unlisted	Unlisted	
Exercise price	$0.250	$0.770	
Spot price	$0.275	$0.380	
Expected volatility	90%	126%	
Risk-free rate	0.16%	2.62%	
Dividend Yield	Nil	Nil	
Value of option	$0.179	$0.240	
Total Value ($)	**716,476**	**240,039**	**956,515**
Expense recognised during FY22 ($)	**716,476**	**80,013**	**796,489**

	Grant 1 $	Grant 2 $	Total $
Reconciliation by Director			
Alexander Hewlett	179,119	-	179,119
James Croser	179,119	-	179,119
Nader El Sayed	179,119	-	179,119
Brett Mitchell	179,119	-	179,119
Tim Manners	-	240,039	240,039
Total Value	**716,476**	**240,039**	**956,515**
Alexander Hewlett	179,119	-	179,119
James Croser	179,119	-	179,119
Nader El Sayed	179,119	-	179,119
Brett Mitchell	179,119	-	179,119
Tim Manners	-	80,013	80,013
Expense recognised during FY22 ($)	**716,476**	**80,013**	**796,489**

Notes to the Consolidated Financial Statements (continued)

Performance Rights

On 7 July 2022, the company held a general meeting and received shareholder approval to issue 5,000,000 unlisted performance rights to directors Matthew Boyes, Alexander Hewlett, James Croser and Jiahe (Gower) He pursuant to the performance rights and options plan approved by shareholders on 2 July 2019, which was re-adopted at the general meeting. The Performance Rights were issued to directors post 30 June 2022, allocated based on the following milestones (vesting conditions):

- Tranche 1 - The successful increase of gold resources for the Company by 250,000 ounces (at 0.5 g/t Au cut-off) or delineation of 10,000,000 tonnes of Li_2O at greater than 1% grade (at 0.3% cut-off) before 30 June 2023[1].
- Tranche 2 - The achievement of a $1.00 20-day volume weighted average price ('VWAP") prior to the expiry date, being 31 December 2023.
- Tranche 3 - The achievement of a $1.20 20-day volume weighted average price ('VWAP") prior to the expiry date, being 31 December 2023.
- Tranche 4 - Mr Jiahe (Gower) He completing 12 months continuous employment with the Company.
- Tranche 5 - The execution by the Company of a binding agreement between the Company and a third party(s) whereby the third party(s) undertakes to:
  - purchase a minimum of 10% of the annual production of the Mt Ida Project over the first three years of operations; or
  - provide funding for the construction of the Mt Ida Project.

	Tranche 1[1]	Tranche 2	Tranche 3	Tranche 4	Tranche 5	Total
Director						
Matthew Boyes[2]	750,000	375,000	375,000	-	-	1,500,000
Alexander Hewlett	500,000	250,000	250,000	-	-	1,000,000
James Croser	500,000	250,000	250,000	-	-	1,000,000
Jiahe (Gower) He	-	250,000	-	250,000	1,000,000	1,500,000
Total	**1,750,000**	**1,125,000**	**875,000**	**250,000**	**1,000,000**	**5,000,000**

[1]This increase in gold is to be measured from the current total reported resources of 318,000t @13.8g/t of gold for 141,000 ounces at the Company's Mt Ida Project (Refer to ASX Announcement 28th July 2021 "Ora Banda Mining June 2021 Quarterly activities report").
[2]The vesting of Matthew Boyes Performance Rights are also subject to continuous employment with the Company until 30 June 2023, which management have deemed a 100% probability at 30 June 2022.

The valuation of performance rights was performed via the relevant Hoadley Option Valuation Model for Tranche 2 and 3, whilst a 'per security' valuation has been used for the other tranches with appropriate probability attached. Valuations have been derived using the following underlying inputs and assumptions:

Security class	Tranche 1[3]	Tranche 2[4]	Tranche 3[4]	Tranche 4[3]	Tranche 5[3]	Total
Grant date[5]	7-Jul-22	7-Jul-22	7-Jul-22	7-Jul-22	7-Jul-22	
Vesting date	31-Dec-22	31-Dec-23	31-Dec-23	20-Jun-23	31-Dec-23	
Expiry date	31-Dec-23	31-Dec-23	31-Dec-23	31-Dec-23	31-Dec-23	
No. Securities	1,750,000	1,125,000	875,000	250,000	1,000,000	5,000,000
Security entitlement	One Share	One Share	One Share	One Share	One Share	
Listed/unlisted	Unlisted	Unlisted	Unlisted	Unlisted	Unlisted	
Exercise price	$Nil	$Nil	$Nil	$Nil	$Nil	
Share Price Targets (20-day-VWAP)	N/A	1.0000	1.2000	N/A	N/A	
Implied barrier price (approx.)	N/A	1.5391	1.8469	N/A	N/A	
Expected volatility	N/A	126%	126%	N/A	N/A	
Risk-free rate	N/A	2.62%	2.62%	N/A	N/A	
Dividend yield	N/A	Nil	Nil	N/A	N/A	
Value of each security	0.3800	0.2433	0.2211	0.3800	0.3800	
Probability	75%	100%	100%	100%	50%	
Total Value ($)	**498,750**	**273,713**	**193,463**	**95,000**	**190,000**	**1,250,925**
Expense recognised during FY22[6] ($)	**183,795**	**64,771**	**54,078**	**12,138**	**16,439**	**331,221**

Notes to the Consolidated Financial Statements (continued)

	Tranche 1 $	Tranche 2 $	Tranche 3 $	Tranche 4 $	Tranche 5 $	Total $
Reconciliation by Director						
Matthew Boyes	213,750	91,237	82,913	-	-	387,900
Alexander Hewlett	142,500	60,825	55,275	-	-	258,600
James Croser	142,500	60,825	55,275	-	-	258,600
Jiahe (Gower) He	-	60,825	-	95,000	190,000	345,825
Total Value	**498,750**	**273,712**	**193,463**	**95,000**	**190,000**	**1,250,925**
Matthew Boyes	78,769	25,503	23,176	-	-	127,449
Alexander Hewlett	52,513	17,002	15,451	-	-	84,966
James Croser	52,513	17,002	15,451	-	-	84,966
Jiahe (Gower) He	-	5,264	-	12,138	16,439	33,840
Expense recognised during FY22[6]	**183,795**	**64,771**	**54,078**	**12,138**	**16,439**	**331,221**

[3]The value of each right has been calculated using the share price as at the grant date, with the value calculated based on the number of instruments expected to vest.
[4]The value of each right has been calculated using a combination of Hoadley's Barrier1 Model and Hoadley's Parisian model ('Parisian Barrier1 Model').
[5]Performance rights have been valued at the grant date, the date that shareholder approval was received, being 7 July 2022.
[6] The expense recognised during the period is from the date the securities were offered to Messer's Boyes, Hewlett & Croser (30 November 2021) and Mr He (5 May 2022).

2021/2022 Incentive securities plan - Employee offer #1

On 10 November 2021, 700,000 unlisted performance rights were issued to employees under the 2021/2022 Incentive securities plan. These rights have performance milestones attached under the following vesting conditions:

- **(A)(i)** - 50% subject to conditions of continuous employment (12-month employment anniversary)
- **(A)(ii)** - 50% subject to successful increase of gold resources for the company by 250,000oz (or equivalent) or 10,000,000 tons of Li_2O at a grade greater than 1% before 31 December 2022, otherwise the rights will lapse.

Vesting is subject to continuous employment by the holder with the company until the achievement of the vesting conditions (as applicable). As at 30 June 2022, management have determined the probabilities of the abovementioned rights vesting as 100% and 75% respectively amounting to an expensed recognised in the profit or loss of $241,925 during the period.

2021/2022 Incentive securities plan - Employee offer #2

On 25 May 2022, 550,000 unlisted performance rights were granted to employees under the 2021/2022 Incentive securities plan. These rights have performance milestones attached under the following vesting conditions:

- **(A)(i)** - 50% subject to conditions of continuous employment (12-month employment anniversary)
- **(A)(ii)** - 50 % Subject to the successful increase of gold resources for the Company by 250,000 ounces (at 0.5g/t Au cut-off) at the Mt Ida project, with:
  - 50% or more being contained within the Indicated JORC Compliant Category or better: OR
  - the delineation of 15,000,000 tonnes of Li_2O at greater than 1.2% Li_2O grade (at 0.3% cut-off) with 50% being contained within the Indicated JORC compliance Category or better, before 30 June 2023.

Vesting is subject to continuous employment by the holder with the company until the achievement of the vesting conditions (as applicable). As at 30 June 2022, management have determined the probabilities of the abovementioned rights vesting as 75% and 75% respectively amounting to an expensed recognised in the profit or loss of $20,678 during the period.

Notes to the Consolidated Financial Statements (continued)

Performance Rights issued in prior periods

On 3 December 2020, the Company granted Mr Matthew Boyes 450,000 Incentive Performance Rights which shall vest and convert to ordinary shares upon vesting of the following conditions:

- **Tranche 1** - 150,000 Performance Rights shall vest and convert into ordinary shares subject to delineation of Mineral Resources (as that term is defined in JORC, 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves) of a total of not less than 75,000 ounces of gold at a grade greater than 1.5g/t on either of the Company's Eureka or Warriedar Projects or in combination across both Projects.
- **Tranche 2 -** 150,000 Performance Rights shall vest and convert into ordinary shares subject to delineation of Mineral Resources (as that term is defined in JORC, 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves) of a total of not less than 150,000 ounces of gold at a grade greater than 1.5g/t on either of the Company's Eureka or Warriedar Projects or in combination across both Projects.
- **Tranche 3 -** 150,000 Performance Rights shall vest and convert into ordinary shares subject to delineation of Mineral Resources (as that term is defined in JORC, 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves) of a total of not less than 250,000 ounces of gold at a grade greater than 1.5g/t on either of the Company's Eureka or Warriedar Projects or in combination across both Projects

The value of each right has been valued at $0.285, being the closing share price on the date the rights were granted. The condition attached to Tranche 1 was achieved 24 June 2021 and these rights were converted to ordinary shares during the period. Management have reassessed the likelihood at 30 June 2022 of the remaining performance milestones to be met resulting in an adjustment to the share-based payment reserve (and reciprocal credit to profit or loss) of $20,150.

Options issued in prior periods

- **Grant 1** – At 30 June 2020, an accrual of $274,400 was made in relation to the issue of 4,000,000 unlisted options to Peter Woods, which were subject to shareholder approval. On 16 November 2020 an Addendum to the AGM was made, reducing the entitlement to 1,000,000 options whereby shareholder approval was subsequently received on 30 November 2020. The options were revalued at the grant date resulting in a credit of $104,387 recognised in the profit or loss during the FY21 period.
- **Grant 2** – On 19 October 2020, the company entered into a share sale agreement with Warriedar Mining Pty Ltd, subsequently approved by shareholders on 30 November 2020, to acquire 100% of tenements consisting of the Eureka gold and Warriedar (Reid's ridge) projects. This resulted in the issue of unlisted options to vendors and advisors.

The valuation of each grant of options was derived using a Black-Scholes valuation model, with the following underlying inputs and assumptions:

	Grant 1	Grant 2[7]	Total
Grant date	30-Nov-20	30-Nov-20	
Vesting date	Immediately	7	
Expiry date	01-Oct-24	01-Oct-24	
No. securities	1,000,000	22,000,000	23,000,000
Security entitlement	One Share	One Share	
Listed/unlisted	Unlisted	Unlisted	
Exercise price	$0.250	$0.25	
Spot price	$0.295	$0.295	
Expected volatility	75%	75%	
Risk-free rate	0.11%	0.11%	
Dividend Yield	Nil	Nil	
Value of option	$0.17	$0.17	
Total Value ($)	**170,013**	**3,570,274**	**3,740,287**
Expense recognised during FY21 ($)	**(104,387)**	**-**	**(104,387)**
Expense capitalised during FY21[7] ($)	**-**	**3,570,274**	**3,570,274**

[7]9,250,000 options issued to the vendors vested upon the delineation of an inferred mineral resource of not less than 100,000 oz of gold at a grade greater than 1.5g/t Au combined across the projects. The performance milestone was met in FY21. Remaining options vested immediately and were capitalised as acquisition costs. Refer to note 11 for further information on the acquisition of Warriedar Mining.

Notes to the Consolidated Financial Statements (continued)

Reconciliation of share-based payments expensed	2022 $	2021 $
Vesting of Performance Rights - Directors	311,071	66,263
Vesting of Options - Directors	796,489	(104,387)
Vesting of Performance Rights - Employee offers	279,354	-
Expense recognised during the period ($)	**1,386,914**	**(38,124)**

Convertible Securities

Options

At 30 June 2022, unissued shares of the Group under option are:

Number of Securities	Exercise Price	Expiry Date
3,750,000	$0.25	30 June 2023
15,902,425	$0.25	01 Oct 2024
17,678,604	$0.25	18 Nov 2024
4,000,000	$0.25	21 Sept 2025

Performance Rights

At 30 June 2022, unissued shares of the Group pursuant to performance rights issued to incentivise its directors, employees and other vendors are:

Number of Securities	Grant Date	Expiry Date
300,000	3 Dec 2020	03 Dec 2025
1,750,000	22 Jul 2020	31 Dec 2022
325,000	1 Oct 2021	31 Dec 2023

Performance Shares

At 30 June 2022 there are 6,750,000 unissued Shares of the Company under Performance Shares with a milestone of the Company announcing a JORC compliant resource estimate for the Pelley Ridge Project of at least “indicated” status of at least 2 million tonnes of at least 6% Zn equivalent. Each performance share will convert to an ordinary share on a one for one basis.

32. SUBSEQUENT EVENTS

On 7 July 2022, the Company held a general meeting and received shareholder approval to issue 5,000,000 unlisted performance rights expiring 31 December 2023 and 1,000,000 unlisted options with an exercise price of $0.77 expiring 26 July 2025 to directors pursuant to the performance rights and options plan approved by shareholders on 2 July 2019, which was re-adopted at the general meeting. These securities were agreed to be issued during the year ended 30 June 2022 and have been accounted for as such within the financial statements.

On 16 August 2022, the Company announced that it had entered into an agreement for the divestment of its Warriedar Gold Project to Anova Metals Limited (ASX: AWV). The Company agreed to divest the Warriedar Gold Project which comprises of seven tenements over a combined area of (6,711 Hectares) 68km^2, by way of a binding agreement satisfied by the issue of 100M Anova shares at a deemed issue price of A$0.012 per share (“Consideration Shares”). The Consideration Shares to be issued to the Company will be escrowed for a period of six months. As at 30 June 2022 the fair value of the Consideration Shares was $1,000,000.

On 29 August 2022, the company announced the appointment of Mr David Flanagan as Chairman. As a result of Mr Flanagan’s appointment, Mr Alexander Hewlett resigned as Director and Chairman. Commensurate with Mr Flanagan’s appointment he has been issued 6,000,000 performance rights vesting in three equal tranches of 2,000,000 upon the achievement of a 20-day Volume Weighted Average Price (VWAP) of $1.00, $1.20 and $1.50 respectively, subject to continuous employment.

Notes to the Consolidated Financial Statements (continued)

On 12 September 2022, Subject to a 7-day due diligence period, Red Dirt Metals agreed to acquire Lithium explorer Electrostate Limited, being the 100% holder of the Yinnetharra Lithium Project covering 520km^2 in the central Gascoyne region of Western Australia. Consideration for the acquisition includes $15,000,000 of ordinary shares in the Company (26,455,026 shares at a deemed issue price of $0.567), 2,666,666 options with an expiry date of 18 months and an exercise price of $0.75, along with deferred consideration amounting to $10,000,000 upon delineation of a JORC 2012 compliant resource in excess of 15 million tonnes @ 0.9% Li_2O or greater within four years, payable in cash or via the issue of ordinary shares calculated using a deemed issue price equal to the 10-day VWAP up to and including the date the condition is met.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Directors' Declaration

In the opinion of the Directors of Red Dirt Metals Limited ("Red Dirt Metals" or "the Company"):

(a) the consolidated financial statements and notes set out on pages 36 to 72 and the Remuneration report in pages 25 to 33 of the Directors' Report, are in accordance with the *Corporations Act 2001* (Cth), including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001* (Cth);

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2;

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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* (Cth) for the financial year ended 30 June 2022.

Signed in accordance with a resolution of the Directors.

Matthew Boyes
Managing Director and CEO

Signed at Perth on 27 September 2022

Independent Auditor's Report to Members

HALL CHADWICK

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF RED DIRT METALS LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Red Dirt Metals Limited ("the Company") and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2022, 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

a. the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

HALL CHADWICK

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Exploration and Evaluation Asset As disclosed in note 12 to the financial statements, as at 30 June 2022, the Group's exploration and evaluation asset was carried at $39,438,128. The recognition of exploration and evaluation was considered a key audit matter due to: • The carrying value represents a significant asset of the Group, we considered it necessary to assess whether facts and circumstances existed to suggest whether an impairment event has occurred; and • Determining whether impairment indicators exist involves significant judgement.	Our audit procedures included but were not limited to: • Assessing management's determination of its areas of interest for consistency with the definition in AASB 6 *Exploration and Evaluation of Mineral Resources* ("AASB 6"); • Assessing the Group's rights to tenure for a sample of tenements; • Testing the Group's additions to capitalised exploration costs for the year by evaluating a sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Group's accounting policy and the requirements of AASB 6; • Reviewing the acquisition agreements entered into during the year, and assessed the fair value of the consideration transferred and performed audit procedures on the assets and liabilities acquired; • Testing the status of the Group's tenure and planned future activities, reading board minutes and enquiries with management we assessed each area of interest for one or more of the following circumstances that may indicate impairment of the capitalised exploration costs: 　○ The licenses for the rights to explore expiring in the near future or are not expected to be renewed; 　○ Substantive expenditure for further exploration in the area of interest is not budgeted or planned;

HALL CHADWICK

Key Audit Matter	How our audit addressed the Key Audit Matter
	○ Decision or intent by the Group to discontinue activities in the specific area of interest due to lack of commercially viable quantities of resources; and ○ Data indicating that, although a development in the specific area is likely to proceed, the carrying amount of the exploration asset is unlikely to be recorded in full from successful development or sale; and ○ We also assessed the appropriateness of the related disclosures in notes 11 and 12 to the financial statements.
Share Based Payments As disclosed in note 31 in the financial report, during the year ended 30 June 2022, the Company incurred share-based payments totaling $1,386,914. Share based payments are considered to be a key audit matter due to • the value of the transactions; • the complexities involved in recognition and measurement of these transactions; and • the judgement involved in determining the inputs used in the valuation. Management used a range of option valuation models to determine the fair value of the share based payments granted. This process involved significant estimation and judgement required to determine the fair value of the equity instruments granted.	Our procedures included, amongst others: • Analysing contractual agreements to identify the key terms and conditions of share based payments issued and relevant vesting conditions in accordance with AASB 2 Share Based Payments; • Evaluating valuation models and assessing the assumptions and inputs used; Assessing the amount recognised during the period in accordance with the vesting conditions of the arrangements; and Assessing the adequacy of the disclosures included in Note 31 of the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

HALL CHADWICK

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

HALL CHADWICK

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

HALL CHADWICK

Auditor's Opinion

In our opinion, the Remuneration Report of Red Dirt Metals Limited, for the year ended 30 June 2022, complies with section 300A of the Corporations Act 2001.

Hall Chadwick
HALL CHADWICK WA AUDIT PTY LTD

D M BELL CA
Director

Dated this 27th day of September 2022
Perth, Western Australia

Shareholder Information

Red Dirt Metals Limited shares are listed on the Australian Securities Exchange. The Company's ASX code is RDT for Ordinary Shares.

SUBSTANTIAL SHAREHOLDERS (HOLDING NOT LESS THAN 5%)

As at 16 September 2022, the Company had the following substantial shareholders;

Beneficial Holder	Holding Name	Number Held	Voting %
Waratah Capital Advisors*	Electrification and Decarbonization AIE LP	28,402,808	9.33
Ponderosa Investments	PONDEROSA INVESTMENTS WA PTY LTD <THE PONDEROSA INVESTMENT A/C>	16,382,453	5.38
	Total	**44,785,261**	**14.71%**

**Based on Form 604 provided to the Company and released to the ASX on 30 August 2022*

CLASS OF SHARES AND VOTING RIGHTS

At 16 September 2022 there were 3,023 holders of 304,554,426 ordinary fully paid shares of the Company. The voting rights attaching to the ordinary shares are in accordance with the Company's Constitution being that:

a. each Shareholder entitled to vote may vote in person or by proxy, attorney or Representative;
b. on a show of hands, every person present who is a Shareholder or a proxy, attorney or Representative of a shareholder has one vote; and
c. on a poll, every person present who is a shareholder or a proxy, attorney or Representative of a shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or Representative, have one vote for the Share, but in respect of partly paid Shares, shall, have such number of votes as bears the proportion which the paid amount (not credited) is of the total amounts paid and payable (excluding amounts credited).

The number of shareholders holding less than a marketable parcel is 676.

CASH USAGE

Since the time of listing on ASX, the entity has used its cash and assets in a form readily converted to cash that it had at the time of admission to the official list of ASX in a manner which is consistent with its business objectives.

BUY-BACK

There is no current on-market buy-back.

UNLISTED OPTIONS

Securities	Number of Securities on issue	Number of Holders	Name of Holders holding more than 20%	Number Held
Options exercisable at $0.25 on or before 30 June 2023	3,750,000	7	Helmet Nominees Pty Ltd <Tim Weir Family Fund A/C> Sammex Consulting Pty Ltd	1,800,000 1,000,000
Options exercisable at $0.25 on or before 1 October 2024	15,902,425	20	Elefantino Pty Ltd <Talula A/C> Mrs Amanda Jane Croser <Croser Family A/C>	3,183,008 3,183,008
Options exercisable at $0.25 on or before 18 November 2024	17,678,604	119	n/a	n/a
Options exercisable at $0.77 on or before 26 July 2025	1,000,000	1	Mr Timothy Peter Manners	1,000,000
Options exercisable at $0.25 on or before 21 September 2025	4,000,000	4	Elefantino Pty Ltd <Talula A/C> Mrs Amanda Jane Croser <Croser Family A/C> Nameo Pty Ltd Mr Brett Mitchell & Mrs Michelle Mitchell <Lefthanders Super Fund & Mitchell Spring Family A/C>	1,000,000 1,000,000 1,000,000 1,000,000

TOP 20 SHAREHOLDERS AS AT 16 SEPTEMBER 2022

Rank	Name	Shares	% of Units
1.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	48,989,853	16.09
2.	PONDEROSA INVESTMENTS WA PTY LTD <THE PONDEROSA INVESTMENT A/C>	16,382,453	5.38
3.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	12,205,615	4.01
4.	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	11,338,694	3.72
5.	BNP PARIBAS NOMS PTY LTD <DRP>	6,895,182	2.26
6.	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	6,893,066	2.26
7.	ROCK THE POLO PTY LTD <ROCK THE POLO A/C>	6,434,552	2.11
8.	TREASURY SERVICES GROUP PTY LTD <NERO RESOURCE FUND A/C>	5,728,425	1.88
9.	MRS AMANDA JANE CROSER <CROSER FAMILY A/C>	5,480,377	1.80
10.	ELEFANTINO PTY LTD <TALULA A/C>	5,095,761	1.67
11.	PRECISION OPPORTUNITIES FUND LTD <INVESTMENT A/C>	5,000,000	1.64
12.	CITYSCAPE ASSET PTY LTD <CITYSCAPE FAMILY A/C>	3,400,000	1.12
13.	L & E FISHER NOMINEES PTY LTD	3,000,000	0.99
14.	NATIONAL NOMINEES LIMITED	2,997,170	0.98
15.	CITICORP NOMINEES PTY LIMITED	2,803,851	0.92
16.	JAYLEAF HOLDINGS PTY LTD <THE POLLOCK INVESTMENT A/C>	2,666,667	0.88
17.	NAMEO PTY LTD	2,533,893	0.83
18.	INGLEWOOD LODGE PTY LTD <THE INGLEWOOD LODGE A/C>	2,500,000	0.82
19.	CELTIC CAPITAL PTE LTD <INVESTMENT 1 A/C>	2,426,667	0.80
20.	KENDALI PTY LTD	2,400,000	0.79
TOTAL TOP 20		**155,172,226**	**50.95**
BALANCE OTHER HOLDERS		149,382,200	49.05
TOTAL		**304,554,426**	**100**

RANGE OF ORDINARY SHARES AS AT 16 SEPTEMBER 2022

Range	Total Holders	Units	%
1 - 1,000	486	166,645	0.05
1,001 - 5,000	892	2,511,167	0.82
5,001 - 10,000	482	3,778,546	1.24
10,001 - 100,000	887	30,543,319	10.03
100,001 Over	276	267,554,749	87.86
Total	**3,023**	**304,554,426**	**100**

DRILLING AT MT IDA

Red Dirt Metals Limited
Suite 4, 6 Centro Avenue
Subiaco WA 6008
Tel: +61 8 6109 0104
info@reddirtmetals.com.au
www.reddirtmetals.com.au

ASX Code
RDT