

ANNUAL REPORT

ASX : MTM

30 JUNE 2023



MTM
CRITICAL METALS LIMITED

Directors and Company Secretary

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

Simon Adams - Company Secretary

Registered and Principal Office

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

Share Register

Automic Group
Level 2, 267 St Georges Terrace
Perth WA 6000
Phone: 1300 288 664
Web: www.automicgroup.com.au

Securities Exchange Listing

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

ASX Code

MTM - Fully paid ordinary shares

Solicitors

Hamilton Locke
Level 27, 152-158 St George's Terrace
Perth WA 6000

Auditor

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

MTM Critical Metals Limited

Operations Report

MTM Critical Metals Limited (formerly Mt Monger Resources Limited) (“MTM” or the “Company”) is actively exploring for minerals at project areas located in the Abitibi region of Quebec, Canada (Figure 1) and in Eastern Goldfields region of Western Australia (Figure 2).

The Company has no reported mineral resources or ore reserves.

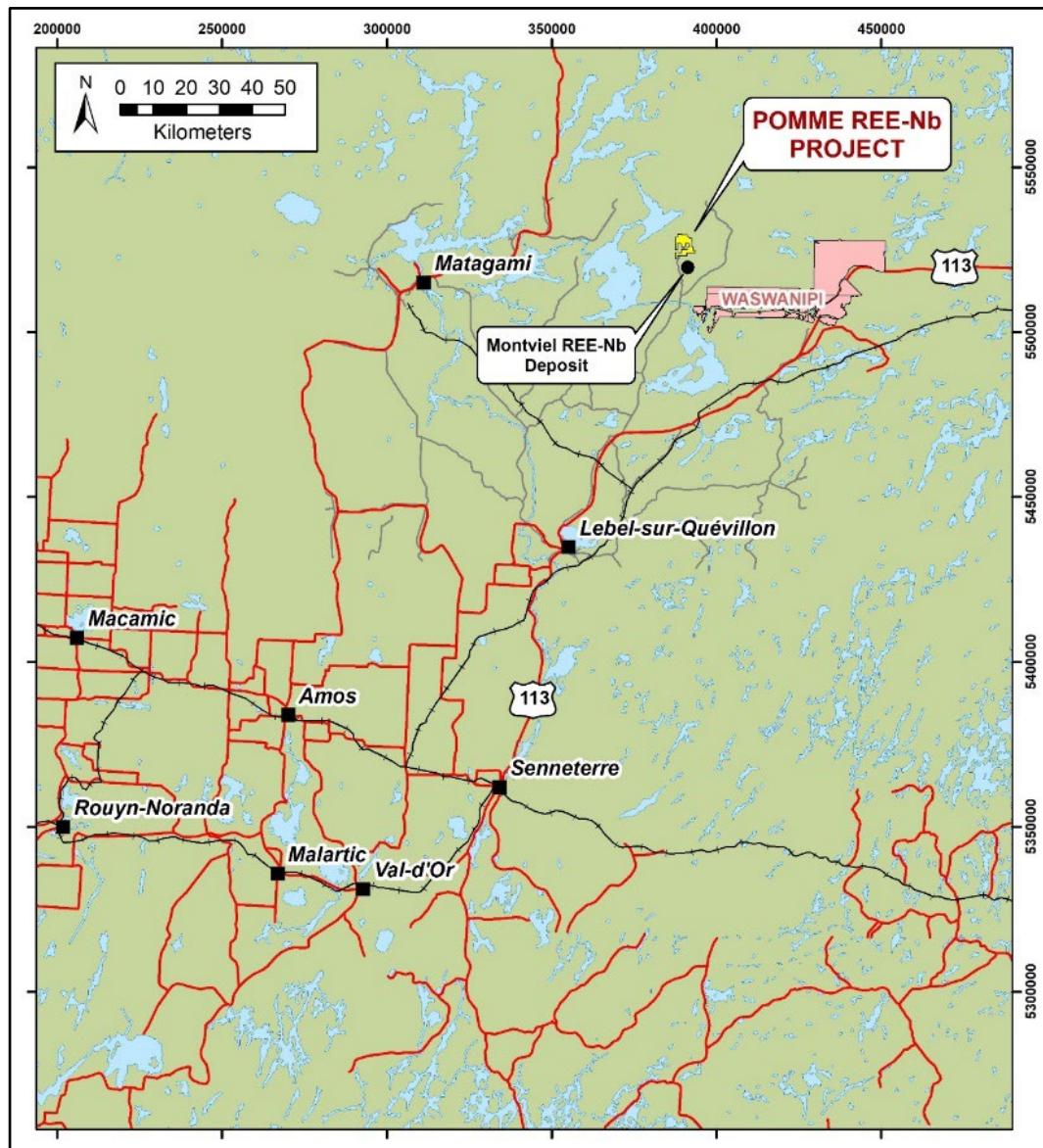


Figure 1: Location of the MTM exploration projects in Quebec, Canada.

During the reporting period MTM entered into a binding option agreement (Option) to acquire a 100% interest in the **Pomme REE-Nb Project** located in Québec, Canada from TSX.V listed Geomega Resources Inc. (Geomega). Under the Option, the Company is required to satisfy aggregate consideration of AUD \$1,050,000 in cash and shares in order to complete the acquisition of the Project. AUD \$350,000 of this consideration (combination of cash and shares) has now been paid. The Company also has a AUD \$2,000,000 exploration expenditure commitment on the Pomme Project over the next 3 years.

Pomme is a known carbonatite intrusion with exceptional results from limited historical drilling, showing enrichment in rare earth elements (REE) and niobium (Nb) and is considered to be an extremely prospective exploration target (Figure

3). Pomme is located adjacent to the world-class Montviel REE-Nb deposit (owned by Geomega Resources Inc), that has a defined total indicated and inferred resource of 266 Mt @ 1.45% TREO & 0.14% Nb₂O₅.

The Pomme project is located in the Abitibi region of the Province of Québec, 500km northwest of Montreal, Canada. The Project comprises 43 mineral claims, covering approximately 2,400 ha area within the Eeyou Istchee James Bay Territory. The claims are located approximately 100km north of the town of Lebel-sur-Quévillon (pop. 2,800) and 45km west of the Cree First Nation of Waswanipi (pop. 1,800) in the urbanised southerly part of northern Québec (Figure 1).

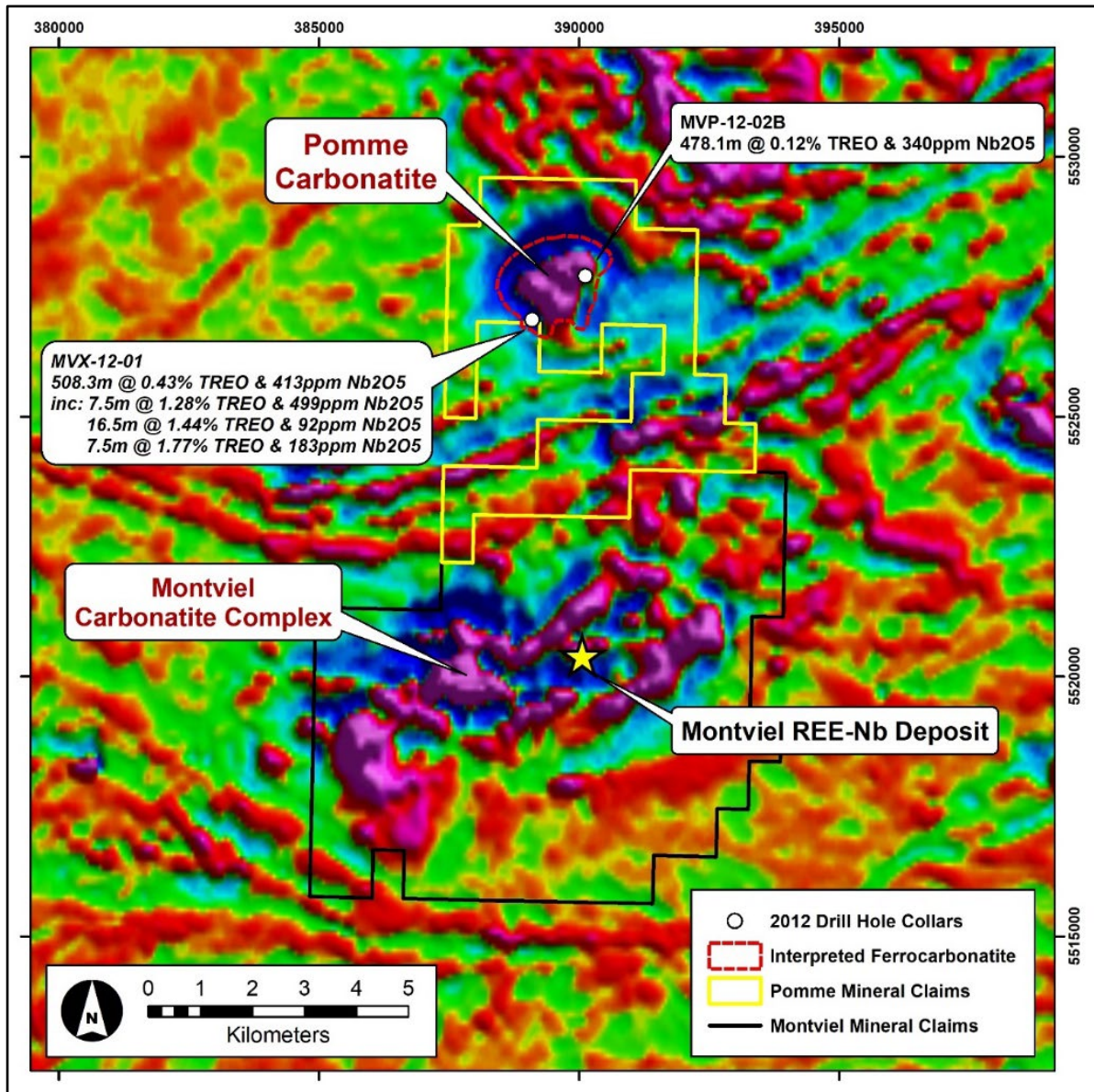


Figure 3: Airborne magnetic image of the Pomme Project and Montviel Deposit (TMI 1VD, SIGEOM).

Initial work on the project involved a high-resolution drone magnetic survey of the interpreted Pomme carbonatite, which was completed in late March 2023 and comprised approximately 220 line kilometres, flown on 25 metre line spacing at a sensor height of approximately 22 metres (tree-top height).

The drone survey was designed to cover the extent of the carbonatite and will allow the Company to model both the geological and the REE mineralisation magnetic responses. Furthermore, it may potentially provide an exploration vector as the magnetics can be progressively correlated with the underlying geology.

A program of 10 diamond drill holes for approximately 5,000 metres of drilling was designed to provide a first-pass test of the Pomme carbonatite complex to evaluate the overall geology of the carbonatite intrusion and define the grade and continuity of the REE-Nb mineralisation that it contains. The Company subsequently received approval for the drilling

Review of Operations

30 June 2023

from the Québec Ministère des Ressources naturelles et des Forêts (MRNF, Ministry of Natural Resources and Forests) and liaised with the local Cree First Nation of Waswanipi regarding the timing of drill rig mobilisation.

The first drill hole of the Pomme diamond drilling program, POM-23-01 (Figure 4 and 5) commenced in late May 2023 and was completed at a depth of 558 metres downhole. Drilling intersected in excess of 500 metres of carbonatite containing visible rare earth element (REE) mineralisation. By the end of the reporting period the drilling rig had been mobilised to the next drill hole location approximately 500 metres to the north of POM-23-01.

Unfortunately, the drilling program was forced to be temporarily suspended during June 2023 for safety reasons due to forest fires that were active in the vicinity of the project area. Drilling subsequently recommenced early in July 2023 and the program is expected to be completed during the next reporting period.



Figure 4: Diamond drill rig operational on hole POM-23-001 at the Pomme project, May 2023.

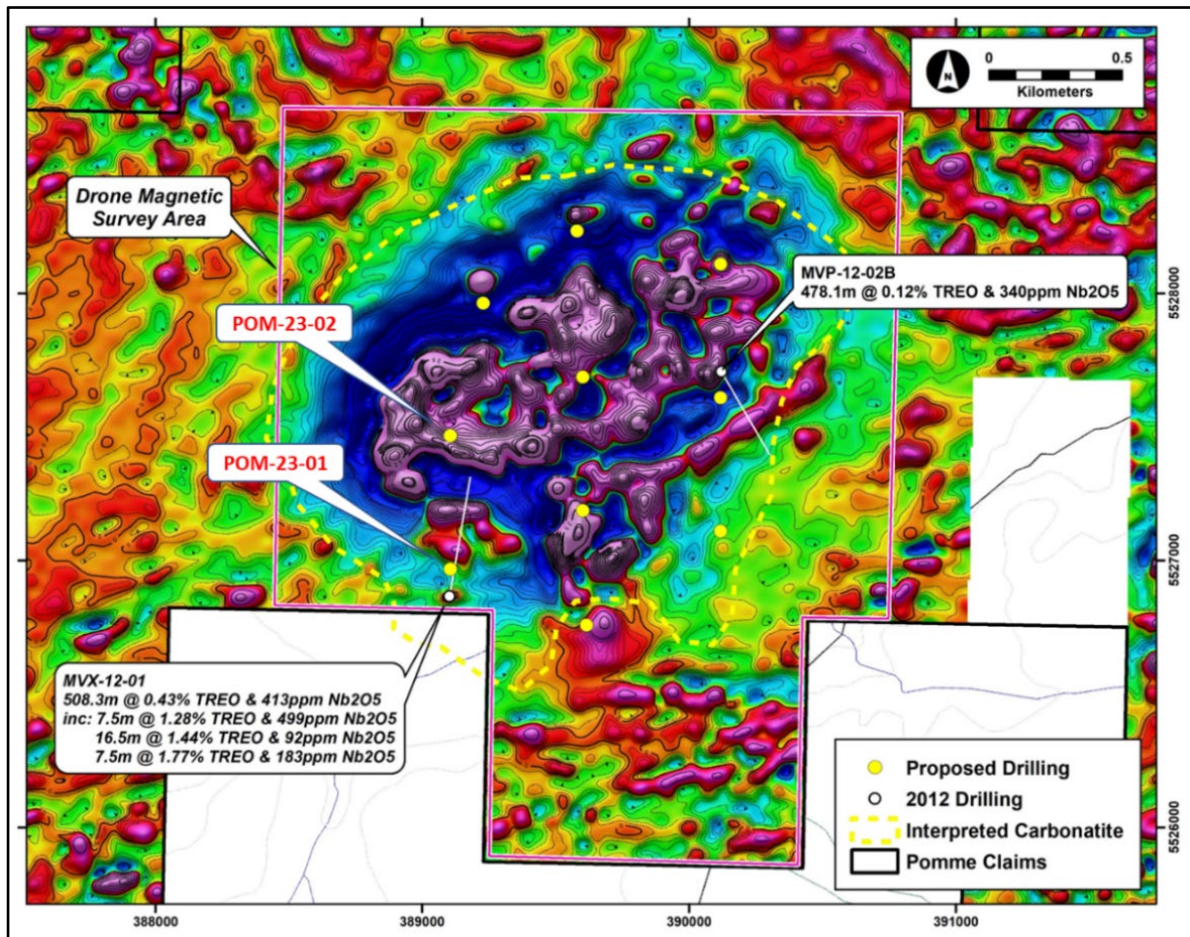


Figure 5: Diamond drilling status at the Pomme project showing historical and current diamond drill hole collar locations.

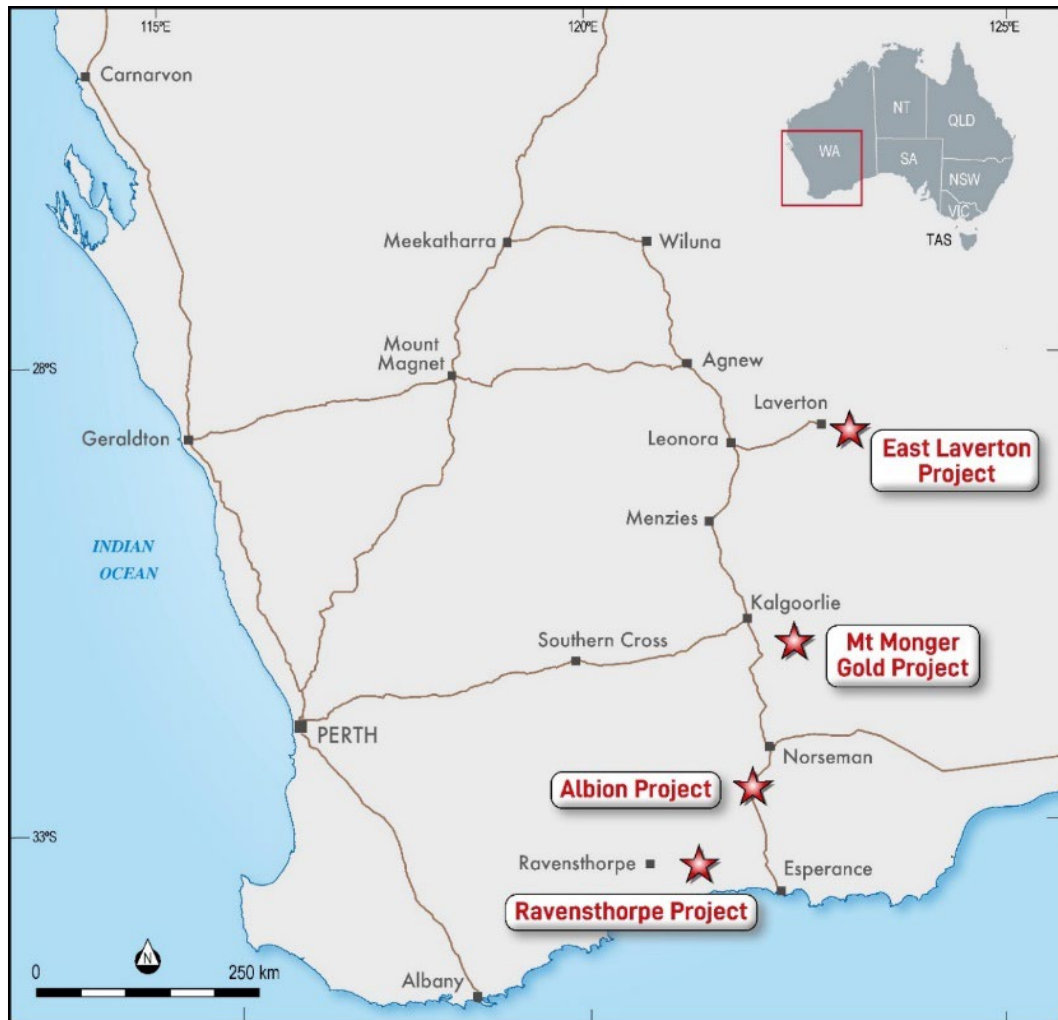


Figure 6: Location of the MTM exploration projects in Western Australia.

The **Mt Monger Gold Project** is centred approximately 45km east-northeast of Kambalda and 70km to the southeast of Kalgoorlie-Boulder (Figure 6). The project comprises six granted Exploration Licences, two pending exploration licence applications and three granted Prospecting Licences, covering an area of approximately 100km² (Figure 7).

The Mt Monger Project is positioned in a prospective location in terms of regional geological and mineralisation setting, located within the southern part of the Kurnalpi Terrane, in the Eastern Goldfields Superterrane; straddling the boundary between the Bulong Anticline and the Mount Belches Formation.

The Mt Monger region has proven potential for hosting gold, with gold mining commencing in the area during the late 1890s and continuing to the present day. The Mt Monger Gold Project is within close proximity to Gold Fields Limited's (JSE: GFI) St Ives gold camp which contains the Invincible Gold Mine located in Lake Lefroy and immediately south of Silver Lake Resources Ltd's (ASX: SLR) Daisy Milano gold operation and their currently operating 1.2Mtpa Randalls gold processing facility. Lefroy Exploration Limited (ASX: LEX) has experienced recent success at their Burns Prospect, located a few kilometres to the southwest of the Mt Monger Gold Project.

Early exploration within the project area focused on nickel sulphide mineralisation with the focus shifting to gold exploration during the 1980s. Exploration to date has outlined a number of advanced gold prospects; including the Duchess of York, Hickman's Find and Kiaki Soaks prospects. Drilling outside the more advanced prospect areas has been mainly limited to shallow Rotary Air Blast (RAB) and aircore drilling (<60m depth) in the immediate vicinity of and along strike from known mineralised structures, with only intermittent relatively deep reverse circulation (RC) percussion drilling completed to assess the depth potential to the shallow supergene gold mineralisation.

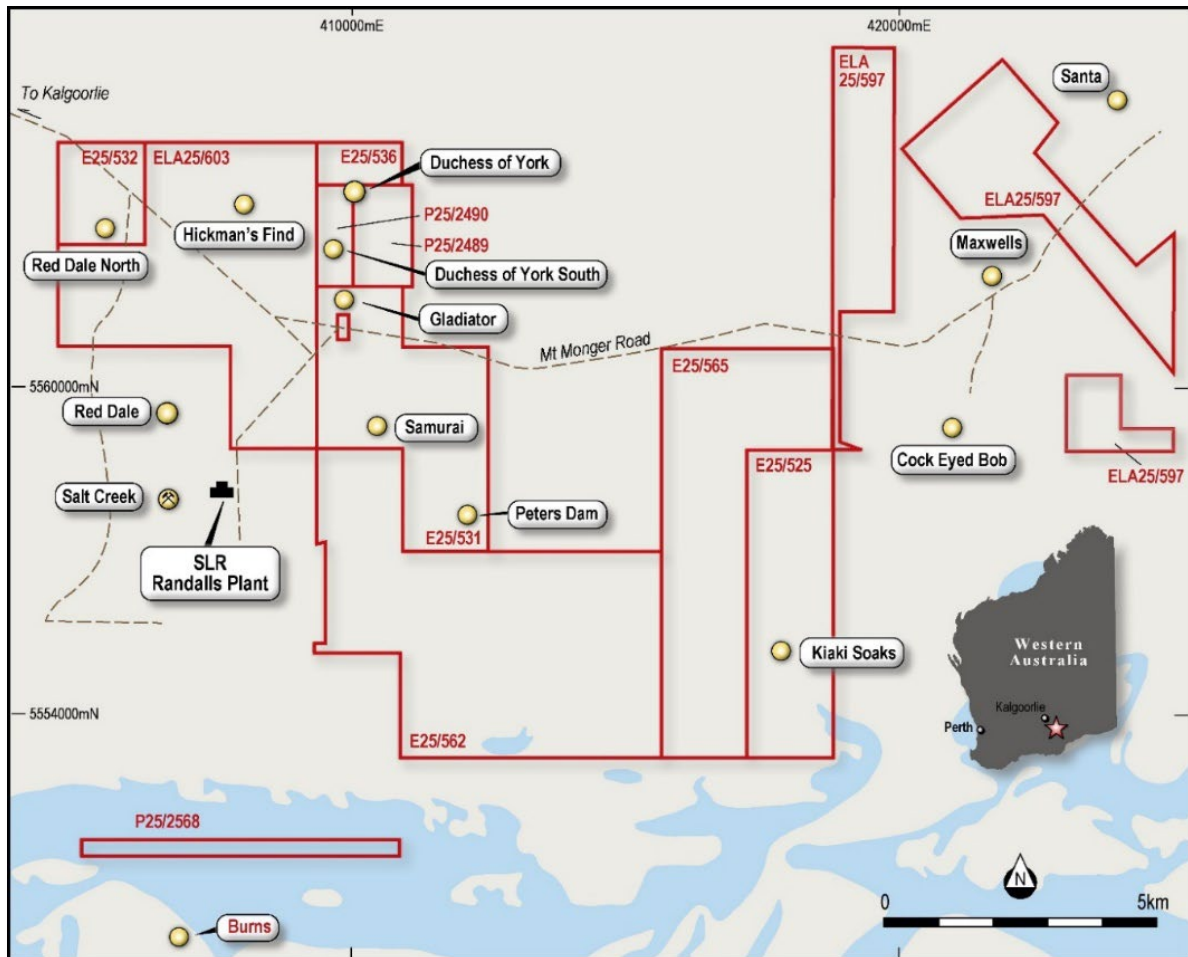


Figure 7: Tenement status map of the Mt Monger Gold Project showing historical prospect areas and nearby gold mining operations and processing plant.

During the reporting period the Company has continued its exploration of the numerous gold prospects at the Mt Monger Project. Assay of the primary 1m drill samples has confirmed and provided better definition of the gold mineralisation intersections at Red Dale North, northwest Duchess of York, north Gladiator, and the Peters Dam prospects.

At the Red Dale North Prospect, hole 22MMRC004 intersected 4m @ 5 g/t Au from 48m downhole. Overall strike length of mineralisation now considered to extend over 300m (Figure 8 and 9) and is open both along strike and down dip.

A mineralised zone was also further defined in the Duchess of York area, with an envelope of higher-grade mineralisation identified. Three holes were drilled at the Peters Dam prospect to confirm historic mineralisation and to determine if a continuation of the structure exists to the south. So far, the structure has been defined over 750m strike length, with potential parallel structures existing to the west. A total of 6 holes were drilled north of the Gladiator Prospect, with two holes intersecting promising mineralisation and potentially defining a new mineralised structure open in all directions.

Further drilling is required to evaluate the extent and continuity of the structures that host the mineralisation.

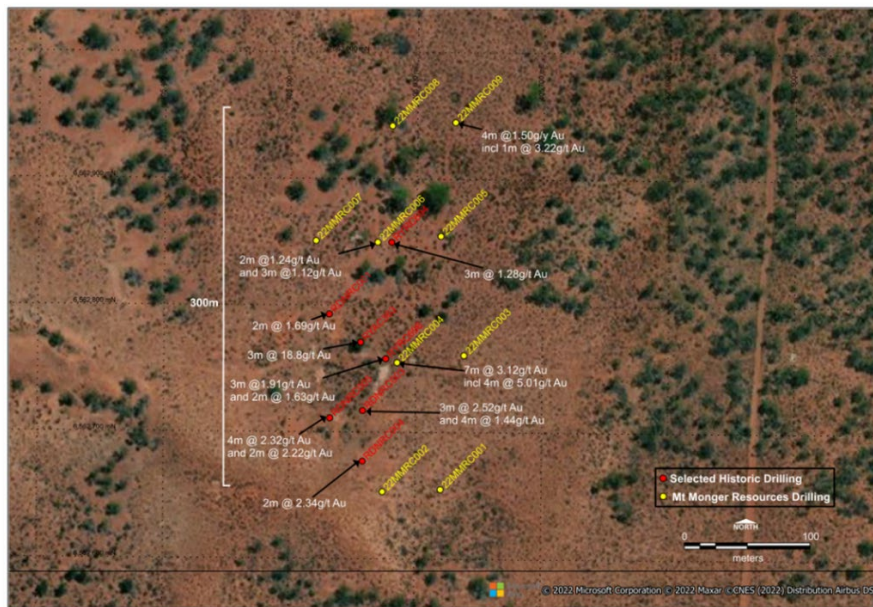


Figure 8: Drill status diagram of the Red Dale Prospect showing recent completed RC percussion drill holes with updated significant intersections.

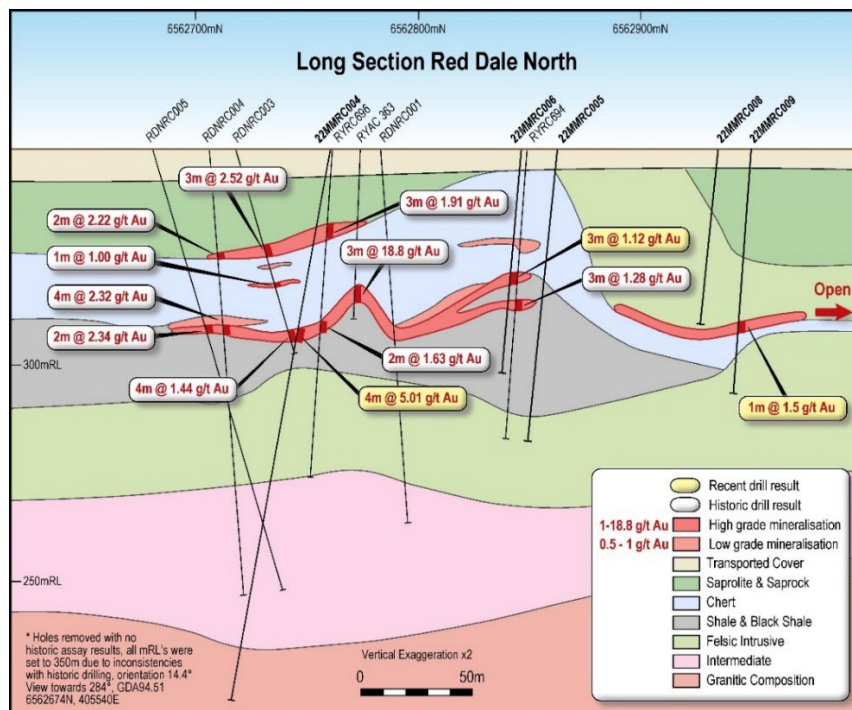


Figure 9: Red Dale North prospect long section showing historical and recent drilling intersections.

The **East Laverton Project** is centred 70km south-east of the town of Laverton and is comprised of twelve granted Exploration Licences (Figure 10). The project licences cover an area of approximately 3,500km² and are considered prospective for gold, rare earth elements (REE), nickel, base metals and lithium.

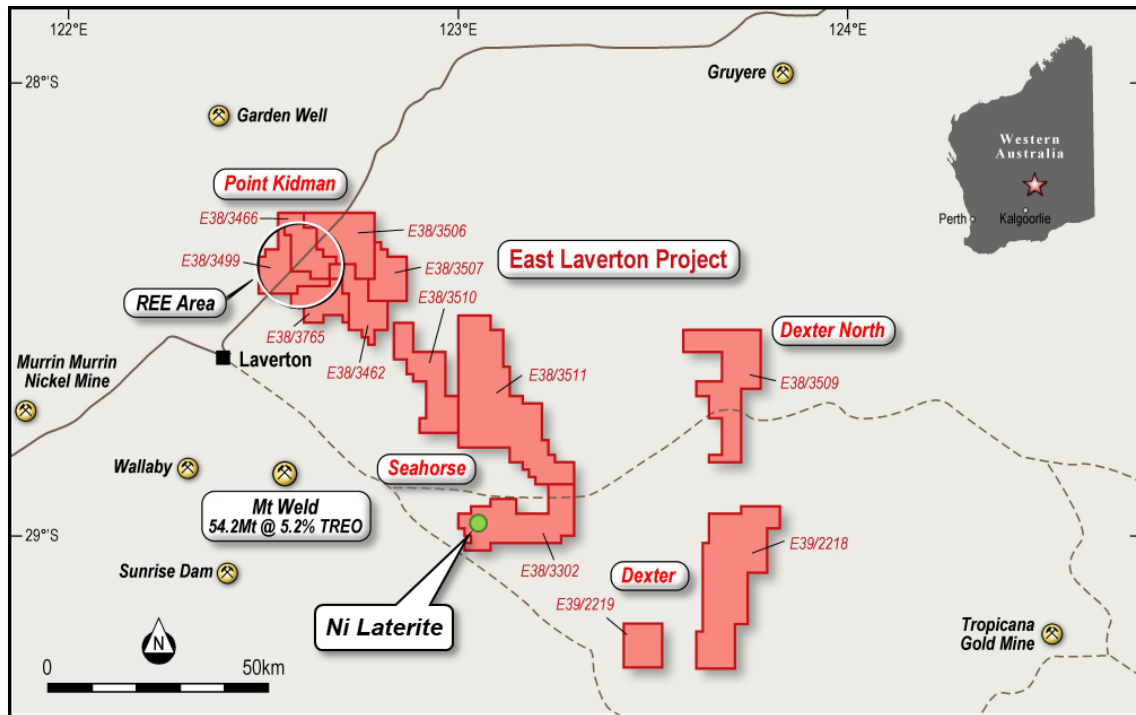


Figure 10: Tenement status map of the East Laverton Gold Project showing prospect areas and nearby mining operations.

The East Laverton Project is located within the poorly understood Burtville Terrane on the eastern edge of the Eastern Goldfields Superterrane. The project area contains limited outcrop, with the bedrock geology predominantly concealed by transported cover. Due to the area's extensive sedimentary cover, there has been little geological work in the area either by exploration companies or government geological surveys, hampering the geological understanding of the area.

During the reporting period the Company has completed a several programs of aircore (AC) and reverse circulation (RC) percussion drilling at the Pt Kidman prospect area in the north and at the Seahorse prospect in the southeast of the tenements. Further geochemical soil sampling programs were also completed in the southern and central parts of the project area as part of a first-pass evaluation to define potential exploration targets.

Previous work by the Company has shown that the Pt Kidman area has a significant development of clay-hosted rare earth element (REE) mineralisation, which extends over an area of more than 20km by 10km, indicating that Pt Kidman area represents a potentially district-scale REE project. The drilling programs only tested a small part of this prospective terrane but has locally shown significant continuity and grade within the mineralised zone within the weathering profile over Archaean granitoid rocks.

A total of 174 aircore drill holes and 6 RC holes were subsequently completed at the Pt Kidman prospect (Figure 11) to follow-up initial work. The drilling was designed to extend the zones of known REE mineralisation and test several new areas. Drilling successfully identified further broad zones of shallow REE mineralisation hosted by saprolitic clays above interpreted fertile basement granitoids and gneissic rocks. Assays indicate significant total rare earth element oxide (TREO) grades, within clay thickness intervals up to 29m using a 1000ppm TREO cut-off grade. At a lower cut off grade of 300ppm TREO the drilling has defined multiple broad zones of REE mineralisation that show good continuity (see cross sections shown on Figures 12 and 13).

Overall, Magnet Rare Earth Oxides (MREO) make up an average of 24.4% of TREO, with Critical Rare Earth Oxides (CREO) averaging 21.7%, Heavy Rare Earth Oxides (HREO) averaging 11.4% and Neodymium-Praseodymium oxide (NdPr) averaging 19.5% of TREO.

The Company has initiated preliminary metallurgical test work to characterise the REE's identified within clays at its Pt Kidman prospect. The proposed metallurgical work will enable the Company to make informed decisions on the potential economic viability of this mineralisation. The work involves undertaking industry-standard leach tests under different reagent schemes to:

- a) Characterise the REEs by host phase (ion exchange, colloidal, or mineral);

- b) Determine the REE recoveries; and
- c) Outline a preliminary process flowsheet if favourable results are obtained.

The leaching test work will be conducted on 4 composite samples selected from the aircore drill holes (16 tests in total). Final leach test assay results are expected early in the next quarter.

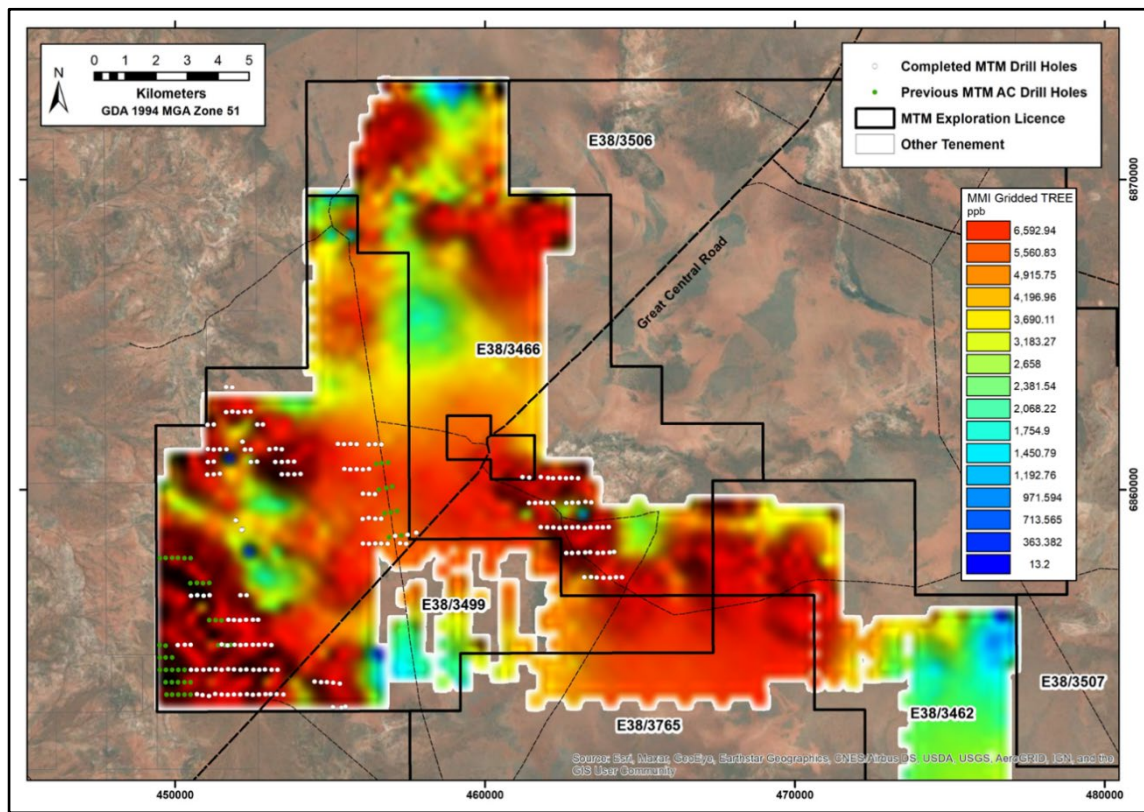


Figure 11: Gridded surface TREE geochemistry image at the Point Kidman prospect, showing the location of drilling completed during the reporting period.

Aircore drilling was completed at the Seahorse prospect in the southern part of the East Laverton Project area to test nickel anomalies defined by prior soil and rock chip sampling. Results from the drilling confirm the discovery of nickel laterite mineralisation (Figure 14). The mineralisation appears to be geologically similar to other known nickel laterite deposits in Western Australia. These deposits are formed through the weathering and oxidation of ultramafic rock units that contain nickel in the primary mineral assemblage.

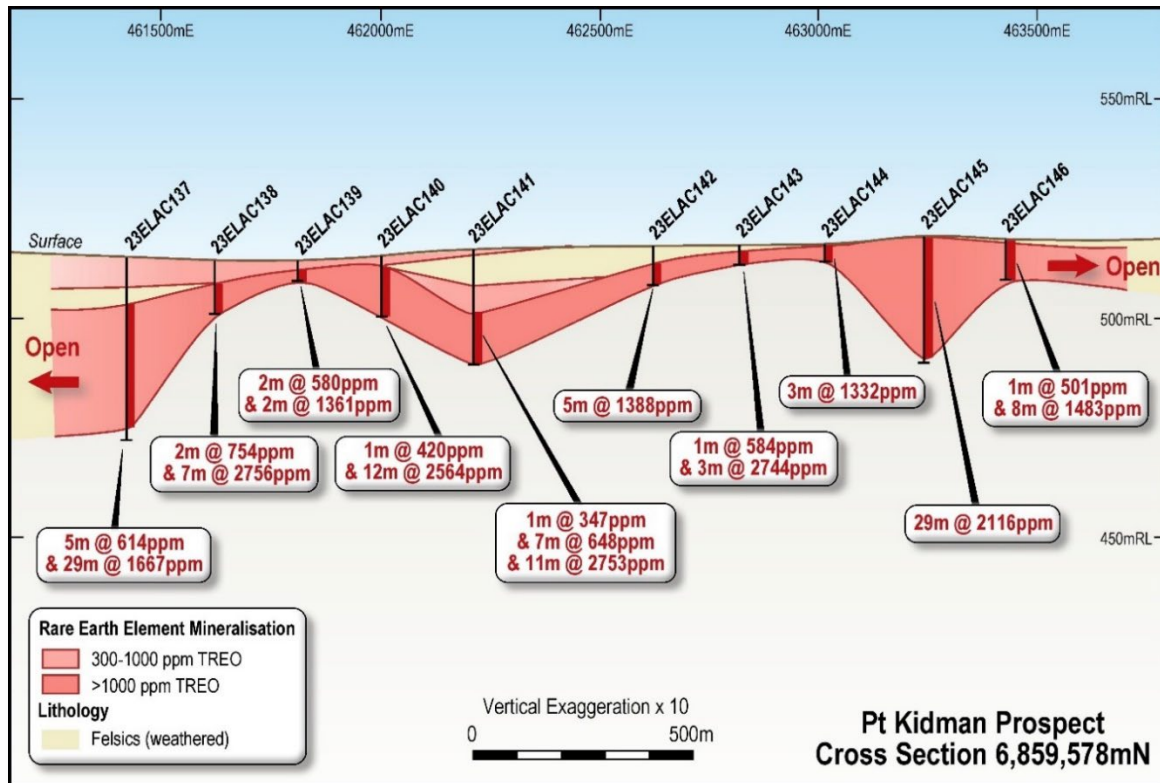


Figure 12: Cross section diagram on 6,859,578mN showing aircore drilling, interpreted geology and REE mineralisation.

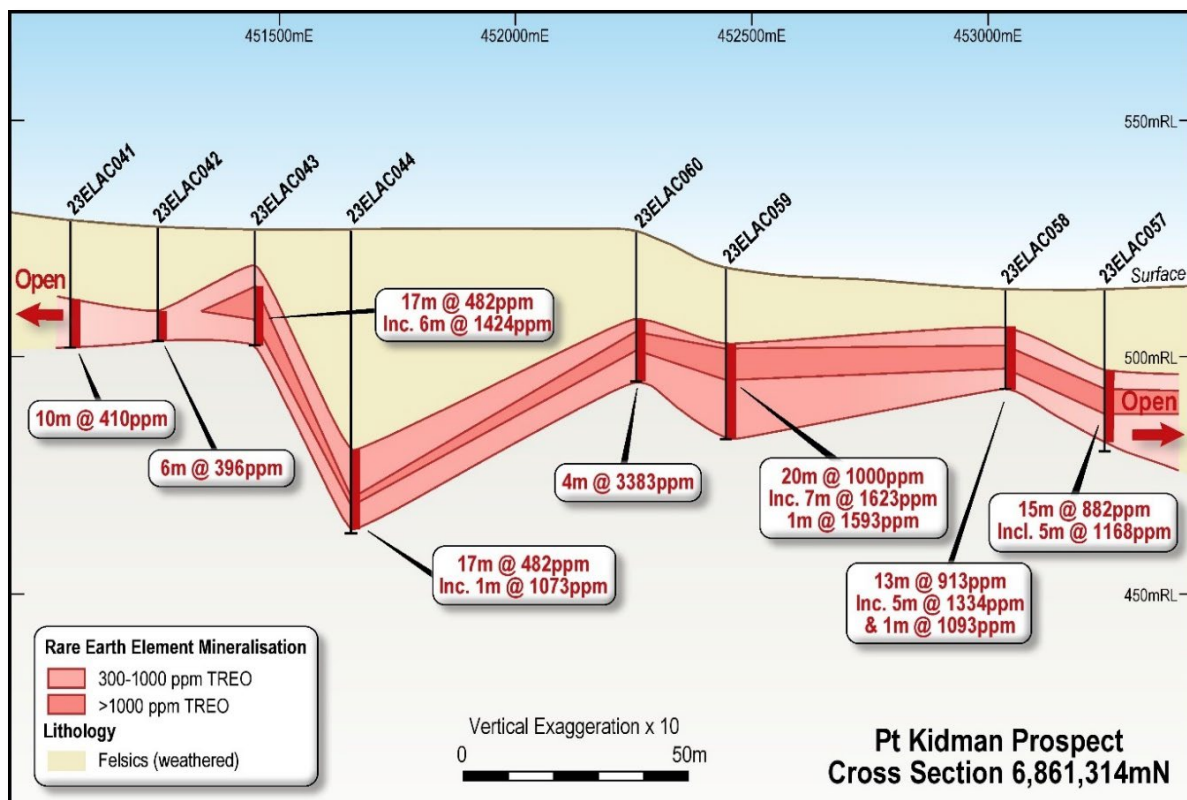


Figure 13: Cross section diagram on 6,861,314mN showing aircore drilling, interpreted geology and REE mineralisation.

Assays from the drilling show significant nickel intersections, with numerous 1m zones in excess of 1% Ni and a maximum of 2.2% Ni from 23ELAC176 (13-14m depth). Nickel mineralisation was intersected over downhole widths of up to 28 metres (using a 5,000ppm or 0.5% Ni cut-off grade) and shows continuity along a strike length of in excess of 1km (Figures 15 and 16). The width of the prospective zones is locally in excess of 200m. Based on regional airborne magnetic data, the interpreted host ultramafic units extend over at least 3km and most of this extent is still untested by drilling.

Locally elevated cobalt, chrome and REE mineralisation was also observed in the aircore drill holes. This mineralisation was not always coincident with the zones of nickel mineralisation, though is also considered to be enrichment related to the same weathering process that has affected the host ultramafic rock.

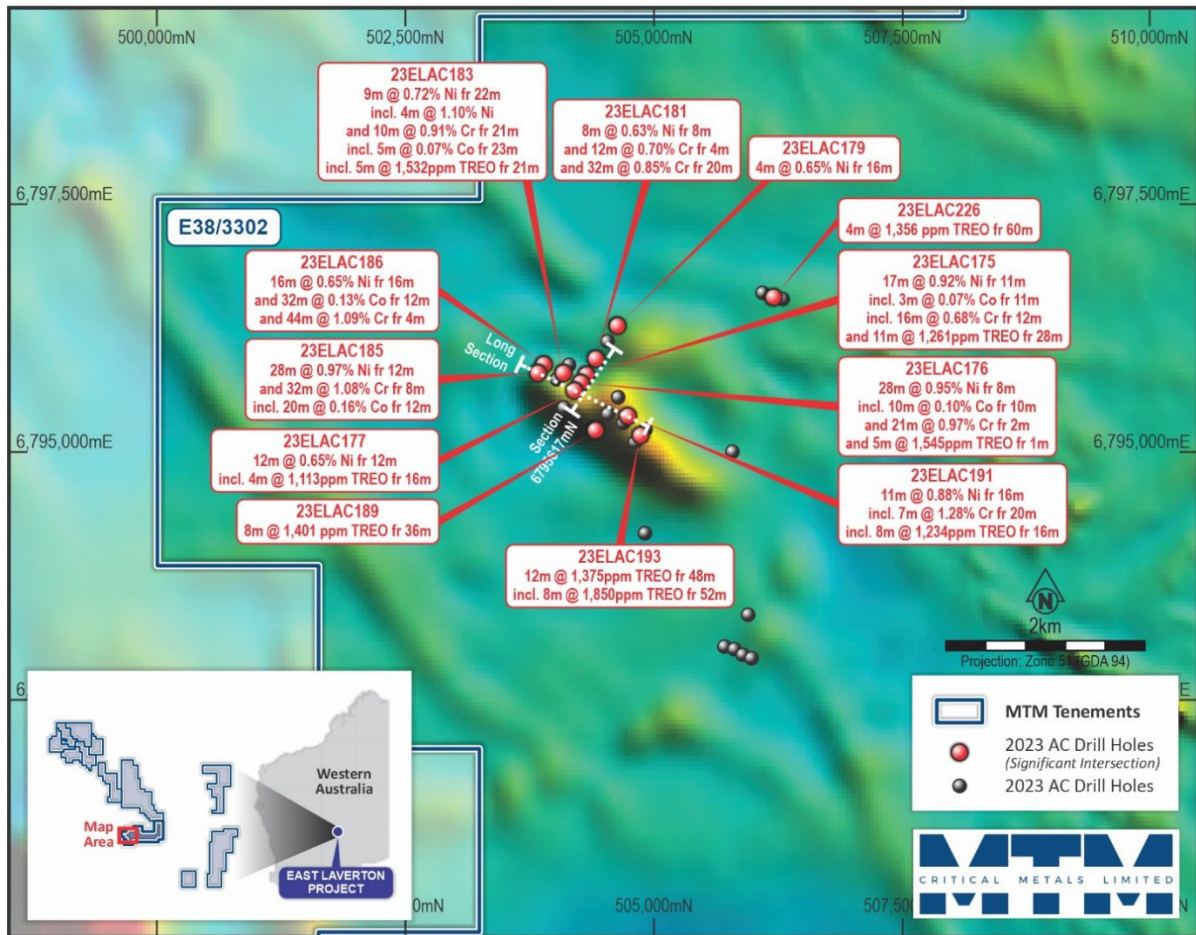


Figure 14: Seahorse nickel prospect drill status diagram overlain on TMI magnetic image.

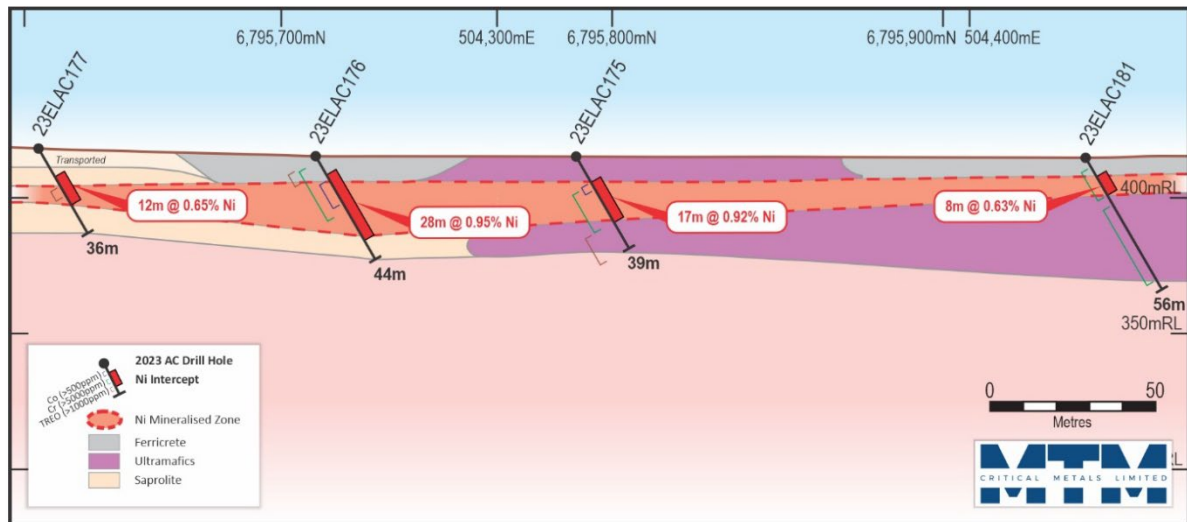


Figure 15: Seahorse Nickel prospect long section.

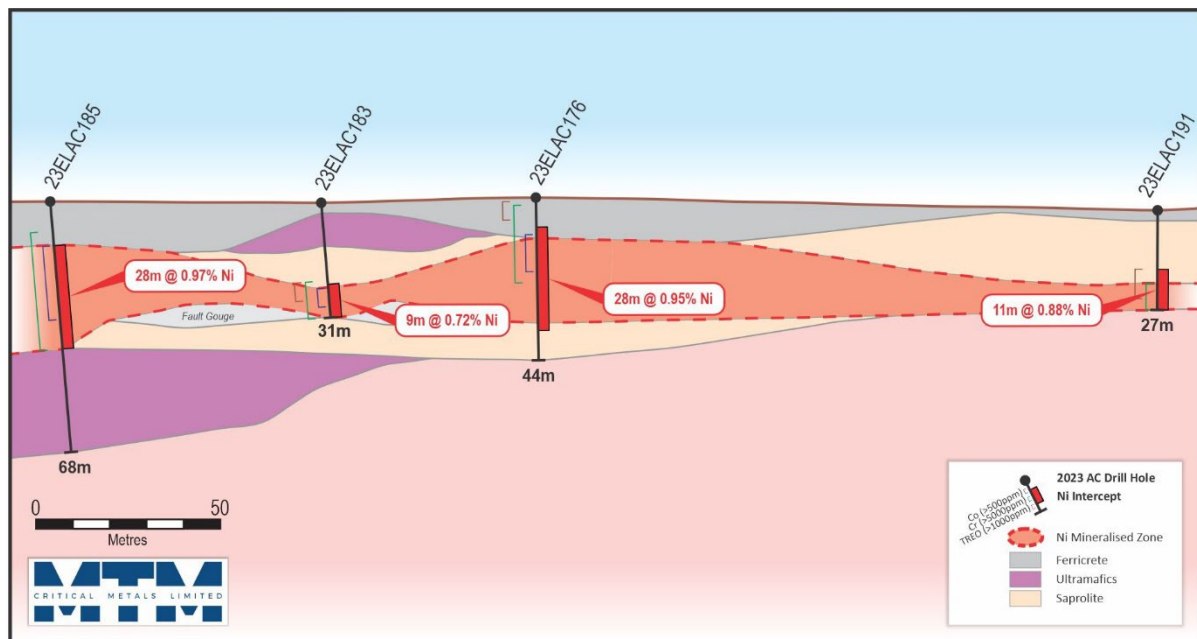


Figure 16: Seahorse Nickel prospect cross section.

The Company has entered into an earn-in and joint venture agreement (Agreement) with Tevel Pty Ltd (Tevel) on three exploration licences in the northern part of the East Laverton Project area. During the reporting period MTM successfully completed the minimum commitment of exploration expenditure on the tenements during the initial 12-month period of the Agreement. MTM subsequently completed the Stage 1 Earn In expenditure on the Agreement and has now earned a 51% interest in the licences. MTM has advised Tevel that the Company will now continue with the Stage 2 Earn In under the Agreement which allows for the Company to earn up to a 75% interest in the tenements.

During the reporting period the Company completed a heritage clearance survey over parts of the East Laverton Project. The survey was undertaken by senior members of the Nyalpa Pirniku group, within their registered Native Title claim area. The heritage survey was completed on a work area clearance basis. The Traditional Owners indicated that there are no physical cultural sites or new heritage sites within the Company's priority drilling areas at both the Pt Kidman and Seahorse prospect areas.

The **Albion Project** is located approximately 25km to the south of Norseman and is a single exploration licence, comprising a total area of 4 graticular blocks. The Company executed an Option Agreement to explore and potentially acquire a 100% interest in the Project in late 2021.

A maiden RC percussion drilling comprising 22 drill holes for a total of 1,928 metres of drilling was completed in the previous reporting period. Drilling tested high-grade gold mineralised quartz lodes that were historically mined from a series of shallow pits and shafts. The drilling has also provided a first-pass test of several pegmatite targets that have been highlighted for lithium mineralisation by soil sampling. Drilling successfully intersected significant grades of gold mineralisation beneath the historical Albion workings and has identified other mineralised structures further to the southwest where there has been no previous drilling.

Despite these results the Company determined that exercising the Option or extending the Option period would not add value for the Company. The Option subsequently lapsed on 16 November 2022.

The **Ravensthorpe Project** is located on the southern coast of Western Australia of Western Australia (Figure 17), between the regional towns of Esperance, Ravensthorpe and Jerramungup. The project comprises a total of eleven granted exploration licences and one exploration licence application in three main areas; Young River, Dalyup and Bremer. Tenements were initially acquired in the area in March 2022. A subsequent review of historical exploration and mineralisation potential encouraged the Company to apply for further exploration licences.

Regionally, the project is within the Albany-Fraser Orogen and basement rocks in the area are referred to as the Mungrinup Gneiss (Figure 18), a complex package of Archean rocks including granites and greenstone remnants that have been strongly overprinted by later Proterozoic deformation and metamorphism. The Ravensthorpe project is prospective for a suite of battery metals, including rare earth elements (REE), lithium, graphite, nickel-copper-PGE, REE and gold mineralisation. There are numerous active mining operations, project developments and exploration projects in the region.

The Albany-Fraser Orogen is an emerging province-scale ionic absorption clay-hosted rare earth element (ionic REE) opportunity. This style of mineralisation occurs when REE's derived from weathering of underlying basement rocks are subsequently enriched in the regolith profile; forming a shallow, continuous, sub-horizontal zone that is potentially amenable to cost effective open pit mining and heap leaching extraction techniques.

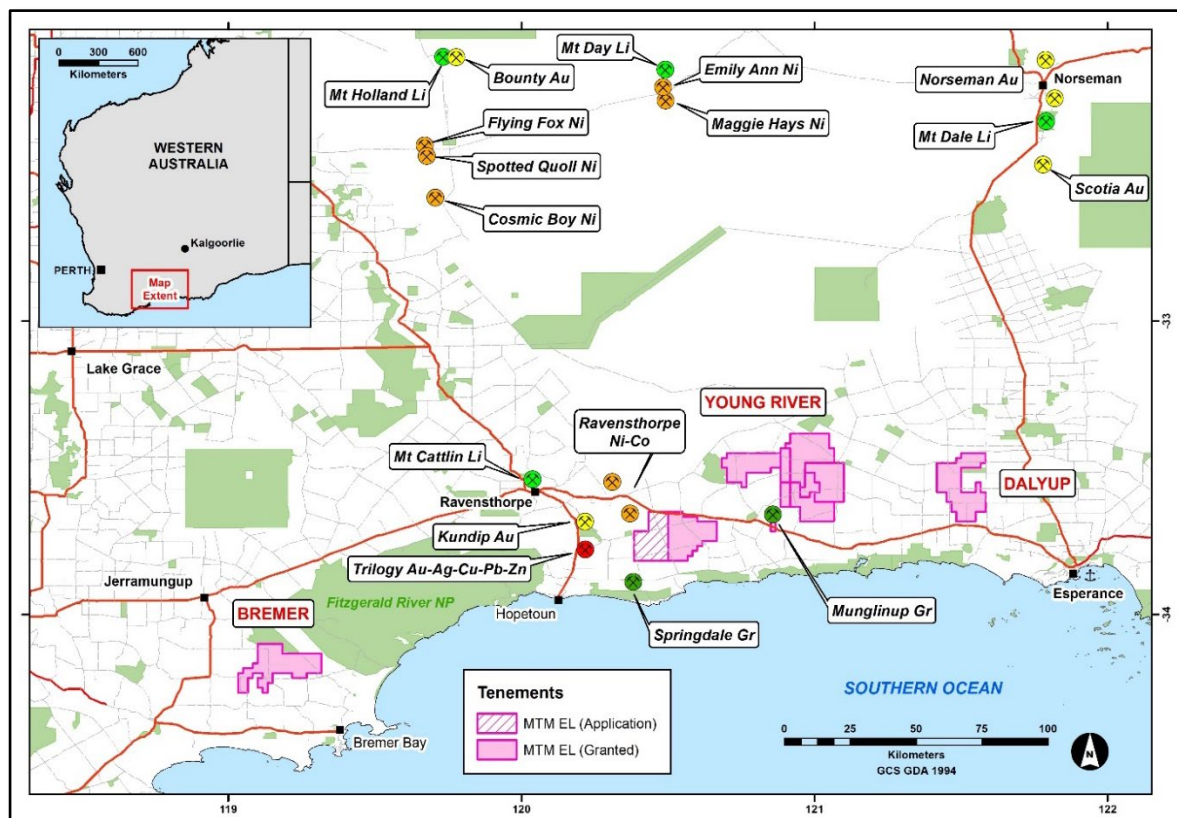


Figure 17: Ravensthorpe Project location map showing tenement locations, major nickel, gold, base metal, lithium and graphite mining operations and development projects.

The Company has identified historical exploration drilling results within and adjacent to its tenements that indicate prospectivity for ionic REE mineralisation. Recent aircore drilling by other explorers in areas immediately adjacent to the MTM tenements has further highlighted this potential.

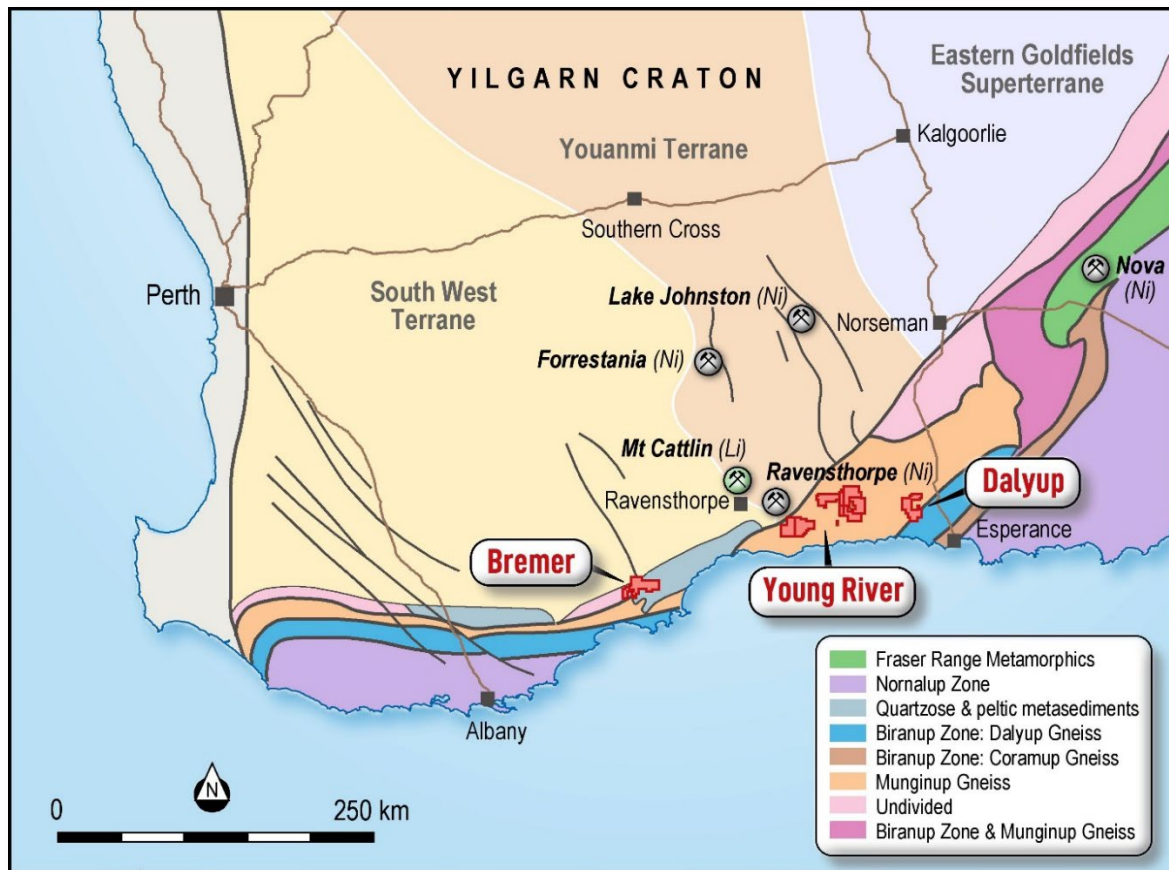


Figure 18: Schematic diagram of the regional geology of southwest Western Australia showing the location of the project areas within the Albany-Fraser Orogen

During the reporting period the Company completed compilation of historical exploration data and conducted limited fieldwork. Negotiations for access to key exploration target areas were progressed with landholders and relevant government departments.

Review of Operations

30 June 2023

Tenement Schedule Western Australia

Project	Location	Tenement	Status	Equity at 01 Jul 2022	Equity at 30 Jun 2023	Changes During Period
Mt Monger	Kalgoorlie-Boulder	E 25/525	Live	100%	100%	
Mt Monger	Kalgoorlie-Boulder	E 25/531	Live	100%	100%	
Mt Monger	Kalgoorlie-Boulder	E 25/532	Live	100%	100%	
Mt Monger	Kalgoorlie-Boulder	E 25/536	Live	100%	100%	
Mt Monger	Kalgoorlie-Boulder	E25/562	Live	80%	80%	
Mt Monger	Kalgoorlie-Boulder	E 25/565	Live	100%	100%	
Mt Monger	Kalgoorlie-Boulder	E25/597	Pending	-	-	
Mt Monger	Kalgoorlie-Boulder	E 25/603	Pending	-	-	
Mt Monger	Kalgoorlie-Boulder	P 25/2489	Live	100%	100%	
Mt Monger	Kalgoorlie-Boulder	P 25/2490	Live	100%	100%	
Mt Monger	Kalgoorlie-Boulder	P 25/2568	Live	80%	80%	
East Laverton	Laverton	E 38/3302	Live	100%	100%	
East Laverton	Laverton	E 38/3462 ¹	Live	0%	51%	Equity Earned
East Laverton	Laverton	E 38/3466 ¹	Live	0%	51%	Equity Earned
East Laverton	Laverton	E 38/3499 ¹	Live	0%	51%	Equity Earned
East Laverton	Laverton	E 38/3506	Live	100%	100%	
East Laverton	Laverton	E 38/3507	Live	-	100%	Granted
East Laverton	Laverton	E 38/3509	Live	-	100%	Granted
East Laverton	Laverton	E 38/3510	Live	100%	100%	
East Laverton	Laverton	E 38/3511	Live	100%	100%	
East Laverton	Laverton	E 38/3519	Dead	100%	-	Surrendered
East Laverton	Laverton	E 38/3765	Live	-	100%	Granted
East Laverton	Laverton	E 39/2218	Live	-	100%	Granted
East Laverton	Laverton	E 39/2219	Live	-	100%	Granted
Ravensthorpe	Esperance	E 63/2146	Live	100%	100%	
Ravensthorpe	Jerramungup	E 70/5942	Live	100%	100%	
Ravensthorpe	Esperance	E 74/618	Live	100%	100%	
Ravensthorpe	Esperance	E 74/692	Live	100%	100%	
Ravensthorpe	Esperance	E 74/696	Live	100%	100%	
Ravensthorpe	Esperance	E 74/700	Live	100%	100%	
Ravensthorpe	Esperance	E 74/701	Live	100%	100%	
Ravensthorpe	Esperance	E 74/703	Live	100%	100%	
Ravensthorpe	Ravensthorpe	E 74/723	Live	100%	100%	
Ravensthorpe	Ravensthorpe	E 74/725	Pending	-	-	
Ravensthorpe	Ravensthorpe	E 74/726	Live	100%	100%	
Ravensthorpe	Esperance	E 74/727	Live	100%	100%	

¹ Tevel Pty Ltd (Tevel) is the registered holder of E38/3462, E38/3466 and E38/3499; MTM has entered into an earn-in and joint venture agreement with Tevel to acquire up to a 75% interest in the tenements.

Review of Operations

30 June 2023

Tenement Schedule Quebec, Canada

Project	Location	Title #	Status	Equity at 01 Jul 2022	Equity at 30 Jun 2023	Changes During Period
Pomme	Quebec	CDC121	Live	-	-	
Pomme	Quebec	CDC122	Live	-	-	
Pomme	Quebec	CDC1005980	Live	-	-	
Pomme	Quebec	CDC1005982	Live	-	-	
Pomme	Quebec	CDC1005983	Live	-	-	
Pomme	Quebec	CDC2234423	Live	-	-	
Pomme	Quebec	CDC2234424	Live	-	-	
Pomme	Quebec	CDC2234425	Live	-	-	
Pomme	Quebec	CDC2234426	Live	-	-	
Pomme	Quebec	CDC2234427	Live	-	-	
Pomme	Quebec	CDC2234428	Live	-	-	
Pomme	Quebec	CDC2234429	Live	-	-	
Pomme	Quebec	CDC2234430	Live	-	-	
Pomme	Quebec	CDC2234431	Live	-	-	
Pomme	Quebec	CDC2234432	Live	-	-	
Pomme	Quebec	CDC2234433	Live	-	-	
Pomme	Quebec	CDC2240300	Live	-	-	
Pomme	Quebec	CDC2240301	Live	-	-	
Pomme	Quebec	CDC2240302	Live	-	-	
Pomme	Quebec	CDC2240303	Live	-	-	
Pomme	Quebec	CDC2240304	Live	-	-	
Pomme	Quebec	CDC2240305	Live	-	-	
Pomme	Quebec	CDC2240306	Live	-	-	
Pomme	Quebec	CDC2240307	Live	-	-	
Pomme	Quebec	CDC2240309	Live	-	-	
Pomme	Quebec	CDC2240310	Live	-	-	
Pomme	Quebec	CDC2240311	Live	-	-	
Pomme	Quebec	CDC2240312	Live	-	-	
Pomme	Quebec	CDC2240313	Live	-	-	
Pomme	Quebec	CDC2458316	Live	-	-	
Pomme	Quebec	CDC2458327	Live	-	-	
Pomme	Quebec	CDC2458328	Live	-	-	
Pomme	Quebec	CDC2458329	Live	-	-	
Pomme	Quebec	CDC2458330	Live	-	-	
Pomme	Quebec	CDC2458331	Live	-	-	
Pomme	Quebec	CDC2458332	Live	-	-	
Pomme	Quebec	CDC2458333	Live	-	-	
Pomme	Quebec	CDC2458334	Live	-	-	
Pomme	Quebec	CDC2458345	Live	-	-	
Pomme	Quebec	CDC2458346	Live	-	-	
Pomme	Quebec	CDC2458349	Live	-	-	
Pomme	Quebec	CDC2522460	Live	-	-	
Pomme	Quebec	CDC2598360	Live	-	-	

Ressources Géoméga inc. (Geomega) is the registered holder of the Pomme claims in Quebec. MTM has entered into an option and earn-in agreement with Geomega to acquire up to a 100% interest in the claims.

Competent Person's Statement

The information in this annual report that relates to Exploration Results is based on and fairly represents information compiled by Mr Lachlan Reynolds. Mr Reynolds is the Managing Director of MTM Critical Metals Limited and is a member of both the Australasian Institute of Mining and Metallurgy and the Australasian Institute of Geoscientists. Mr Reynolds has sufficient experience of relevance to the styles of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Reynolds consents to the inclusion in this annual report of the matters based on information in the form and context in which they appear.

Previous Disclosure

The information in this report is based on the MTM Critical Metals Limited Prospectus and the following ASX announcements, all of which are available from the MTM Critical Metals website www.mtmongerresources.com.au and the ASX website www.asx.com.au.

- 15 July 2022, "Mt Monger Advances to Next Stage of Earn In on Tevel Licences at East Laverton"
- 28 July 2022, "Drilling Intersects Significant Gold Mineralisation at the Albion Project"
- 19 August 2022, "Aircore Drilling Confirms Widespread REE Mineralisation at East Laverton"
- 1 September 2022, "Growing Potential for District-Scale REE Mineralisation System at East Laverton"
- 16 September 2022, "Advancing REE and Gold Exploration at the East Laverton Project"
- 21 October 2022, "Detailed Assays Confirm Significant Gold Intersection in Drilling at Mt Monger"
- 17 November 2022, "Assays Confirm Rare Earth Element Mineralisation and District-Scale Potential at East Laverton"
- 23 November 2022, "Albion Project Update"
- 28 November 2022, "High Grade Rock Chip Samples of 1.1% Nickel & 1.57% Cobalt Within 2.5km x 2.5km Nickel-Copper-Cobalt Soil Geochemical Anomaly at Seahorse Prospect, East Laverton Project"
- 22 December 2022, "Heritage Survey Successfully Completed Over Key REE and Gold Targets at the East Laverton Project"
- 23 February 2023, "Mt Monger to Acquire Advanced Carbonatite REE-Nb Project in Canada"
- 17 April 2023, "Permit for Diamond Drilling Approved at the Pomme REE-Nb Project, Quebec"
- 9 May 2023, "Drone Magnetic Survey Completed at the Pomme REE-Nb Project"
- 15 May 2023, "Drilling Confirms Further Rare Earth Element Mineralisation and Increased Potential at East Laverton"
- 19 May 2023, "Laterite Nickel Discovery at East Laverton"
- 26 May 2023, "Drilling Commences at the Pomme REE-Nb Project, Quebec"
- 6 June 2023, "Over 500 Metres of REE Mineralisation Intersected in First Diamond Drill Hole at the Pomme Project"
- 14 June 2023, "MTM Completes Stage 1 Earn In on Key REE Exploration Licences at East Laverton"
- 15 June 2023, "Pomme Project Diamond Drilling Update"
- 21 June 2023, "Metallurgical Test Work Initiated on REE-Enriched clays at East Laverton"

The Company confirms that it is not aware of any new information or data that materially affects the information included in the Prospectus or original ASX announcements and that all material assumptions and technical parameters underpinning the Prospectus and relevant ASX announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are represented have not been materially modified from the original ASX announcements.

Cautionary Statement Regarding Values & Forward-Looking Information

The figures, valuations, forecasts, estimates, opinions and projections contained herein involve elements of subjective judgment and analysis and assumption. MTM Critical Metals does not accept any liability in relation to any such matters, or to inform the Recipient of any matter arising or coming to the company's notice after the date of this document which may affect any matter referred to herein. Any opinions expressed in this material are subject to change without notice, including as a result of using different assumptions and criteria. This document may contain forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "expect", and "intend" and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved and other similar expressions. Forward-looking information is subject to business, legal and economic risks and uncertainties and other factors that could cause actual results to differ materially from those contained in forward-looking statements. Such factors include, among other things, risks relating to property interests, the global economic climate, commodity prices, sovereign and legal risks, and environmental risks. Forward-looking statements are based upon estimates and opinions at the date the statements are made. MTM Critical Metals undertakes no obligation to

Review of Operations

30 June 2023

update these forward-looking statements for events or circumstances that occur subsequent to such dates or to update or keep current any of the information contained herein. The Recipient should not place undue reliance upon forward-looking statements. Any estimates or projections as to events that may occur in the future (including projections of revenue, expense, net income and performance) are based upon the best judgment of MTM Critical Metals from information available as of the date of this document. There is no guarantee that any of these estimates or projections will be achieved. Actual results will vary from the projections and such variations may be material. Nothing contained herein is, or shall be relied upon as, a promise or representation as to the past or future. MTM Critical Metals, its affiliates, directors, employees and/or agents expressly disclaim any and all liability relating or resulting from the use of all or any part of this document or any of the information contained herein.

Qualifications, Experience and Special Responsibilities of Directors

John Hannaford – Non-Executive Chairman

Appointed 13 November 2020

Mr Hannaford is an experienced company director and executive with extensive experience as a director of ASX listed companies, including Chairman. A qualified Chartered Accountant and Fellow of the Securities Institute of Australia, he has founded and listed several companies on the ASX. He has also advised numerous companies through the ASX listing process in his corporate advisory career. He has established an extensive corporate network and gained a highly distinguished reputation over the last twenty years of corporate life in Australia.

Mr Hannaford is a substantial shareholder of MTM Critical Metals Ltd.

Other current directorships

Forrestania Resources Ltd
Voltaic Strategic Resources Ltd (Formerly Eon NRG Ltd)
Kula Gold Ltd

Special responsibilities

Chairman
Chairman

Former directorships in the last three years

Paterson Resources Ltd (Formerly Hardey Resources Ltd) (Retired 27 September 2019)

Interests in shares and options

4,750,769 Shares
4,995,409 options

Lachlan Reynolds - Managing Director

Appointed 13 November 2020

Mr Reynolds is a professional geologist with over 30 years experience in mineral exploration, project development and mining, in both Australia and internationally. He has broad resource industry expertise, across a range of commodities including copper, gold, nickel and uranium. Over the past decade Lachlan has served as a senior executive and manager for a number of ASX-listed companies and has managed the advancement of a diverse suite of mineral projects.

Mr Reynolds commenced his career at WMC Resources Ltd working on gold and nickel opportunities in Western Australia, later being involved in the Tampakan copper project in the Philippines and multi-commodity Olympic Dam mine in South Australia. After 12 years with WMC, Mr Reynolds accepted a position with OceanaGold Ltd in New Zealand where he was involved with teams that successfully defined additional gold resources and brought a number of open pit and underground mining developments into production. Lachlan has subsequently held Managing Director positions for Energy Ventures Ltd where he oversaw development of the Aurora uranium deposit in the USA and Golden Mile Resources Limited (ASX: G88), a junior exploration company that holds gold projects in the Eastern Goldfields of Western Australia. He has recently consulted to Caravel Minerals Ltd (ASX: CVV) as General Manager Exploration, supervising geological activities at their Caravel Copper Project and an active exploration program in the southwest of Western Australia.

Mr Reynolds holds a BSc (Honours) in Geology from the University of Melbourne.

Other current directorships

Voltaic Strategic Resources Ltd (Formerly Eon NRG Ltd)

Special responsibilities

Former directorships in the last three years

Golden Mile resources Ltd (Resigned 20 March 2020)

Interests in shares and options

701,430 Shares
4,200,762 Options

David Izzard – Non-Executive Director

Appointed 13 November 2020

Mr Izzard is an experienced finance executive and director with over 15 years' experience in the mining industry. He has a strong knowledge of mining operations, financing and project management. Over the last four years he has been involved in identifying economical mining projects and executive teams to execute and operate projects.

Mr Izzard is a qualified accountant and has an MBA and a Master of Mineral Economics from Curtin University.

Mr Izzard is a substantial shareholder of MTM Critical Metals Ltd.

Other current directorships

Forrestania Resources Ltd
Voltaic Strategic Resources Ltd (Formerly EON NRG Ltd)

Special responsibilities

Risk & Audit Committee Member

Former directorships in the last three years

Paterson Resources Ltd (Formerly Hardey Resources Ltd) (Retired 14 August 2019)

Interests in shares and options

7,014,287 shares
6,215,952 options

Directors' Report

30 June 2023

Anthony Hadley – Non-Executive Director

Appointed 20 July 2023

Mr Hadley is a metallurgist, a rare earth element (REE) technical expert and a senior manager with more than 30 years' experience in the mining industry in operations, technical development of complex metallurgical flowsheets, project design and management, engineering and process plant commissioning.

Mr Hadley holds a BSc in Extractive Metallurgy and Chemistry from Murdoch University.

Other current directorships

Special responsibilities

Former directorships in the last three years

Interests in shares and options

nil

Simon Adams – Company Secretary

Appointed 13 November 2020

Mr Adams has over 25 years of experience with listed (ASX and NASDAQ) and private companies in Australia where he has filled various executive roles as Company secretary, CFO and Managing Director across a range of sectors including mining, aquaculture, finance and in the upstream energy industry. He has experience in the areas of corporate and financial management, corporate compliance and business development. Simon is a member of the Governance Institute of Australia.

Mr Adams is the company secretary of ASX-listed Voltaic Strategic Resources Ltd (Formerly Eon NRG Ltd) and is a non-executive director of Voltaic Strategic Resources Ltd.

Principal Activities

The Company was established in November 2020 and the principal activities of the group during the financial year were the exploration of mineral tenements in Western Australia ("WA").

Dividends

No dividends have been declared, provided for or paid in respect of the period ended 30 June 2023.

Corporate and Financial Position

The Group's net loss from operations for the period was \$1,749,281 (2022: \$1,279,315).

At 30 June 2023, the Group had net current assets of \$2,358,907 (2022:\$1,131,709).

This report is prepared on the going concern basis which assumes the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business (refer Note 1.6).

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

Business Strategies and Prospects

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

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

Business risks

Exploration and operating

Mineral exploration and development is a high-risk undertaking. There can be no assurance that exploration of the Projects or any other exploration properties that may be acquired in the future will result in the discovery of an economic resource. Exploration in terrains with existing mineralisation endowments and known occurrences may slightly mitigate this risk.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its projects (Projects) and obtaining all required approvals for its activities. In the event that

exploration programs are unsuccessful this could lead to a diminution in the value of its Projects, a reduction in the cash reserves of the Company and possible relinquishment of part or all of its Projects.

Market conditions

Share market conditions may affect the value of the Company's Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (a) general economic outlook;
- (b) availability of skilled staff and expertise
- (c) introduction of tax reform or other new legislation;
- (d) interest rates and inflation rates;
- (e) changes in investor sentiment toward particular market sectors;
- (f) the demand for, and supply of, capital; and
- (g) terrorism or other hostilities.

The market price of Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Significant Changes in the State of Affairs

- 1) 7 July 2023 – Release from escrow of 1,333,330 Ordinary Shares
- 2) 20 July 2023 – Mr Anthony Hadley appointed to the Board as Non-Executive Director.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the entity's operations, the results of those operations, or the entity's state of affairs in future financial years.

Environmental and Social Regulation and Performance

The Group's operations are subject to various environmental laws and regulations under the relevant government's legislation. Full compliance with these laws and regulations is regarded as a minimum standard for all operations to achieve.

Instances of environmental non-compliance by an operation are identified either by external compliance audits or inspections by relevant government authorities. There have been no significant known breaches by the group during the financial period.

The Company is developing a framework of stewardship of our environment and are focussed on providing social benefits and mutually rewarding outcomes for the communities in which it operates.

Likely Developments and Expected Results

It is the Board's current intention that the Group will seek to progress exploration on existing projects. The Group will also continue to examine new opportunities in the mineral exploration and resources sector where appropriate.

These activities are inherently risky and there can be no certainty that the Group will be able to successfully achieve the objectives.

Greenhouse Gas and Energy Data Reporting Requirements

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. The Directors have assessed that there are no current reporting requirements, but that the Company may be required to do so in the future.

Directors' Report

30 June 2023

Meetings of Directors

The following table sets out the number of meetings of the Company's directors held during the period ended 30 June 2023, and the number of meetings attended by each director.

	Board Meetings Number Eligible to attend	Board Meetings Number attended
John Hannaford	7	7
Lachlan Reynolds	7	7
David Izzard	7	7
Anthony Hadley	-	-

No Audit and Risk Committee meetings were convened during the period, however the Board underwent a comprehensive risk review process during the Prospectus due diligence review period.

Insurance of Officers and Auditors

During or since the end of the financial year the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The Company has paid premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium is \$47,780 exclusive of GST (for three years).

Share Options on Issue at the Date of this Report

Unissued shares

At the date of this report, the unissued ordinary shares of MTM Critical Metals Limited under option are as follows:

Unquoted (exercise price \$0.30 and expiry date 16 December 2024)	8,000,000
Unquoted (exercise price \$0.30 and expiry date 9 May 2024)	750,000
Unquoted (exercise price \$0.35 and expiry date 9 November 2024)	750,000
Unquoted (exercise price \$0.40 and expiry date 9 May 2025)	750,000
Total existing Options	10,250,000
Performance rights	700,000
	700,000

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

Shares issued as a result of the exercise of options

During the financial year, employees and executives did not exercise any options to acquire ordinary shares.

Non-Audit Services

There was no non-audit services provided during the period by the auditor, Hall Chadwick WA Audit Pty Ltd.

Auditor's Independence Declaration

The auditor's independence declaration is on page 33 of the Annual Report.

Remuneration Report

(Audited)

This Remuneration Report outlines the director and executive remuneration arrangements of the Company in accordance with the requirements of the *Corporations Act 2001* and its Regulations. For the purposes of this report Key Management Personnel (KMP) of the Group are defined as those persons having the authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group. Based on this definition the KMP of MTM Critical Metals Limited are the directors of the Company. A review of executives remuneration was undertaken in the period.

Details of Key Management Personnel

Directors

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

Anthony Hadley was appointed as Non-Executive Director after the reporting date and before the date the annual financial report was authorised for issue.

Remuneration Philosophy

The performance of the Company depends upon the quality of its Directors and Executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and Executives.

To this end, the Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre executives; and
- Link executive rewards to shareholder value.

Due to the early stage of development which the Company is in, shareholder wealth is directly affected by the Company share price, as the Company is not in a position to pay dividends. By remunerating Directors and Executives in part by share based payments, the Company aims to align the interests of Directors and Executives with Shareholder wealth, thus providing individual incentive to perform and thereby improving overall Company performance and associated value.

As the Company has been incorporated since 13 November 2020 and remains in the development stage of an inherently risky industry, the remuneration policy does not currently take into account current or prior year earnings. Other than share based payments made to the directors from time to time, there is no specific link to the Company's performance and directors' remuneration.

Remuneration structure

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

Non-executive director remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors to the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate directors' fees payable to non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. Aggregate maximum directors' fees payable of \$300,000 per year has been set by the Board and will be ratified by shareholders at the first AGM.

The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. Cash fees for non-executive directors are not linked to the performance of the Company or shareholder wealth.

All remuneration paid to Non-Executive Directors is valued at cost to the Company and expensed.

The remuneration of Non-Executive Directors for the years ended 30 June 2023 is detailed below, within this section.

Executive remuneration

Objective

The Company aims to reward executives (both directors and company executives) with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- Reward executives for Company performance;
- Align the interest of executives with those of shareholders; and
- Ensure total remuneration is competitive by market standards.

Structure

The remuneration policy for executives is to provide a fixed remuneration component and a specific equity related component. The board believes that this remuneration policy is appropriate given the stage of development of the Company and the activities which it undertakes and is appropriate in aligning director objectives with shareholder and business objectives.

The remuneration policy going forward in regard to setting the terms and conditions for the executive directors has been developed by the board taking into account market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

Fixed Remuneration

Objective

The level of fixed remuneration is set so as to provide a base level of remuneration.

Fixed remuneration is to be reviewed annually and the process consists of a review of company and individual performance, relevant comparative remuneration in the market and internal policies and practices.

Structure

Executives are given the opportunity to receive their fixed remuneration in a variety of forms including cash and fringe benefits. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

The remuneration policy going forward in regard to setting the terms and conditions for the executive directors has been developed by the board taking into account market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

The remuneration of executives for the period ended 30 June 2023 is detailed below, within this section.

Variable Remuneration

Objective

The objective of variable remuneration provided is to reward executives in a manner which aligns this element of remuneration with the creation of shareholder wealth.

Structure

Variable remuneration may be delivered in the form of options, shares or cash bonus. No cash bonuses were granted or paid during the period ended 30 June 2023.

Executives receive a superannuation guarantee contribution required by the government, which is currently 10% and do not receive any other retirement benefit. Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation.

Options Granted

All Directors were awarded options during the period. All options were granted over unissued fully paid ordinary shares in the Company. The number of options granted was determined having regard to the factors described above. Options vest based on the provision of service over the vesting period whereby the director becomes beneficially entitled to the option on vesting date. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than.

Directors' Report

30 June 2023

Options Granted (Cont)

Date of issue	30/11/2020 Founder options (Share Based Payment)	10/05/2021 Employee incentive options	10/05/2021 Employee incentive options	10/05/2021 Employee incentive options	30/11/2020 Founder options (Attached to shares) ¹
Category of options					
Number of options	4,500,000	500,000 ²	500,000 ²	500,000 ²	2,250,000
Dividend yield (%)	-	-	-	-	
Expected volatility (%)	100%	100%	100%	100%	
Risk free interest rate (%)	0.79%	0.79%	0.79%	0.79%	
Expected life of the option (years)	4.00	3.0	3.5	4.0	
Option exercise price (\$)	0.30	0.30	0.35	0.40	
Share price at grant date (\$)	0.10	0.20	0.20	0.20	
Expected Vesting Date	-	01/01/22	01/07/22	1/01/23	
Fair value per option (\$)	0.0498	0.1075	0.1106	0.1142	
Total value at grant date (\$)	248,840	53,764	55,307	55,076	
Awarded to					
John Hannaford	1,500,000	-	-	-	1,000,000
Lachlan Reynolds	1,500,000	500,000	500,000	500,000	250,000
David Izzard	1,500,000	-	-	-	1,000,000

No compensation options were exercised during the period.

1. Founder shares were issued with free attaching options on a 1:1 basis. These were not recognised as share based payments because cash was paid for the Founder Shares and free attached options.
2. Unvested employee incentive options have been expensed from issue date to 30 June 2023 based on their value at grant date. The total value at grant date is fully amortized over the vesting term of each option category.

Employment Contracts

Executive Directors

The employment conditions of the Managing Director, Mr Lachlan Reynolds, are formalised in a contract of employment which was signed with effect from 15 July 2021 following listing of the Company's shares on ASX. The total remuneration package of the Managing Director as at 30 June 2023 is \$242,000 plus statutory superannuation with an additional allocation of performance related options as detailed below. Notice of three months is required for either party to terminate the contract.

The employment conditions of the Non-Executive Chairman, Mr John Hannaford, and the Non-Executive Director, David Izzard, were formalised in a contract of employment that were effective from 15 July 2021 after the Company's listing on ASX. The total remuneration packages of Mr Hannaford and Mr Izzard from 15 July 2021 are \$50,000 per annum and \$36,000 per annum respectively plus statutory superannuation.

The employment conditions of the Non-Executive Director, Anthony Hadley, were formalised in a contract of employment effective from 14 July 2023. The total remuneration packages of Mr Hadley from 14 July 2023 is \$36,000 per annum plus statutory superannuation.

Key Management Personnel Remuneration

Key Management Personnel remuneration - 2023	Short term employee benefits	Post-employment benefits	Share based payments	% Performance-based	Total
	Cash salary/ consultancy	Superannuation	Options & Performance Rights		
Non-Executive Directors					
John Hannaford	50,000	5,250	-	-	55,250
David Izzard	36,000	3,780	-	-	39,780
Anthony Hadley	-	-	-	-	-
Executive Directors					
Lachlan Reynolds	242,000	25,410	54,535	-	321,945
Total	328,000	34,440	54,535	-	416,975

Key Management Personnel remuneration - 2022	Short term employee benefits	Post-employment benefits	Share based payments	% Performance-based	Total
	Cash salary/ consultancy	Superannuation	Options		
Non-Executive Directors					
John Hannaford	50,000	5,000	-	-	55,000
David Izzard	36,000	3,600	-	-	39,600
Anthony Hadley	-	-	-	-	-
Executive Directors					
Lachlan Reynolds	220,000	22,000	125,429	-	367,429
Total	306,000	30,600	125,429	-	462,029

Additional Disclosures Relating to Key Management Personnel

Shareholding

The number of shares in the company held during the financial year by KMP of the consolidated entity, including their personally related parties, is set out below:

	Balance at 30/06/2022 ¹	Purchases	Vendor Consideration	Balance at 30/06/2023	Balance at Reporting Date
Non-Executive Directors					
John Hannaford	3,470,537	1,280,232		4,750,769	4,750,769
David Izzard	4,905,000	2,109,287		7,014,287	7,014,287
Anthony Hadley	-	-		-	-
Executive Directors					
Lachlan Reynolds	351,000	350,430		701,430	701,430
Total	8,726,537	3,739,949		12,466,486	12,466,486

- ASX imposed escrow conditions are in place for these securities for 24 months from listing date (15 July 2021)

Option holding

The number of options over ordinary shares in the company held during the financial year by KMP of the consolidated entity, including related parties, is set out below:

	Balance at 30/06/2022 ¹	Purchased	Issued as remuneration	Balance at 30/06/2023	Vested and exercisable
Non-Executive Directors					
John Hannaford	3,940,177	1,055,232		4,995,409	4,995,409
David Izzard	4,351,665	1,864,287		6,215,952	6,215,952
Anthony Hadley	-	-		-	-
Executive Directors					
Lachlan Reynolds	3,350,332	250,430		3,600,762	3,600,762
Total	11,642,174	3,169,949		14,812,123	14,812,123

- Options acquired pre 1 July 2021 were free-attaching options to founder shares on a 1:1 basis. ASX imposed escrow conditions are in place for these securities for 24 months from listing date (15 July 2021).

Directors' Report

30 June 2023

Performance Rights

The number of performance rights over ordinary shares in the company held during the financial year by KMP of the consolidated entity, including related parties, is set out below:

	Balance at 30/06/2022	Issued as remuneration	Balance at 30/06/2023	Vested and exercisable
Lachlan Reynolds	-	600,000	600,000	-

Use of Remuneration Consultants

The company did not use the services of any remuneration consultants during the year.

Transactions with key management personnel

During the period ended 30 June 2023, corporate advisory services were provided by Bowman Gate Pty Ltd, a company that is controlled by David Izzard. An amount of \$14,265 was invoiced by Bowman Gate Pty Ltd, for provision of these services for the period up to 30 June 2023. No amount remained unpaid at 30 June 2023.

During the period ended 30 June 2023, commercial storage facilities were provided by Fordrock Property Trust, a trust that is controlled by David Izzard and John Hannaford. An amount of \$17,321 was invoiced by Fordrock Property Trust, for provision of these services for the period up to 30 June 2023. No amount remained unpaid at 30 June 2023.

During the period ended 30 June 2023, ESG consulting services were provided by Parvate Collective Pty Ltd, a company that is controlled by David Izzard. An amount of \$22,646 was invoiced by Parvate Collective Pty Ltd, for provision of these services for the period up to 30 June 2023. No amount remained unpaid at 30 June 2023.

During the period ended 30 June 2023, office accommodation and finance & administration services were provided by Rockford Partners Pty Ltd, a company that is controlled by David Izzard and John Hannaford. An amount of \$156,572 was invoiced by Rockford Partners Pty Ltd, for provision of these services for the period up to 30 June 2023. No amount remained unpaid at 30 June 2023.

During the period ended 30 June 2023, consulting services were provided by Riverview Corporation Pty Ltd, a company that is controlled by John Hannaford. An amount of \$14,438 was invoiced by Riverview Corporation Pty Ltd, for provision of these services for the period up to 30 June 2023. No amount remained unpaid at 30 June 2023.

Use of IPO Funds

	Year 1 Per Prospectus	Year 1 Actual	Year 2 Per Prospectus	Year 2 Actual	Total Actual
Exploration Costs	\$1,526,071	\$1,310,508	\$1,415,458	\$1,997,872	\$3,308,380
Directors Fees	\$292,254	\$414,743	\$312,879	\$362,440	\$777,183
Admin & Corporate Costs	\$293,332	\$535,820	\$273,514	\$1,056,229	\$1,592,049
Offer Expenses	\$507,855	\$530,287	-	-	\$530,287
Vendor Payments	\$415,000	\$564,697	-	-	\$564,697
Loan Repayments	\$355,637	\$355,637	-	-	\$374,174
Total	\$3,390,149	\$3,730,229	\$2,001,851	\$3,416,541	\$7,146,770

No loans to or from key management personnel were provided during the period or up to the date of signing this report.

END OF AUDITED REMUNERATION REPORT

Signed in accordance with a resolution of the directors.


Lachlan Reynolds
Managing Director

29 September 2023

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 MTM Critical Metals Limited for the financial year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours Faithfully


HALL CHADWICK WA AUDIT PTY LTD


MARK DELAURENTIS CA
Director

Dated Perth, Western Australia this 29th day of September 2023

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2023

	Note	2023 \$	2022 \$
Income			
Other Income	3.1	16,223	-
		16,223	-
Expenses			
Administration services	3.1	796,788	497,216
Exploration Expenditure not capitalised	3.1	326,962	131,590
Interest expense	3.1	3,073	3,344
Employee expenses	3.1	531,302	448,331
Share based payments expense	7.7	107,379	198,833
Loss before income tax expense		1,749,281	1,279,314
Income tax expense	3.3	-	-
Loss for the year		1,749,281	1,279,314
Other comprehensive income/(loss) for the year		-	-
Total comprehensive loss attributable to Equity Holders of MTM Critical Metals Limited		1,749,281	1,279,314
Loss for the year attributable to:			
Owners of the Company		1,749,281	1,279,319
Non-controlling interests		-	(5)
		1,749,281	1,279,314
Total Comprehensive Income/(Loss) for the year attributable to:			
Owners of the Company		1,749,281	1,279,319
Non-controlling interests		-	(5)
		1,749,281	1,279,314
Loss per Share for Loss attributable to the Ordinary Equity Holders of the Company		Cents	Cents
Basic and diluted loss per share (cents per share) for continuing operations attributable to the shareholders of the Company	3.4	2.68	3.01
Basic and diluted loss per share (cents per share) attributable to the shareholders of the Company	3.4	2.68	3.01

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

Consolidated Statement of Financial Position

As at 30 June 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	4.1	2,563,066	1,398,709
Trade and other receivables	4.3	36,432	35,103
Prepayments		157,953	178,765
Total current assets		2,757,451	1,612,577
Non-current assets			
Exploration and evaluation expenditure	2.1	6,126,419	3,851,645
Property, plant and equipment	2.2	24,847	37,579
Right of use of assets		12,704	21,122
Total non-current assets		6,163,969	3,910,346
Total assets		8,921,420	5,522,922
Liabilities			
Current liabilities			
Trade & other payables	4.4	387,441	468,815
Loans	7.3	-	-
Lease liabilities		11,103	12,052
Total current liabilities		398,544	480,867
Non-current liabilities			
Lease liabilities		2,631	9,630
Total non-current liabilities		2,631	9,630
Total liabilities		401,174	490,497
Net assets		8,520,246	5,032,425
Equity			
Share capital	5.1	11,656,127	6,617,555
Reserves		741,000	542,470
Accumulated loss		(3,909,546)	(2,160,265)
Total equity attributable to shareholders of the Company		8,487,581	4,999,760
Non-Controlling interest		32,665	32,665
		8,520,246	5,032,425

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

Consolidated Statement of Changes in Equity For the Period Ended 30 June 2023

2023		Contributed equity	Accumulated losses	Share-Based Payments Reserve	Non-controlling Interest	Total equity
	Note	\$	\$	\$	\$	\$
At 1 July 2022		6,617,555	(2,160,265)	542,471	32,665	5,032,425
Loss for the year		-	(1,749,281)	-	-	(1,749,281)
Other Comprehensive Income		-	-	-	-	-
Total comprehensive loss for the year		-	(1,749,281)	-	-	(1,749,281)
Transactions with owners in their capacity as owners and other transfers:						
Issue of new shares net of cost	5.2.1	5,038,570	-	-	-	5,038,570
Recognition of non-controlling interest in Golden Wheelbarrow No. 2		-	-	-	-	-
Share-based payments	7.7	-	-	198,529	-	198,529
		5,038,570	-	198,529	-	5,237,099
At 30 June 2023		11,656,127	(3,909,546)	741,000	32,665	8,520,246
2022		Contributed equity	Accumulated losses	Share-Based Payments Reserve	Non-controlling Interest	Total equity
	Note	\$	\$	\$	\$	\$
At 1 July 2021		1,268,518	(880,946)	272,055	32,660	692,287
Loss for the year		-	(1,279,319)	-	5	(1,279,314)
Other Comprehensive Income		-	-	-	-	-
Total comprehensive loss for the year		-	(1,279,319)	-	5	(1,279,314)
Transactions with owners in their capacity as owners and other transfers:						
Issue of new shares net of cost	5.1	5,349,037	-	-	-	5,349,037
Recognition of non-controlling interest in Golden Wheelbarrow No. 2		-	-	-	-	-
Share-based payments	7.7	-	-	270,415	-	270,415
		5,349,037	-	270,415	-	5,619,452
At 30 June 2022		6,617,555	(2,160,265)	542,470	32,665	5,032,425

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the Period Ended 30 June 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Interest		18,113	(1,995)
Payments to suppliers and employees		(1,293,261)	(1,283,419)
Net cash (outflow) from operating activities	4.2	(1,275,148)	(1,285,414)
Cash flows from investing activities			
(Payments)/proceeds for property, plant and equipment		5,632	(41,877)
Payments for exploration and evaluation activities		(2,122,647)	(1,727,397)
Net cash (outflow) from investing activities		(2,117,015)	(1,769,274)
Cash flows from financing activities			
Proceeds from issue of shares	5.2	4,951,419	5,000,000
Share issue costs	5.2	(382,846)	(330,000)
Repayment in lease principal		(10,000)	
Repayment in lease interest		(2,052)	
Proceeds/Repayments - Loans		-	(373,870)
Proceeds from Loyalty Option Offer		-	71,583
Net cash inflow from financing activities		4,556,521	4,367,713
Net increase/ (decrease) in cash and cash equivalents		1,164,358	1,313,025
Cash and cash equivalents at the beginning of the year		1,398,708	85,684
Cash and cash equivalents at the end of the year	4.1	2,563,066	1,398,708

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

Notes to the Consolidated Financial Statements

For the Period Ended 30 June 2023

1. Basis of preparation

The annual report of MTM Critical Metals Limited for the period ended 30 June 2023 was authorised for issue in accordance with a resolution of the directors on 29 September 2023.

1.1. Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

MTM Critical Metals Limited is a for-profit entity for the purpose of preparing the financial statements.

1.2. Basis of Measurement

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

1.3. Functional and Presentation Currency

The financial report is presented in Australian dollars.

1.4. Compliance with IFRS

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

1.5. Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of MTM Critical Metals Limited ('company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the period then ended. MTM Critical Metals Limited and its subsidiaries together are referred to in this financial report as the group or the consolidated entity.

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

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

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

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

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

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

1.6. Going Concern

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

For the year ended 30 June 2023, the Company incurred a loss from operations of \$1,749,281 (2022: loss of \$1,279,314) and recorded cash outflows from operating activities of \$1,275,148 (2022: cash outflows of \$1,285,414). As at 30 June 2023, the Company had net working capital surplus of \$2,358,907 (2022: surplus of \$1,131,710) with cash of \$2,563,066 available (2022: \$1,398,709).

Notes to the Consolidated Financial Statements

For the Period Ended 30 June 2023

1.6. Going Concern (Cont)

The Company's ability to continue as a going concern is dependent upon it maintaining sufficient funds for its operations and commitments. The Board believes that it has sufficient funding in place to meet its operating objectives. The Directors consider the basis of going concern to be appropriate for the following reasons:

- the cash balance of the Company relative to its fixed and discretionary expenditure commitments;
- given the Company's market capitalisation and the underlying prospects for the Company to raise further funds from the capital markets; and
- the fact that future exploration and evaluation expenditure is generally discretionary in nature (i.e. at the discretion of the Directors having regard to an assessment of the Company's eligible expenditure to date and the timing and quantum of its remaining earn-in expenditure requirements). Subject to meeting certain minimum expenditure commitments, further exploration activities may be slowed or suspended as part of the management of the Company's working capital.

The Directors are confident that the Company can continue as a going concern and as such are of the opinion that the financial report has been appropriately prepared on a going concern basis. However, should the Company be unable to raise further required financing from its major lender or other sources, there is material uncertainty which may cast doubt as to whether or not the Company will be able to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

1.7. Significant Accounting Judgements, Estimates and Assumptions

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 and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the results of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Significant accounting judgements

The determination of mineral resources impacts the accounting for asset carrying values. MTM Critical Metals Limited estimates its mineral resources in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 (the 'JORC' Code). The information on mineral resources was prepared by or under the supervision of Competent Persons as defined in the JORC Code. The amounts presented are based on the mineral resources determined under the JORC Code.

There are numerous uncertainties inherent in estimating mineral resources, and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Significant accounting estimates and assumptions

Exploration and evaluation expenditure

Exploration and evaluation expenditure is assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability or facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Exploration and evaluation expenditure is assessed for indicators of impairment in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources when any of the following facts and circumstances exist:

- The term of exploration licence in the specific area of interest has expired during the reporting period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration and/ or evaluation of mineral resources in the specific area are not budgeted nor planned;

Notes to the Consolidated Financial Statements

For the Period Ended 30 June 2023

1.7. Significant Accounting Judgements, Estimates and Assumptions (Cont)

Exploration and evaluation expenditure (Cont)

- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the decision was made to discontinue such activities in the specified area; or
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Where a potential impairment is indicated, an assessment is performed for each cash generating unit that is no larger than the area of interest. The Group performs impairment testing in accordance with accounting policy note 2.3.

Judgement is applied when considering whether fact and circumstances as per above indicate that the exploration and evaluation asset should be tested for impairment and no impairment indicators were noted during the period.

Share based payments

The consolidated entity measures the cost of equity-settled transactions with employees (including directors) 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 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.

2. Capital Expenditure

2.1. Exploration & Evaluation Expenditure

Exploration and evaluation costs are expensed as incurred as an operating cost of the Group. Costs related to the acquisition of properties that contain mineral resources are capitalised and allocated separately to specific areas of interest. These costs are capitalised until the viability of the area of interest is determined.

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively the sale, of the respective areas of interest.

	2023 \$	2022 \$
Exploration and evaluation	6,126,419	3,851,645
Opening Balance	3,851,645	1,314,474
Movement:		
Expenditure incurred	1,652,109	1,451,119
Acquisition of tenements	590,000	1,054,055
Outside Equity interest	32,665	32,665
Closing balance	6,126,419	3,851,645

During the current year, lode claims were acquired in the highly prospective REE rich area of Quebec, Canada.

2.2. Property Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation is calculated on either the straight-line basis or diminishing value basis over their useful lives to the Group commencing from the time the asset is held ready for use. The depreciation rates used are as follows:

Notes to the Consolidated Financial Statements For the Period Ended 30 June 2023

2.2. Property Plant and equipment (Cont)

Plant and equipment	30%
Exploration equipment	25%
Vehicles	30%
Leasehold improvements	25%
Computer equipment and software	40%- 100%
Buildings	2.5%

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of profit or loss and other comprehensive income.

	2023	2022
Computer Equipment - Cost	18,117	25,315
Accumulated depreciation	(12,120)	(9,274)
Net carrying amount	5,997	16,041
	2023	2022
Office Equipment - Cost	1,415	1,415
Accumulated depreciation	(607)	(222)
Net carrying amount	809	1,193
	2023	2022
Plant & Equipment - Cost	23,430	21,935
Accumulated depreciation	(5,389)	(1,591)
Net carrying amount	18,041	20,344
Total Property, Plant & Equipment	24,847	37,578

2.3. Right of Use of Assets

	2023	2022
Right of Use of Assets	25,332	25,332
Accumulated depreciation	(12,628)	(4,210)
Net carrying amount	12,704	21,122

Adoption of AASB 16: Leases
The key features are as follows:

Lessee Accounting

- Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value
- A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities
- Assets and liabilities arising from a lease are initially measured on a present value basis
- AASB 16 contains disclosure requirements for lessees

Lessor accounting

- AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently
- AASB 16 also has required enhanced disclosures

MTM Critical Metals Limited does not have any material leases aside from the lease of its business premises in Perth, Western Australia.

2.4. Impairment of assets

MTM Critical Metals Limited conducts an annual internal review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors, such as changes in expected future processes, technology and economic conditions, are also monitored to assess for indicators of impairment. If

Notes to the Consolidated Financial Statements

For the Period Ended 30 June 2023

any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

3. Financial Performance

3.1. Expenses

	2023 \$	2022 \$
Administration services		
Compliance	252,135	107,466
Consulting	80,593	70,892
Insurance	33,967	29,808
Legal fees	79,185	49,413
Marketing	93,132	26,537
Occupancy	39,997	38,653
Depreciation	18,863	15,054
Travel	69,570	2,161
Other	129,346	157,232
	796,788	497,216
E&E not capitalised	326,962	131,590
Interest expense	3,073	3,344
	2023 \$	2022 \$
Employee expenses		
Salaries and wages	476,125	386,839
Superannuation	46,474	32,138
Other	8,703	29,354
	531,302	448,331
	2023 \$	2022 \$
Income		
Interest Income	18,113	-
Other Income	(1,890)	-
	16,223	-

Notes to the Consolidated Financial Statements

For the Period Ended 30 June 2023

3.2. Segment Information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Group does not have any material operating segments with discrete financial information. The Group does not have any customers and all its' assets and liabilities are primarily related to the mining industry and are located within Western Australia. The Board of Directors review internal management reports on a regular basis that is consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows. As a result, no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

3.3. Income Tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose on goodwill or in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against tax liabilities and the deferred tax liabilities relate to the same taxable entity and the same taxation authority.

MTM Critical Metals Limited and its wholly-owned Australian controlled entities have not implemented the tax consolidation legislation as of 13 November 2020. As a consequence, these entities are taxed as separate entities and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

3.3.1. The major components of income tax are:

	2023	2022
	\$	\$
Current income tax	-	-
Deferred income tax	-	-

Notes to the Consolidated Financial Statements

For the Period Ended 30 June 2023

3.3.2. A reconciliation between tax expense and the product of accounting loss

	2023	2022
	\$	\$
Accounting loss before tax from continuing operations	(1,749,281)	(1,279,314)
Loss before income tax from discontinued operations	-	-
Accounting loss before income tax	(1,749,281)	(1,279,314)
At the Company's statutory income tax rate of 25% (2022: 25%)	(437,320)	(319,829)
Non-deductible expenses	10,207	7,284
Share based payments	26,845	49,708
DTA not brought to account as their realisation is not probable	400,268	262,837
	-	-
Income tax expense reported in the consolidated income statement	-	-
Income tax attributable to discontinued operations	-	-
	-	-

3.3.3. Deferred tax liabilities @ 25% (2022: 25%) have not been recognised in respect of

	2023	2022
	\$	\$
Exploration & Evaluation Expenditure	960,893	301,536
Prepayments	38,747	44,691
	999,640	346,227

3.3.4. Deferred tax assets @ 25% (2022: 25%) have not been recognised in respect of

	2023	2022
	\$	\$
Provisions and accruals	27,670	23,235
Business related costs	149,124	96,780
Carry forward revenue losses	1,719,543	1,000,302
Carry forward capital losses	17,139	-
	1,913,476	1,120,317

3.3.5. Tax Consolidation

MTM Critical Metals Limited and its wholly owned Australian subsidiaries (Controlled Entities) implemented the tax consolidation legislation effective as of 28 February 2021. The Controlled Entities have also entered into tax sharing and tax funding agreements. Under the terms of these agreements, the Controlled Entities will reimburse MTM Critical Metals Limited for any current income tax payable by MTM Critical Metals Limited 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 MTM Critical Metals Limited 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 Controlled Entities in the case of a default by MTM Critical Metals Limited.

3.4. Loss Per Share

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

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after 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.

Notes to the Consolidated Financial Statements For the Period Ended 30 June 2023

The following reflects the income and share data used in the calculations of basic and diluted loss per share:

	2023 \$	2022 \$
Gain/(Loss) attributable to owners	(1,749,281)	(1,279,314)
Issued number of ordinary shares at 01 July 2022	45,532,533	15,700,000
Effect of shares issued during the period	19,649,257	26,872,129
Weighted average number of shares for period to 30 June 2022	65,181,790	42,572,129
	Cents	Cents
Basic loss per share (cents per share)	2.68	3.01

As at reporting date, 64,180,875 options and performance rights (which represent potential ordinary shares) were not dilutive as they would decrease the loss per share.

The Company also completed a \$1,951,419 capital raising (before costs) by the issue of 19,514,188 shares at 10 cents per share.

The Company also completed a \$3,000,000 capital raising (before costs) by the issue of 30,000,000 shares at 10 cents per share.

4. Working Capital Management

4.1. Cash and Cash Equivalents

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

	2023 \$	2022 \$
Cash at bank and in hand	2,563,066	1,398,709

4.2. Reconciliation of Net Loss After Income Tax Expense to Net Cash Used In Operating Activities

	2023 \$	2022 \$
Cash flows from operating activities		
(Loss) for the period	(1,749,281)	(1,279,314)
Adjustments for:		
Finance Costs	-	-
Equity-settled share-based payment expenses	107,379	198,833
Impairment Costs	309,646	-
Exploration expenses	17,316	-
Depreciation and amortisation expense	18,863	10,845
FX Gain / (Loss)	9,256	-
Change in operating assets & liabilities		
(Increase) / decrease in receivables	(27,393)	(15,465)
Increase / (decrease) in payables	21,326	(200,872)
Increase / (decrease) in Right of Use Assets	-	559
Increase / (decrease) in provisions	17,740	-
Net cash used in operating activities	(1,275,148)	(1,285,414)

4.3. Trade and Other Receivables

Trade receivables are initially recognised and carried at original invoice amount less allowance for expected credit loss. Trade receivables are due for settlement no more than 30 days from the date of recognition. A

Notes to the Consolidated Financial Statements For the Period Ended 30 June 2023

provision for impairment is made based on a forward-looking expected credit loss model in line the requirements of AASB 9. Bad debts are written off when identified.

	2023 \$	2022 \$
Loans	-	-
Trade and other receivables	36,432	35,103
Total trade and other receivables	36,432	35,103

The Group's management considers that all of the above financial assets that are not impaired or past due for each of the 30 June reporting dates under review are of good credit quality (refer to 5.5.1).

4.4. Trade and Other Payables

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

	2023 \$	2022 \$
Trade payables	205,138	174,604
Accrued expenses	140,109	174,236
Other payables	(42,193)	119,975
Total trade and other payables	387,440	468,815

5. Funding and risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in the proportion to the number and amount paid on the shares held. 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. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

5.1. Contributed Equity

Ordinary shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

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.

	2023 \$	2022 \$
Contributed equity	12,585,474	7,164,054
Cost of share issue	(929,347)	(546,500)
Option Reserves	741,000	542,471
Accumulated loss	(3,909,546)	(2,160,265)
Total contributed equity	8,520,246	5,032,425

5.2. Movement in shares on issue

Ordinary shares have the right to receive dividends as declared and, in the event of the winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Notes to the Consolidated Financial Statements

For the Period Ended 30 June 2023

5.2.1. Ordinary Shares

	Date Issued	Number of shares	Issue price cents	\$
Balance 01 July 2022		45,532,533		6,617,554
Issue of Shares – Rights Issue	30 Nov 22	19,514,188	0.10	1,951,419
Issue of Shares – Acquisition	28 Feb 23	666,667	0.145	96,667
Issue of Shares – Acquisition	1 Mar 23	2,666,670	0.14	373,333
Issue of Shares – Rights Issue T1	6 Mar 23	12,686,480	0.10	1,268,648
Issue of Shares – Rights Issue T2	24 Apr 23	17,313,520	0.10	1,731,352
Less Transaction costs				(382,846)
Balance 30 June 2023		98,380,058		11,656,127

5.3. Options

	2023	2022
Outstanding at 01 July 2022	23,816,666	9,500,000
Issued during the period	39,264,209	15,066,666
Expired or lapsed during the period	-	-
Outstanding at the end of the period	63,080,875	24,566,666
Exercisable at the end of the period	63,080,875	23,816,666

The weighted average exercise price for the options that are exercisable at the end of the period is \$0.26 each.

5.4. Capital risk management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders.

Being at an exploration stage, the Company does not generate cash inflows from its operations to fund its exploration and working capital requirements, therefore, the Company may issue shares to either generate cash for operations or to acquire assets in order to maintain adequate levels of cash reserves.

The Company is not subject to any externally imposed capital requirements.

5.5. Financial risk management

The Group's principal financial instruments comprise cash and short-term on-call deposits.

The main purpose of these financial instruments is to fund capital expenditure on the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken. Being at an exploration stage, the Group has limited exposure to risks arising from its financial instruments.

Currently the Group does not have any exposure to commodity price risk or foreign currency risk. As the Group moves into development and production phases, exposure to commodity price risk, foreign currency risk and credit risk are expected to increase. The Board will set appropriate policies to manage these risks dependent on market conditions and requirements at that time.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 1.

5.5.1. Credit risk

Credit risk represents the loss that would be recognised if counterparties fail to perform as contracted. The Group's maximum exposure to credit risk at reporting date in relation to each class of financial asset is the carrying amount of those assets as indicated in the statement of financial position. The majority of cash and cash equivalents is held with one Australian Bank which has an AA- long-term credit rating from Standard and Poor's.

Notes to the Consolidated Financial Statements For the Period Ended 30 June 2023

Wherever possible, the Group trades only with recognised, credit worthy third parties. There are no significant concentrations of credit risk within the Group. Since the Group trades only with recognised third parties, there is no requirement for collateral.

5.5.2. Liquidity risk

Liquidity risk is the risk that the Group does not have sufficient funds to pay its debts as and when they become due and payable. The Group currently does not have major funding in place. However, the Group continuously monitors forecast and actual cash flows and the maturity profiles of financial assets and financial liabilities to manage its liquidity risk.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans if and when required.

Cash at bank and on hand, as set out in Note 4.1, is available for use by the Group without restrictions.

Financial liabilities of the Group at 30 June 2023 are expected to be settled within 6 months of year-end.

5.5.3. Market risk

(A) Price risk

The group is not exposed to equity securities price risk. The group is not exposed to commodity price risk. The sensitivity of movements in the price has not been disclosed as it is not material to the Group.

(B) Foreign currency risk

The group do not have any foreign currency balances and therefore is not exposed to any foreign currency risk.

(C) Interest rate risk

The following tables summarise the sensitivity of the Group's financial assets and liabilities to interest rate risk. Had the relevant variables, as illustrated in the tables, moved, with all other variables held constant, post tax loss and equity would have been affected as shown. The analysis represents management's judgement of a reasonably possible movement.

5.5.3. Market Risk (Cont)

	Carrying Amount	Interest Rate Risk -1%		Interest Rate Risk +1%	
		Net Loss	Equity	Net Gain	Equity
30 June 2023	\$	\$	\$	\$	\$
Cash and cash equivalents	2,563,066	(25,631)	(25,631)	25,631	25,631
Other current assets	-	-	-	-	-
	Carrying Amount	Interest Rate Risk -1%		Interest Rate Risk +1%	
		Net Loss	Equity	Net Gain	Equity
30 June 2022	\$	\$	\$	\$	\$
Cash and cash equivalents	1,398,709	(13,987)	(13,987)	13,987	13,987
Other current assets	-	-	-	-	-

6. Group Structure

6.1. Basis of consolidation

6.1.1. Subsidiaries

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

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

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

Notes to the Consolidated Financial Statements

For the Period Ended 30 June 2023

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

6.1.2. Transactions eliminated on consolidation

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

7. Related Parties

7.1. Related Parties

Details relating to key management personnel, including remuneration paid, are included in the audited remuneration report section of the directors' report. The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	2023 \$	2022 \$
Short term employee benefits	328,000	306,000
Post-employment benefits	34,440	30,600
Share based payments	54,535	125,429
Total compensation	416,975	462,029

7.2. Transactions with Other Related Parties

David Izzard charged corporate advisory fees of \$14,265 to MTM Critical Metals Limited through Bowman Gate Pty Ltd, a company that he controls.

David Izzard charged ESG consulting services of \$22,646 to MTM Critical Metals Limited through Parvate Collective Pty Ltd, a company that he controls.

John Hannaford charged corporate advisory fees of \$14,438 to MTM Critical Metals Limited through Riverview Corporate Pty Ltd, a company that he controls.

David Izzard and John Hannaford charged office rent and finance & administrative services of \$156,572 to MTM Critical Metals Limited through Rockford Partners Pty Ltd, a company they control.

David Izzard and John Hannaford charged commercial storage rent of \$17,321 to MTM Critical Metals Limited through Fordrock Property Trust, an entity they control.

All consulting and rental fees have been charged at arms' length commercial rates.

7.3. Related Party Loans

The Company has repaid all unsecured loans disclosed in the 2022 annual report. No new loans have been established during the year.

7.4. Share Based Payments

The Group provides benefits to Directors, employees, consultants and other advisors of the Group in the form of share-based payments, whereby the Directors, employees, consultants and other advisors render services in exchange for shares or rights over shares (equity-settled transactions).

Notes to the Consolidated Financial Statements

For the Period Ended 30 June 2023

The cost of these equity-settled transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes model or fair value of services.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the market price of the shares of the Company if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant recipient becomes fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects

- (i) the extent to which the vesting period has expired; and
- (ii) the Company's best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of profit or loss and other comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the recipient, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of loss per share (see Note 3.3.5).

The effect of such an arrangement is equivalent to an option with a strike price per share equal to the share price on grant date.

7.5. Employee Incentive Plan

The MTM Critical Metals Limited Employee Securities Incentive Plan (Plan) was adopted by the Board on 7 December 2020.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options granted as consideration for services provided to the Company during the period:

	2023 Number	2023 WAEP	2022 Number	2022 WAEP
Outstanding at the beginning of the period	6,750,000		6,000,000	
Granted during the period	-		750,000	
Expired or lapsed during the period	-		-	
Outstanding at the end of the period	6,750,000	\$0.31	6,750,000	\$0.31
Exercisable at the end of the period	6,750,000	\$0.31	6,750,000	\$0.31

Weighted average remaining contractual life of options at 30 June 2023: 17 months

Option pricing model:

Notes to the Consolidated Financial Statements For the Period Ended 30 June 2023

7.5. Employee Incentive Plan (Cont)

Options granted during the period have been valued using the Black-Scholes Option Valuation model, which takes account of factors including the option exercise price, the current level and volatility of the underlying share price, the risk-free interest rate, expected dividends on the underlying share, current market price of the underlying share and the expected life of the option. See below for the assumptions used for grants made during the period ended 30 June 2023.

Date of issue	23/11/2020	10/05/2021	10/05/2021	10/05/2021	06/07/2021	06/07/2021	06/07/2021
Number of options	5,000,000	500,000	500,000	500,000	250,000	250,000	250,000
Dividend yield (%)	-	-	-	-	-	-	-
Expected volatility (%)	100%	100%	100%	100%	100%	100%	100%
Risk free interest rate (%)	0.79%	0.79%	0.79%	0.79%	0.79%	0.79%	0.79%
Expected life of the option (months)	48	36	42	48	48	48	48
Option exercise price (\$)	\$0.30	\$0.30	\$0.35	\$0.40	\$0.35	\$0.40	\$0.40
Share price at grant date (\$)	\$0.10	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20
Vested	On Issue	1/01/2022	1/07/2022	1/01/2023	1/01/2022	1/07/2022	1/01/2023
Fair value per option (\$)	0.0498	0.1075	0.1106	0.1142	0.1075	0.1106	0.1142
Total value at grant date (\$)	248,840	53,764	55,307	57,076	26,882	27,654	28,538
Total value included as Share-based payments (\$)	248,840	53,764	55,307	57,076	26,882	27,654	28,538
Related party issues							
John Hannaford	1,500,000	-	-	-	-	-	-
David Izzard	1,500,000	-	-	-	-	-	-
Lachlan Reynolds	1,500,000	500,000	500,000	500,000	-	-	-
Non-related party issue	500,000	-	-	-	250,000	250,000	250,000
	5,000,000	500,000	500,000	500,000	250,000	250,000	250,000

The dividend yield reflects the assumption that the current dividend payout will remain unchanged. The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

7.6. Shares

No shares were issued to suppliers in exchange for services in the period ended 30 June 2023.

7.7. Share-based payments

7.7.1 Recognised in profit and loss

	2023 \$	2022 \$
Expense arising from employee and consultant options issued	107,379	198,833
Total share-based payments expensed in profit or loss	107,379	198,833

7.7.2 Recognised in equity

Cost of capital raise	91,450	71,583
Total share-based payments recognised as capital raising costs	91,450	71,583
Total share-based payments	198,829	270,416

Notes to the Consolidated Financial Statements

For the Period Ended 30 June 2023

8. Other

8.1. Events occurring after the reporting period

- 3) 7 July 2023 – Release from escrow of 1,333,330 Ordinary Shares
- 4) 20 July 2023 – Mr Anthony Hadley appointed to the Board as Non-Executive Director.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the entity's operations, the results of those operations, or the entity's state of affairs in future financial years.

8.2. Commitments

The Company has certain obligations to perform minimum exploration work on the tenements in which it has an interest. These obligations vary from time to time. The aggregate of the prescribed expenditure conditions applicable to the granted tenements for the next twelve months amounts to \$1,462,492.

1 Year or less	1 – 5 years	Greater than 5 years
\$1,462,492	\$2,710,337	-

8.3. Contingent assets and liabilities

Farm-In Agreement with Tevel Pty Ltd - Tenements (E38 /3462, E38 / 3466, E38 /3499)

MTM Critical Metals Limited has entered into a farm-in agreement with Tevel Pty Ltd in relation to 3 exploration licences held by Tevel. Under the agreement Mount Monger Resources Limited has agreed to carry out exploration of \$700,000 to earn a 51% interest in the Tevel ground. MTM Critical Metals Limited may then elect to carry out further exploration of up to \$1m to earn a further 24% (i.e. total 75%), at which point Tevel may contribute, sell or dilute subject to normal dilution provisions. Stage 1 of the farm-in arrangement was completed in June 2023.

8.4. Remuneration of Auditors

	2023 \$	2022 \$
Amount received or due and receivable by the auditor for:		
Auditing the financial statements, including audit review - current period audits	26,000	26,000
Non-Audit services	-	-
Total remuneration of auditors	26,000	26,000

8.5. New and revised accounting standards

Accounting Standards that are mandatorily effective for the current reporting period

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 January 2020. New and revised Standards and amendments thereof and Interpretations effective for the current period that are relevant to the Group include:

- AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
- AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework
- AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform
- AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not yet issued in Australia.

The Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies.

Notes to the Consolidated Financial Statements

For the Period Ended 30 June 2023

8.6. Parent Entity Information

The following information relates to the parent entity, MTM Critical Metals Limited. The information presented has been prepared using accounting policies that are consistent with those presented in the Notes to the Financial Statements.

	2023	2022
	\$	\$
Current Assets	2,636,764	3,667,491
Non-Current Assets	2,519,316	1,831,819
Total Assets	5,156,080	5,499,310
Current Liabilities	281,319	457,255
Non-Current Liabilities	2,631	9,630
Total Liabilities	283,950	466,885
Contributed equity	11,656,127	6,617,554
Accumulated losses	(1,954,517)	(2,127,600)
Reserves	741,000	542,471
Total Equity	10,442,610	5,032,425
Gain (loss) for the period	(1,740,672)	(1,447,553)
Other comprehensive income / (loss) for the period	(3,829,807)	-
Total comprehensive income / (loss) for the period	(5,570,479)	(1,447,553)

Directors' Declaration

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

- (1) In the opinion of the directors:
 - (a) the financial statements, notes and the additional disclosures included in the directors' report designated as audited, of the Group are in accordance with the *Corporations Act 2001* including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the period ended on that date; and
 - (ii) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (2) The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
- (3) This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the period ended 30 June 2023.

On behalf of the Board.



Lachlan Reynolds
Managing Director
29 September 2023

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of MTM Critical Metals Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the 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 Consolidated Entity is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2023 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 1.1.

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 Consolidated Entity 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1.6 in the financial report which indicates that the Consolidated Entity incurred a net loss of \$1,749,281 during the year ended 30 June 2023. As stated in Note 1.6, these events or conditions, along with other matters as set forth in Note 1.6, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our opinion is not modified in this respect of this matter.

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
<p>As disclosed in note 2.1 to the financial statements, the Company carried capitalised exploration and evaluation expenditure of \$6,126,419.</p> <p>Exploration and evaluation is a key audit matter due to:</p> <ul style="list-style-type: none"> The significance of the balance to the Consolidated Entity's consolidated financial position. The level of judgement required in evaluating management's application of the requirements of AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>. AASB 6 is an industry specific accounting standard requiring the application of significant judgements, estimates and industry knowledge. This includes specific requirements for expenditure to be capitalised as an asset and subsequent requirements which must be complied with for capitalised expenditure to continue to be carried as an asset. 	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> Assessing management's determination of its areas of interest for consistency with the definition in AASB 6. This involved analysing the tenements in which the consolidated entity holds an interest and the exploration programmes planned for those tenements. For each area of interest, we assessed the Consolidated Entity's rights to tenure by corroborating to government registries and evaluating agreements in place with other parties as applicable; We tested the additions to capitalised expenditure for the year by evaluating a sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Consolidated Entity's accounting policy and the requirements of AASB 6; We considered the activities in each area of interest to date and assessed the planned future activities for each area of interest by evaluating budgets for each area of interest. We assessed each area of interest for one

Key Audit Matter	How our audit addressed the Key Audit Matter
<ul style="list-style-type: none"> The assessment of impairment of exploration and evaluation expenditure being inherently difficult. 	<p>or more of the following circumstances that may indicate impairment of the capitalised expenditure:</p> <ul style="list-style-type: none"> the licenses for the right to explore expiring in the near future or are not expected to be renewed; substantive expenditure for further exploration in the specific area is neither budgeted or planned decision or intent by the Consolidated Entity 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 recovered in full from successful development or sale. <ul style="list-style-type: none"> We assessed the appropriateness of the related disclosures in note 2.1 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

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 1.1, 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 Consolidated Entity'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 Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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 Consolidated Entity's internal control.
- 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 Consolidated Entity'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 Consolidated Entity 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 Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity 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 2023. 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.

Auditor's Opinion

In our opinion, the Remuneration Report of MTM Critical Metals Limited, for the year ended 30 June 2023, complies with section 300A of the Corporations Act 2001.

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated in Perth, Western Australia this 29th day of September 2023

Additional Shareholder Information – as at 28 September 2023

1. TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest holders of each class of listed securities are listed below:

ORDINARY SHARES

Rank	Holder Name	Holding	%
1	Bowman Gate Pty Ltd	5,035,715	5.09%
2	BLTS Capital	4,300,000	4.35%
3	JAEC HOLDINGS PTY LTD <HANNAFORD FAMILY A/C>	3,300,000	3.34%
4	SUTTON NOMINEES PTY LTD <W M GATACRE FAMILY FUND A/C>	2,600,000	2.63%
5	CITICORP NOMINEES PTY LIMITED	2,017,442	2.04%
6	MR VIC DUPONT	1,771,160	1.79%
7	CCGF HOLDING PTY LIMITED	1,288,543	1.30%
8	MR ANTONY JUSTIN ZEBISCH	1,222,213	1.24%
9	MR CHRISTOPHER JOHN DWYER & MS DIANNE KELLY MIKAN	1,210,000	1.22%
10	BNP PARIBAS NOMS PTY LTD <DRP>	1,169,070	1.18%
11	TK7 HOLDINGS PTY LTD <TK7 FAMILY A/C>	1,142,858	1.16%
12	BILL BROOKS PTY LTD <BILL BROOKS SUPERFUND>	1,050,000	1.06%
13	MR LACHLAN JOHN REYNOLDS	1,001,430	1.01%
14	MR GLENN GRIFFIN MONEY	900,000	0.91%
15	GOLDEN WHEELBARROW PTY LTD	850,000	0.86%
16	ARMS CAPITAL PTY LTD	822,370	0.83%
16	MANDRAGONA HOLDINGS PTY LTD <MANDRAGONA FAMILY A/C>	820,000	0.83%
16	PAYNE GEOLOGICAL SERVICES PTY LTD	800,000	0.81%
17	PAYNE GEOLOGICAL SERVICES PTY LTD <PAYNE SUPER FUND A/C>	800,000	0.81%
18	MR SMIT DIPAKKUMAR NAYAK	800,000	0.81%
19	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	770,585	0.78%
20	MR DREW GRIFFIN MONEY	750,000	0.76%
	Total	34,421,386	34.81%
	Total issued capital - selected security class(es)	98,880,053	100.00%

Additional Shareholder Information – as at 28 September 2023

2. DISTRIBUTION OF EQUITY SECURITIES

Analysis of security by size holding:

Holding Ranges	Holders	Total Units	%
above 0 up to and including 1,000	20	1,037	0.00%
above 1,000 up to and including 5,000	81	300,299	0.30%
above 5,000 up to and including 10,000	140	1,210,039	1.22%
above 10,000 up to and including 100,000	415	18,385,166	18.59%
above 100,000	198	78,983,512	79.88%
Totals	854	98,880,053	100.00%

3. SUBSTANTIAL SHAREHOLDERS

The names of the substantial shareholders listed in the company's register are:

Holder Name	Holding Balance	%
BOWMAN GATE PTY LTD <THE DISCOVERY A/C>	5,035,715	5.09%

4. OTHER QUOTED SECURITIES

The following other quoted securities are on issue:

Security Name	Total Holdings	Total Holders
LISTED OPTIONS EXP 26/11/2024 @ \$0.25	52,830,875	376
	52,830,875	376

5. UNQUOTED SECURITIES

The following unquoted securities are on issue:

Security Name	Issuer Holdings	Issuer Holders
UNL OPT ESC24M EXP 16/12/2024 @ 0.30	8,000,000	6
UNL OPT ESC24M EXP 09/05/2024 @ 0.30	500,000	1
UNL OPT EXP 09/05/2024 @ \$0.30	250,000	1
UNL OPT ESC24M EXP 09/11/2024 @ 0.35	500,000	1
UNL OPT EXP 09/11/2024 @ \$0.35	250,000	1
UNL OPT ESC24M EXP 09/05/2025 @ 0.40	500,000	1
UNL OPT EXP 09/05/2025 @ 0.40	250,000	1
PERFORMANCE RIGHTS TRANCHE 1	100,000	2
PERFORMANCE RIGHTS TRANCHE 2	600,000	3
	10,950,000	

6. VOTING RIGHTS

The voting rights of the ordinary shares are as follows:

Subject to any rights or restrictions for the time being attached to any shares or class of shares of the Company, each member of the Company is entitled to receive notice of, attend and vote at a general meeting. Resolutions of members will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. However, where a person present at a general meeting represents personally or by proxy, attorney or representation more than one member, on a show of hands the person is entitled to one vote only despite the number of members the person represents.

On a poll each eligible member has one vote for each fully paid share held.

There are no voting rights attached to any of the options that the Company currently has on issue. Upon exercise of these options, the shares issued will have the same voting rights as existing ordinary shares.

7. ON-MARKET BUY BACK

There is currently no on-market buy-back program for any of MTM Critical Metals Limited's listed securities.

8. MINERAL RESOURCES

The Company has not announced any mineral resources at any of its projects as at the date of this report.