# ANNUAL REPORT 2021

A **MINERALS** AND **ADVANCED MATERIALS PROJECT DEVELOPMENT** COMPANY

Nm

Neometals

# OUR BUSINESS

Neometals innovatively develops **opportunities in minerals and advanced materials** essential for a sustainable future with a focus on the **energy storage megatrend.**

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# CHAIRMAN AND MANAGING DIRECTOR'S ADDRESS



**Dear Shareholders,**

**The last year has been a watershed in the Neometals development journey with the Company's three core projects hitting significant milestones ahead of near-term investment decisions.**

Although the year presented unprecedented challenges for an emerging globally directed company with COVID 19 headwinds disrupting the Company's international joint venture engagements, the Company's agility enabled it to maintain strategic focus and finish the financial year with an impressive 300% increase in share price.

Over the year, Neometals made significant progress in the advancement of its core projects, supporting its strategic pivot away from upstream minerals towards more sustainable materials recovery opportunities.

Specifically, the Company's two European joint venture recycling endeavours (battery materials and vanadium recovery from slag wastes) progressed materially towards financial investment decisions, the Company's Australian titanium/vanadium project continued to be developed towards commercial exploitation, the Mt Edwards nickel project was prepared for a demerger and in-specie distribution for the benefit of the Company's shareholders (finalised soon after the end of the financial year), and the Company's Indian Lithium Refinery project was placed under strategic review post relinquishment of the Company's Mt Marion spodumene offtake option rights for $30 million, further bolstering the Company's balance sheet and access to capital. The latter two mentioned corporate actions delivered strong outcomes to shareholders and helped simplify Neometals' business model, allowing more dedicated focus for the European joint ventures and Barrambie project.

Despite global travel and logistics challenges, Neometals made significant operational and development progress across all aspects of its key projects with numerous milestones achieved including metallurgical breakthroughs being proved in successful pilot trials, key evaluation studies and regulatory permitting. At a corporate level, the financial year was punctuated with numerous commercial partnerships, preparations for a UK AIM Stock Exchange Listing scheduled for late 2021, and development of initiatives to address and disclose ESG commitments.

Strategically, the economic, social and geopolitical backdrops for Neometals' key projects have been extraordinarily supportive. The global drive to mitigate climate change has put the spotlight squarely on sustainability and decarbonisation. The Company's battery materials recycling and vanadium recovery projects are well positioned to be the beneficiaries of this drive, with new recycling and emissions control regulations, stimulus packages, and industry investment all providing significant tailwinds. This spotlight is particularly evident in Europe but highlighted elsewhere with the US targeting 2050 for net zero emissions and China targeting the same before 2060. ESG tailwinds also exist for the Company's Barrambie titanium and vanadium project which has the potential to supply markets with the increasingly scarce chloride-grade titanium feedstocks needed to support China's transition of its titanium pigment industry (accounting for approximately half of global production) to a more environmentally friendly chloride process.

Of importance, Neometals' core projects are all fully funded with strong global partners through evaluation activities to financial investment decisions for their development.

Finally, the dedication and support of the Company's management team and Board warrant special mention, without all of whom the Company's continuing growth and success would not be possible.

**Specific corporate highlights included.**

1. Lithium battery recycling project progressed materially towards financial investment decision.
2. Australian titanium/vanadium project continued to be developed towards commercial exploitation.
3. Mt Edwards nickel project was prepared for a demerger and in-specie distribution for the benefit of the Company's shareholders.
4. The Company sold the Mt Marion Spodumene offtake rights for $30M.

Neometals is clear on its strategy and purpose. The Company innovatively develops opportunities in minerals and advanced materials essential for a sustainable future. In financial year 2021, your Company's Board and management has delivered on that purpose. Multiple maturing exposures to the EV and battery materials megatrend, ESG and decarbonisation tailwinds, and investors with a growing awareness of Neometals' exciting opportunities at hand bode well for another successful year ahead.

In closing, we thank all our stakeholders for their ongoing support.

**Steven Cole**
*CHAIRMAN*

**Chris Reed**
*MANAGING DIRECTOR*

29 September 2021

# COMPANY OVERVIEW

Neometals has three core projects that support the global transition to clean energy and span the battery value chain:

## Recycling and Resource Recovery

### Lithium-ion Battery Recycling

a proprietary process for recovering lithium, nickel, cobalt and other valuable materials from spent and scrap lithium batteries. Showcase demonstration plant trials targeted for DecQ 2021with 50:50 JV partner SMS group. Targeting a development decision in Mar Q 2022.

### Vanadium Recovery

Sole funding evaluation studies to form a 50:50 joint venture with Critical Metals Ltd to recover high-purity vanadium pentoxide from processing by-products ('Slag') from leading Scandinavian steelmaker SSAB. Underpinned by a 10-year Slag supply agreement, Neometals is targeting an investment decision to develop a 200,000tpa processing plant in the December quarter of 2022.

## Upstream Industrial Minerals

### Barrambie Titanium and Vanadium

one of the world's highest-grade hard-rock titanium-vanadium deposits, working towards a development decision in mid-2022 with potential operating JV partner IMUMR and potential cornerstone product off-taker, Jiuxing Titanium Materials Co.

## Neometals innovatively develops opportunities in minerals and advanced materials essential for a sustainable future.

With a focus on the energy storage megatrend, the strategy focuses on de-risking and developing long life projects with strong partners and integrating down the value chain to increase margins and return value to shareholders.

# 2020-2021 FINANCIAL HIGHLIGHTS

**$98.2M**
cash

**~A12.4M**
in investments

**$87M dividends/ buy back/ return of capital in the last 5 years**

**NO DEBT**


Primobius
5t
Battery recycling without limits

# REVIEW OF OPERATIONS

The directors of Neometals Ltd (‘**Company**’ and ‘**Neometals**’) present the annual financial report for the Company and its controlled entities (‘**Consolidated Entity**’ and ‘**Group**’).

Neometals innovatively develops opportunities in minerals and advanced materials essential for a sustainable future. With a focus on the energy storage megatrend, the strategy focuses on de-risking and developing long life projects with strong partners and integrating down the value chain to increase margins and return value to shareholders.

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### Vanadium Recovery

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### CORE PROJECTS

# LITHIUM BATTERY RECYCLING PROJECT

(Neometals 100%, SMS earning into 50% through Primobius GmbH incorporated JV)

## Neometals High-Level Flowsheet

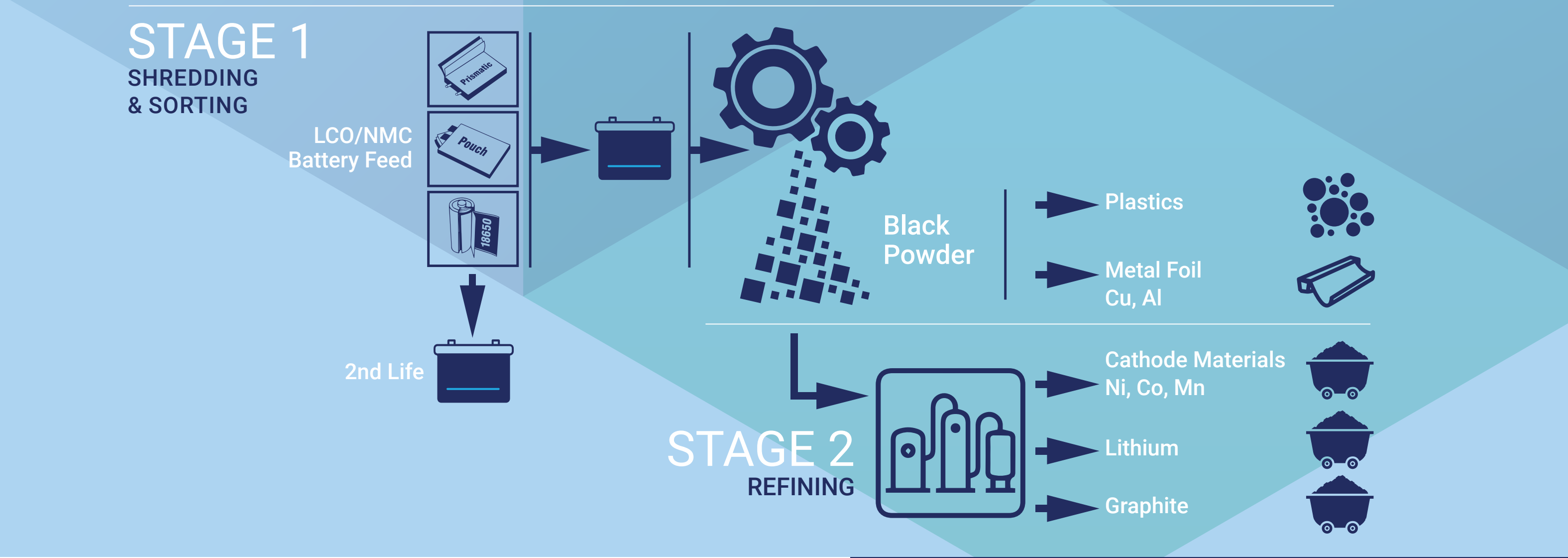



**Figure 2** - *High level flowsheet showing the materials generated from Feed Preparation and Hydrometallurgical Processing stages.*

**Neometals has developed a sustainable process flowsheet targeting the recovery of battery materials contained in production scrap and end-of-life lithium-ion batteries (LIBs) that might otherwise be disposed of in land fill or processed in high-emission pyrometallurgical recovery circuits.**

Neometals' process flowsheet ('**LIB Recycling Technology**') targets the recovery of valuable materials from consumer electronic batteries (devices with lithium cobalt oxide (**LCO**) cathodes), and nickel-rich EV and stationary storage battery chemistries (lithium-nickel-manganese-cobalt (**NMC**) cathodes). The LIB Recycling Technology is designed to recover cobalt, nickel, lithium, copper, iron, aluminium, carbon and manganese into saleable products that can be reused in the battery supply chain.

A pilot trial ('**Pilot**') at SGS Lakefield, Canada in 2019/20 successfully produced cathode-grade nickel and cobalt sulphate products which collectively represent approximately 80% of the value of the basket of products recovered. The Pilot results confirmed the recovery assumptions from a scoping study, based on earlier bench scale test-work, highlighted robust project economics.

### The LIB Recycling Technology, comprises two stages:

1. Shredding and beneficiation to physically separate components and remove metal casings, electrode foils and plastics ('Shredding and Beneficiation Circuit'); and
2. Leaching, purification and precipitation to deliver predominantly refined chemical products via the hydrometallurgical processing facility ('Refining Circuit').

*Pilot Plant*

## CORE PROJECTS

# LITHIUM BATTERY RECYCLING PROJECT (contined)

### JV with SMS

Neometals has entered into an incorporated 50:50 joint venture ('**JV**') with SMS group GmbH ('**SMS group**'), called Primobius GmbH ('Primobius'). Primobius was incorporated to co-fund and complete final stage evaluation activities to consider commercialisation of the LIB Recycling Technology via a 50tpd integrated (Shredding/Beneficiation and Refining Circuits) plant ('50tpd Integrated Plant 1')

A positive financial investment decision to construct 50tpd Integrated Plant 1, will involve Neometals contributing its share of funding, technical and commercial know-how to the JV and SMS will be responsible for the engineering design and cost studies in addition to its share of funding. SMS has the right of first offer to provide engineering, construction, operation and maintenance of each recycling plant Primobius undertakes. SMS will also, on a best endeavours basis, procure debt financing for no less than 50% of the capital expenditure (for full details refer to Neometals ASX announcement entitled 'Neometals and SMS create Lithium Battery Recycling JV' released on 3rd August 2020).

### Project Development Progress

#### Demonstration Plant ('DP')

The DP will serve as a showcase for validating previous pilot plant results and will generate evaluation products for potential customers, partners and off-takers. The fully-integrated continuous DP trial constitutes one of the evaluation activities required for the JV shareholders to make an investment decision relating to construction of the JV's first commercial recycling plant. Significant progress was made during the year with engineering, equipment procurement and construction of the Shredding and Beneficiation Circuit completed ahead of commissioning activities (commencement of the latter announced immediately post the end of the financial year).

The DP is located in a dedicated building within the SMS group engineering competence centre in Hilchenbach. The DP trial schedule contemplates commissioning and operation of the Shredding and Beneficiation Circuit, then commissioning of the hydrometallurgical Refining Circuit and finally the DP trial proper is due to commence October 2021 DP LIB feedstocks have been secured from electric vehicle and energy storage system manufacturers. The DP will provide an opportunity for potential partners to verify Primobius' capability to safely, sustainably and ethically dispose of hazardous LIBs.

**Figure 3** - *Primobius DP Refining Circuit*

## CORE PROJECTS

# LITHIUM BATTERY RECYCLING PROJECT (contined)

The DP is permitted to operate at a feed rate of 1t per day and approximately 10 tonnes of whole LIB cells are to be shredded during the DP trial.

### Evaluation and Site Studies

During the year, Neometals finalised operating and capital cost estimates for its first proposed LIB recycling operation in Germany. Operating and capital costs have been estimated to an Association for the Advancement of Cost Engineering ('**AACE**') Class 4 PFS level accuracy (±25%) for a 50 tonnes per day (18,250tpa), commercial-scale LIB recycling plant in Germany based on data from the successful 2020 Canadian Pilot trials on Neometals' proprietary flowsheet. Strategic Metallurgy Pty Ltd ('**Strategic Metallurgy**') prepared a mass-energy balance and Primero Group Limited ('**Primero**') developed the process design criteria, equipment selection and layout. The resultant physical inputs and outputs were estimated using local German prices.

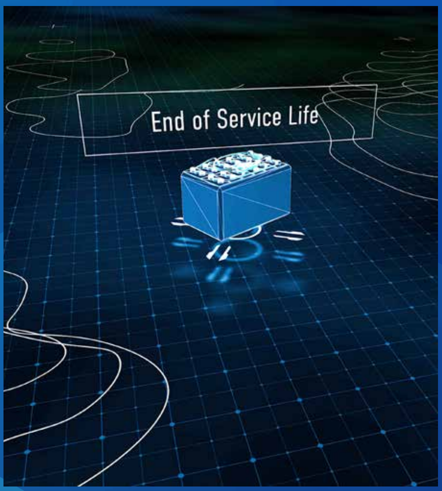
The estimated operating cost was €1,417 (US$1,560) per tonne of LIB's processed while the capital cost estimate came in at €150M (US$165M) (inc. 10% contingency) for the 50tpd recycling operation. The operating cost estimate increased by less than 5% from the 2019 Scoping Study estimates (for full details refer to Neometals' announcement entitled 'MOU for Lithium Battery Recycling JV with SMS Group' released on 4th June 2019). The Company was extremely encouraged with the robust potential economics and minor increase in operating costs, despite the scale increase from laboratory bench-scale to pilot-scale and the change in construction costs associated with site relocation from Kwinana to Germany. The primary source of the increase in capital cost was largely attributable to the conservative assumption of constructing dedicated industrial buildings versus the previous leasing assumption in Kwinana.

The Company will use data and learnings from the DP trials to complete an AACE Class 3 Engineering Cost ('**ECS**') and Feasibility Study ('**FS**') to build and operate Primobius' first commercial-scale recycling plant with 18,250tpa capacity.

Primobius is nearing completion of its site selection study for future commercial operations with several locations shortlisted in and around Germany. The FS will be based on the recommended site.

### Commercial Activities

In parallel with DP activities, Primobius is developing feedstock and offtake dialogues with several industry participants. Battery feed volumes for the DP have been secured from future partners. In addition to evaluation campaigns under publicly disclosed MoU arrangements with Stelco Inc.and Itochu Corporation, Neometals announced after the year end that it would modify the DP and repurpose to provide commercial recycling disposal services to European vehicle and cell-makers commencing in Q1 2022. This decision was made in response to customer interest (for further details see Neometals announcement titled 'Primobius to Fast Track Commercial Battery Recycling Operations dated 19th August 2021)



## CORE PROJECTS

# VANADIUM RECOVERY PROJECT ('VRP')

(Earning into 50:50 Joint Venture)

**Neometals and unlisted Scandinavian-focused explorer, Critical Metals Ltd ('Critical'), are jointly evaluating the feasibility of recovering high-purity vanadium pentoxide ($V_2O_5$) from high-grade vanadium-bearing steel by-product ('Slag') in Scandinavia. Under the formal collaboration agreement between the parties, Neometals is to fund and manage the evaluation activities, up to consideration of an investment decision. A positive investment decision will lead to a 50:50 incorporated JV with Critical.**

Critical has executed a conditional agreement ('**Slag Supply Agreement**') with SSAB EMEA AB and SSAB Europe Oy, subsidiaries of SSAB ('**SSAB**'), a steel producer that operates steel mills in Scandinavia (for full details refer to Neometals ASX announcement entitled 'High-Grade Vanadium Recycling Agreement' released on 6th April 2020). Slag is a by-product of SSAB's steel making operations. The Slag Supply Agreement is for 2 million tonnes of Slag and provides a secure basis for the evaluation of an operation capable of processing 200,000 tonnes of Slag per annum without the need to build a mine and concentrator like existing primary producers.

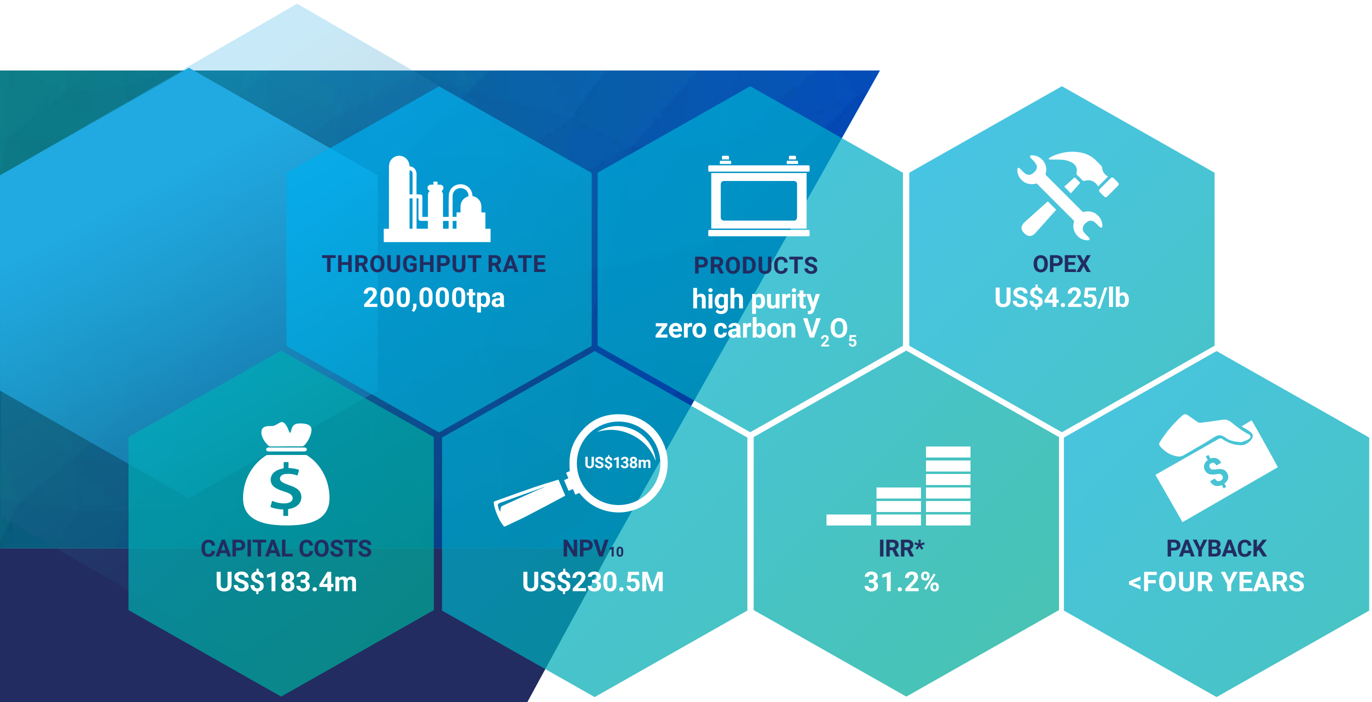
**Figure 4** - *Location of Pori relative to the SSAB steel operations in Finland and Sweden*


The VRP offers a compelling business case for Neometals which is underpinned by:

1. Exceptional grade (purchase price reference grade of 3.93% $V_2O_5$ under the Slag Supply Agreement);
2. Potentially robust economics (scoping study outcomes highlighted a first quartile position on the cost curve (for full details refer to ASX announcement entitled 'Vanadium Recovery Project – Outstanding PFS Results' released on 4th May 2021);
3. Processing flowsheet utilises conventional equipment at atmospheric pressure and mild temperatures;
4. Potentially saleable by-product generation; and
5. Likely very low or net zero greenhouse gas footprint given the absence of mining and a processing route requiring the capture and sequestration of $CO_2$.

## CORE PROJECTS

# VANADIUM RECOVERY PROJECT ('VRP') (contined)




*Pre tax

*For further details of the PFS, including assumptions, please refer to the Company's ASX announcement entitled 'Vanadium Recovery Project – Outstanding PFS Results dated 4 May 2021'.*

## Project Development Progress

### Evaluation Studies

During the year, Neometals completed its AACE Class 4 Engineering Cost Study ('Cost Study') which supported the subsequent delivery of the Company's pre-feasibility study ('VRP PFS'). The PFS was completed with assistance from leading consulting engineers Hatch Pty Ltd.

The outcomes of the PFS highlighted robust economic margins with a first quartile position on the operating cost curve. Moreover, of relevance is that the financial outcomes are achieved with the combination of high-grade feed stock coupled with our innovative process flowsheet to deliver some of the highest-purity, lowest-cost vanadium chemicals globally with a potential zero-carbon footprint. Large scale sources of battery grade vanadium are in short supply in Europe, particularly if circular economic principles are required.

Following the positive results from the PFS, Neometals funded the next stage of evaluation studies, comprising completion of a pilot plant ('VRP Pilot') before commencing a Class 3 AACE Feasibility Study ('FS'). Critical will advance government and environmental approvals for the Vanadium Recovery Project and manage the SSAB relationship. Key highlights from the PFS are summarised in the image below and table on next page (all figures expressed on a 100% ownership basis and pre-tax):

## CORE PROJECTS

# VANADIUM RECOVERY PROJECT ('VRP') (contined)

### Project Development Progress (continued)

#### Piloting

A 1:1000 scale VRP Pilot trial (feed rate 25kg/hr) began in June to recover vanadium from steel making by-product. Neometals announced that the trial to process 13 tonnes over 22 days from 3 Scandinavian sites was operating at steady state. Successful completion of the Pilot will confirm the technical feasibility of Neometals' proprietary process at scale and provide further data in support of the FS.

The Pilot follows positive results from an earlier mini-pilot trial (for further details see Neometals announcement titled 'Vanadium Recovery - Mini Pilot Results and Award of PFS' dated 4th November 2020) together with encouraging financial outcomes from scoping and pre-feasibility level studies. The VRP Pilot sought to confirm the technical feasibility of Neometals' proprietary hydrometallurgical process flowsheet at a scale 25 times larger than the earlier mini-pilot plant. Specifically, the trials, completed in July 2022, confirmed the exceptional product purities and strong recoveries demonstrated in the mini-pilot. In addition to providing proof-of-scale, the VRP Pilot generated provide larger samples for product evaluation and offtake discussions.

**Figure 5** - *Aerial schematic showing location for the proposed VRF processing plant at Tahkoluoto port, Pori, Finland Pilot Plant*

## CORE PROJECTS

# BARRAMBIE TITANIUM/VANADIUM PROJECT

(Neometals 100%)

**The Barrambie Vanadium and Titanium Project in Western Australia ('Barrambie') is one of the largest vanadiferous-titanomagnetite ('VTM') Mineral Resources globally (280.1Mt at 9.18% $TiO_2$ and 0.44% $V_2O_5$)*, containing the world's second highest-grade hard rock titanium Mineral Resource (53.6Mt at 21.17% $TiO_2$ and 0.63% $V_2O_5$)* and high-grade vanadium resource (64.9Mt at 0.82% $V_2O_5$ and 16.9% $TiO_2$) subsets (referred to as the Eastern and Central Bands respectively) based on the latest Neometals 2018 Mineral Resource Estimate (*for full details refer to ASX announcement entitled 'Updated Barrambie Mineral Resource Estimate' released on 17 April 2018 and Table 1).**

Barrambie is located approximately 80km north-west of Sandstone in Western Australia and the Mineral Resource is secured under a granted mining lease. Neometals has a granted mining proposal to extract approximately 1.2Mtpa of ore and has Ministerial Approval to construct a 3.2Mtpa processing plant.

In October 2019, Neometals entered a memorandum of understanding with Chinese research organisation, IMUMR, to jointly evaluate the development of Barrambie ('IMUMR MOU'). The IMUMR MOU outlines a potential pathway towards a 50:50 operating joint venture to bring Barrambie's into production (for full details refer to ASX announcement entitled 'MOU for JV to develop Barrambie' released on 4th October 2019). IMUMR has a Chinese national mandate that includes development of upstream supply chains for industries of strategic relevance to China. IMUMR will have the right, subject to Neometals approval, to assign its interests under the MOU to a commercial Chinese chemical processing partner.

The current business plan contemplates conventional open-cut mining, comminution and gravity concentration on site at Barrambie with a mixed titanium/vanadium/iron concentrate product being shipped to China for further processing.

Table 1 - *Barrambie Mineral Resource Estimate, April 2018*

| Global Resource as at 17 April 2018 [1] | | | |
|---|---|---|---|
| | Tonnes (M) | $TiO_2$ (%) | $V_2O_5$ (%) |
| Indicated | 187.1 | 9.61 | 0.46 |
| Inferred | 93.0 | 8.31 | 0.40 |
| **Total** | 280.1 | 9.18 | 0.44 |
| **High-Grade $V_2O_5$ Resource (at 0.5% $V_2O_5$ cut-off) [2]** | | | |
| | Tonnes (M) | $TiO_2$ (%) | $V_2O_5$ (%) |
| Indicated | 49.0 | 16.93 | 0.82 |
| Inferred | 15.9 | 16.81 | 0.81 |
| **Total** | 64.9 | 16.90 | 0.82 |
| **High-Grade $TiO_2$ Resource (14% $TiO_2$ cut-off) [2]** | | | |
| | Tonnes (M) | $TiO_2$ (%) | $V_2O_5$ (%) |
| Indicated | 39.3 | 21.18 | 0.65 |
| Inferred | 14.3 | 21.15 | 0.58 |
| **Total** | 53.6 | 21.17 | 0.63 |

Refer to Neometals ASX release dated 17 April 2018 titled 'Updated Mineral Resource Estimate.

1 *Based on Cut-off grades of ≥0% $TiO_2$ or ≥2% $V_2O_5$*

2 *The high-grade titanium and vanadium figures are a sub-set of the total Mineral Resource. These figures are not additive and are reporting the same block model volume but using different cut-off grades*

## CORE PROJECTS

# BARRAMBIE TITANIUM/VANADIUM PROJECT (contined)

## Project Development Activities

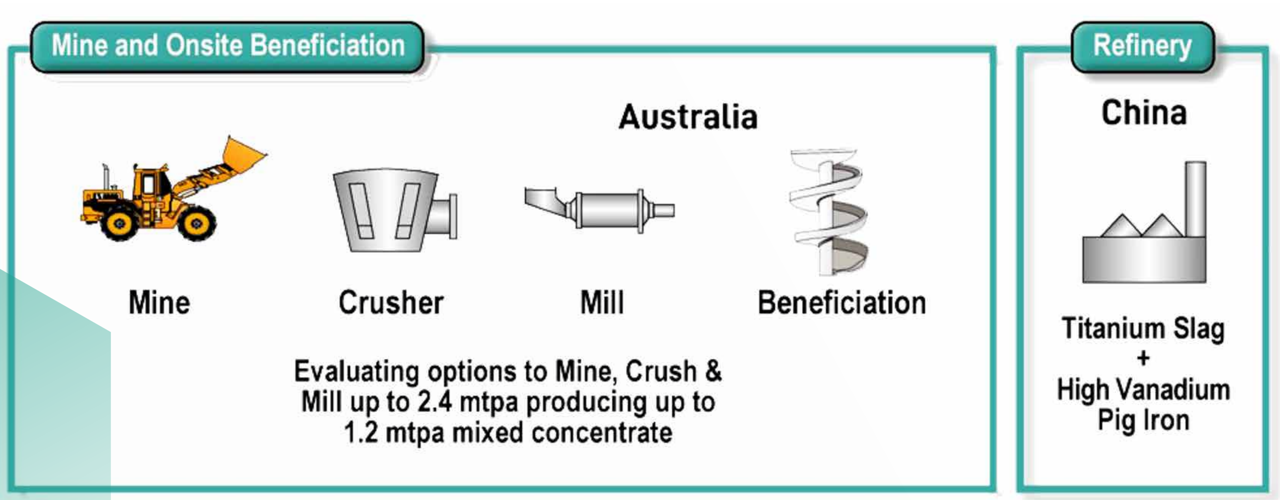
### Commercial

In addition to the relationship with IMUMR, Neometals announced during the year that it had entered into a Memorandum of Understanding with Jiuxing Titanium Materials (Liaonging) Co. Ltd ('Jiuxing') (for full details refer to ASX announcement entitled 'MOU for Barrambie Concentrate Offtake' released on 16th April 2021). Jiuxing is one of the leading chloride-grade titanium slag producers and is the largest in north-eastern China. Importantly, the Jiuxing MoU builds on, and complements, the existing IMUMR MoU.

The Jiuxing MoU* contemplates a path to a formal offtake agreement where Neometals supplies a mixed gravity concentrate or separate ilmenite and iron vanadium concentrate from Barrambie to Jiuxing. Specifically, the MoU outlines a product evaluation regime and contains the key commercial terms for a formal offtake agreement (i.e. pricing, volumes, price floor etc.), subject to product evaluation. If executed, it will be potentially the industry's largest individual offtake agreement. China has accelerated its transition from sulphate to chloride titanium pigment, so securing access to cleaner, higher grade chloride slag (intermediate product for pigment manufacture) is a strategic imperative to achieve its ambitions. Chloride titanium pigment production is significantly more environmentally friendly and sustainable.

Neometals has advanced its early contractor engagement process, with leading service providers conducting due diligence in preparation of proposals for the provision of a complete mine-to-port solution under a 'build-own-operate' style arrangement. Below is a schematic of the scope of the potential mining and onsite gravity concentrate operation at Barrambie for export to end-users in China. This model was used successfully by Neometals and its partners to develop the Mt Marion Lithium Project in 2015, which is now the world's second largest producer of spodumene (hard-rock lithium) concentrates (Neometals sold its final equity position in the project in 2019 and its offtake right in 2021).

**Figure 6** - *Schematic of potential Barrambie development under a capital-light concentrate export operation*




* *The Jiuxing MoU is a memorandum of understanding to allow Jiuxing to conduct large scale test work and negotiate a binding offtake agreement. There is no guarantee that any binding formal agreement will result from the cooperation under the Jiuxing MoU or that any binding formal agreement will reflect the key commercial terms set out in the MOU given that these arrangements are subject to the testing and evaluation work to be completed under the Jiuxing MOU.*

# REVIEW
# OF OPERATIONS (CONTINUED)

## CORE PROJECTS
# BARRAMBIE TITANIUM/VANADIUM PROJECT (contined)

### Metallurgical Trials

**IMUMR conducted pilot trials ('Pilot') in the March 2021 quarter which proved that a simple Barrambie gravity concentrate could be roasted and separated into two 'upgraded' high-quality saleable products (ilmenite and iron/vanadium concentrates). This outcome represented a significant step forward in realising Neometals' goal to develop Barrambie as a capital-light concentrate operation. The results also supported earlier test-work undertaken by Neometals on its process breakthrough in relation to the reductive roasting and magnetic separation flowsheet.**

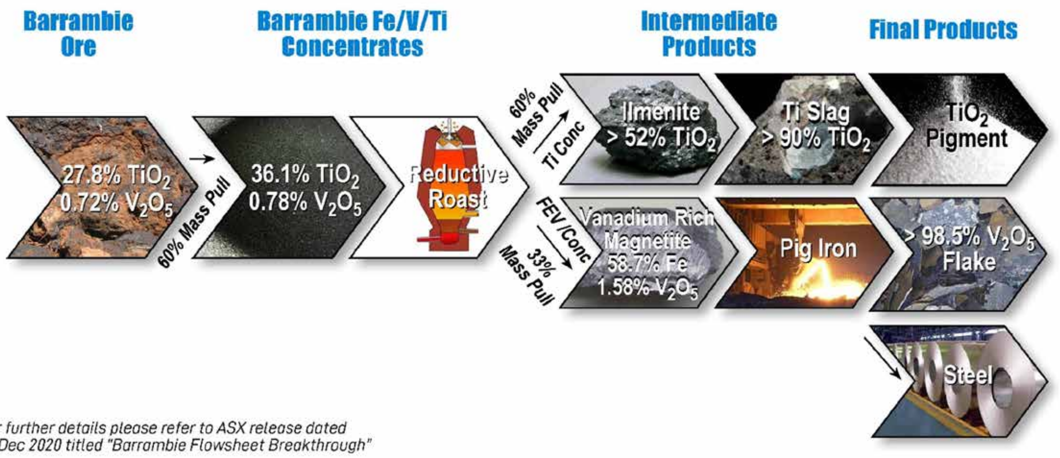
Irrespective of whether Neometals supplies its offtake partners with a mixed gravity concentrate or separate ilmenite and iron vanadium concentrates from Barrambie, the purchasers will target contained ilmenite in a smelting process to produce a chloride-grade titanium slag as well as an iron vanadium product. Titanium slag is an intermediate product used to feed the fast-growing demands of the Chinese chloride pigment market as it switches towards this more environmentally sustainable product which requires high quality titanium feedstocks. The vanadium-rich iron (magnetite) concentrate is targeted for blending by steelmakers to obtain vanadium and iron units.

Ilmenite and iron-vanadium concentrates from the Pilot were used for evaluation purposes by Jiuxing and will be used for evaluation by other potential offtake parties for the balance of Barrambie production. In addition, Jiuxing has conducted smelting trials on blended mixed gravity concentrate samples from Barrambie (i.e. without further processing into individual titanium and iron/vanadium concentrates). Neometals has run its own smelting trial on similarly blended mixed gravity concentrates to validate the Jiuxing results. The smelting trial was undertaken at the School of Metallurgy at China Northeastern University ('**China Northeastern**') under the supervision of Professor Sun Shuchen, a highly regarded pyro metallurgist in China who specialises in high-temperature smelting. Results are pending.

### Next Steps

Post financial year end, Neometals completed the mining of a bulk sample test pit at Barrambie to extract approximately 400 tonnes of mineralisation for gravity concentration in Western Australia. Approximately 100 tonnes of concentrate will be commercially trialled in Jiuxing's titanium smelters as a final stage of Jiuxing's due diligence. The remaining concentrate will be used to advance evaluation by other potential third-party off-takers. These activities are expected to be completed by the end of the December Quarter 2021. Under the Jiuxing MOU the parties are targeting execution of a binding formal offtake agreement in the first quarter of 2022.

**Figure X** - *Image showing potential for downstream processing of a Barrambie mixed gravity concentrate by reductive roasting and magnetic separation into separate ilmenite (titanium) and vanadium rich magnetite (iron) products*



## EXPLORATION PROJECTS

# MT EDWARDS LITHIUM AND NICKEL PROJECT

(Neometals 100%)

**Since acquisition in 2018, Neometals' activities have focused on reviewing and re-estimation of its eleven separate Mineral Resources, where required, to provide a sound basis for future mining studies to evaluate the development of a pipeline of short lead-time nickel sulphide deposits.**

The Mt Edwards project is located approximately 80km south of Kalgoorlie and 40km south-west of Kambalda in Western Australia. The tenements cover an area of ~240km2 across the Widgiemooltha Dome nickel sulphide belt and host 162,560 tonnes of contained nickel estimated across eleven nickel sulphide Mineral Resources (for full details refer to Neometals ASX announcement entitled 'Review of Nickel Mineral Resource at Mt Edwards Complete' released on 7th July 2021).

## Demerger of Mt Edwards assets

Immediately after year end, Neometals announced its intention to demerge its Mt Edwards Nickel Project into a dedicated nickel exploration and development company to be called Widgie Nickel Limited ('Widgie Nickel').

Neometals has distributed 100% of the Widgie Nickel shares on issue to eligible Neometals shareholders via a capital reduction and in-specie distribution of those shares, pro rata to their shareholding in Neometals as at 24 August 2021.

Eligible Neometals shareholders received 1 ordinary share in Widgie Nickel for approximately every 4.218 shares held in Neometals ('In-Specie Distribution').

Widgie Nickel also completed a $24 million fundraising via an underwritten, non-renounceable pro rata entitlement offer to its shareholders who remain on its share register on the relevant record date on a 1 for 1.083 basis at $0.20 per new Widgie Nickel share (Entitlement Offer), giving them the right (but not the obligation) to continue to further participate in the advancement of Widgie Nickel's exploration and development assets.

Widgie Nickel listed on the ASX on 22 September, 2021.

### EXPLORATION PROJECTS

# LITHIUM REFINERY PROJECT

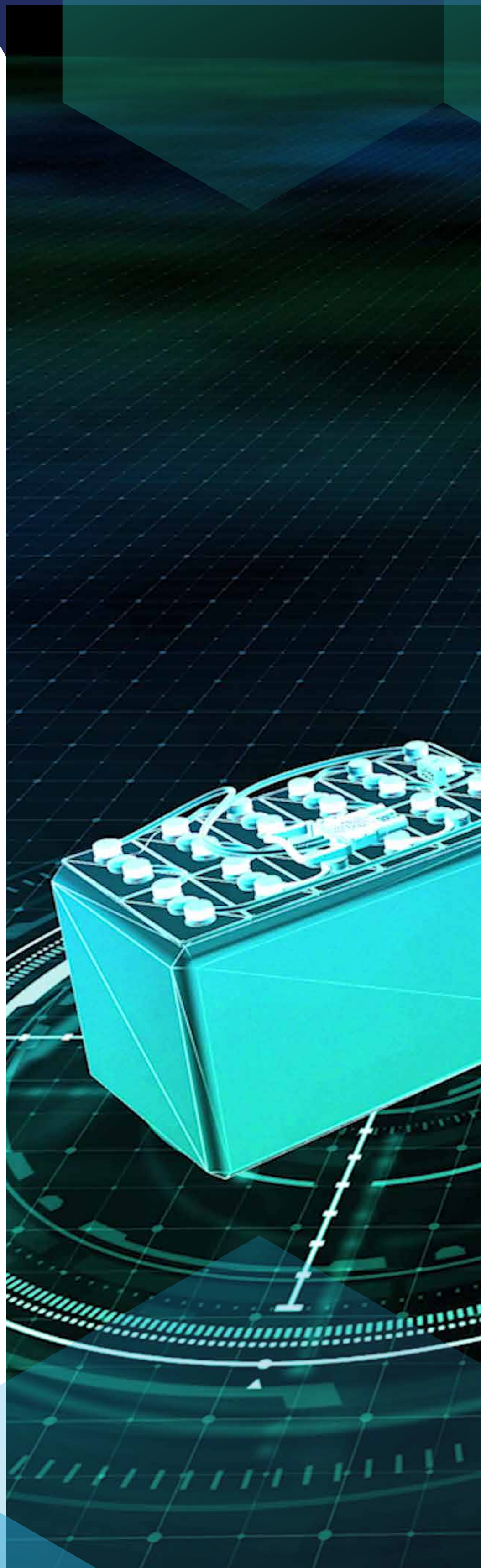
(Neometals 100%)

**Pursuant to the MOU between Neometals and Manikaran Power Limited ('Manikaran'), the parties continued their co-funded evaluation studies during the year towards the development of a lithium refinery in India. Key activity related to the completion of the Class 3 feasibility study.**

On 3 June 2021 Neometals announced that it received, and accepted, an offer from Reed Industrial Minerals Pty Ltd ('RIM'), the owner of the Mt Marion Lithium Project (Mt Marion), for Neometals to relinquish its Mt Marion spodumene offtake option rights for the sum of A$30 million (ex GST).

As a result of the relinquishment of the Mt Marion spodumene offtake option, a strategic review was undertaken by the Company on the Indian lithium refinery. Following this review, on 30 August 2021 it was announced that the MOU with Manikaran was terminated.

Neometals is continuing to advance its suite of lithium related processing technologies, including the patented 'ELi®' technology owned 70:30 by Neometals and Mineral Resources Limited, for the purification and electrolysis of lithium chloride solutions to produce lithium hydroxide (for further details see Neometals ASX announcement dated 11 July 2016 titled 'Positive Lithium downstream Processing Feasibility Results').



# ANNUAL MINERAL RESOURCE STATEMENT

**29 September 2021**

## Barrambie Project Mineral Resource Estimate

| | Tonnes (M) | $TiO_2$ (%) | $V_2O_5$ (%) |
|---|---|---|---|
| Indicated | 187.1 | 9.61 | 0.46 |
| Inferred | 93.0 | 8.31 | 0.40 |
| **Total** | **280.1** | **9.18** | **0.44** |

*Reporting criteria: ≥ 10% $TiO_2$ or ≥ 0.2% $V_2O_5$; small discrepancies may occur due to rounding*

*See ASX Release 17 April 2018 titled: Updated Barrambie Mineral Resource Estimate*

There has been no change in the Barrambie Mineral Resource estimate since the 2020 Annual Statement.

## Removal of the Barrambie Project Ore Reserve Estimate

The Barrambie Project has no Ore Reserve in 2021. The Probable Ore Reserve reported on 22 May 2019 and included within the 2020 Annual Report is now considered to be a historic estimate. A review of the Barrambie project determined that while the flow sheet considers the vanadium product it does not sufficiently capture the value held in the iron and titanium of the Mineral Resource. While still feasible, the flowsheet used in the 2019 Ore Reserve is no longer the preferred development option for the project.

Therefore, the Ore Reserve, previously reported in October 2020 as 39.9 Mt at 0.78% V2O5, 15.1% TiO2 and 46.4% Fe2O3, has been removed for the 29 September 2021 reporting.

## Divestment of the Mt Edwards Nickel Project Mineral Resource

The 2020 Neometals annual statement of Mineral Resources stated a position of eleven Inferred and Indicated Mineral Resources for a total of 8,382 thousand tonnes at 1.7% nickel for 146,000 tonnes of contained nickel at the Mt Edwards Nickel Project.

As at 29 September 2021 Neometals holds no Nickel Mineral Resources, with the Mt Edwards Nickel project divested through an in-specie distribution to a new company "Widgie Nickel Limited". The divestment of the Mt Edwards project was announced to the market on 1 July 2021, with the resolution passed by Neometals shareholders at an Extraordinary General Meeting on 18 August 2021.

## Mt Edwards Nickel Project – Change in Mineral Resource from 2020 to 2021

As per listing rule 5.21.4 a comparison Is made with last year's Mineral Resource statement as there have been material differences due to the divestment of the Mt Edwards project by Neometals. The Company held a Mineral Resource position of 8,382 thousand tonnes at 1.7% nickel for 146,000 tonnes of contained nickel on 2 October 2020, to now as at 29 September 2021 having no Nickel Mineral Resources.

# ANNUAL MINERAL RESOURCE STATEMENT (CONTINUED)

**29 September 2021**

## Competent Persons Statement

The Barrambie Mineral Resource statement has been approved by Mr Michael Andrew, who consents to the inclusion in the report of the matters based on this information in the form and context in which it appears. Mr Andrew is a full-time employee of Snowden and is a Fellow of the Australasian Institute of Mining and Metallurgy.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcement.

# SUSTAINABILITY AT NEOMETALS

Committing to **optimise finite resources** with circular practices to **benefit society** and the **environment** for a **sustainable future**

# SUSTAINABILITY AT NEOMETALS (CONTINUED)

## ESG capacity continues to build

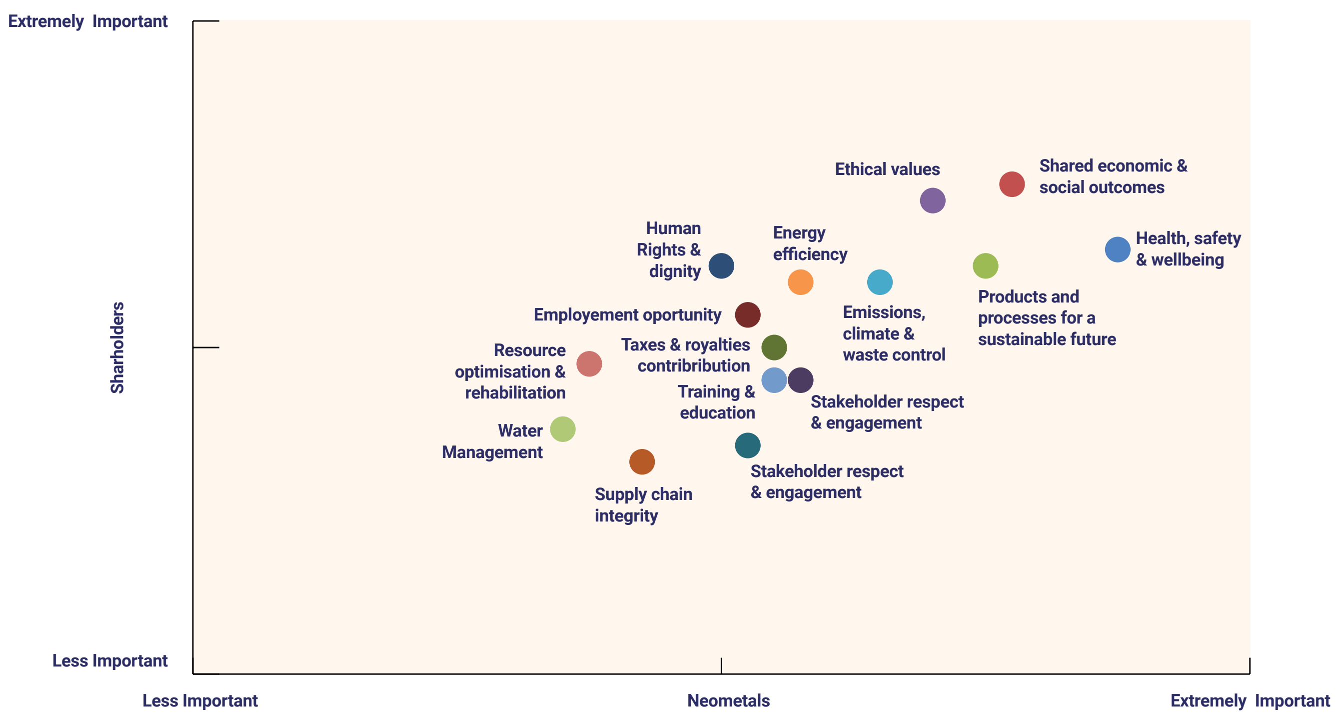
In FY20 Neometals set the foundations for its ESG and sustainability program and made a number of fundamental initial achievements:

- Produced a Materiality Matrix of priority topics affecting the Neometals business and its stakeholders;
- Became a signatory to the UN Global Compact, requiring contributions towards the 10 principles in the areas of human rights, labour, environment and anti-corruption;
- Set greenhouse gas baselines on Scope 1 and Scope 2 emissions; and
- Delivered the inaugural sustainability report in accordance with GRI-Core standard requirements.

In FY21, Neometals set to build and improve its performance and disclosures, making a number of significant steps in its contributions towards a sustainable future.

## Stakeholder Engagement

After the initial approach in FY20, the Neometals Board adopted a more rigorous and in-depth methodology to materiality in FY21, ensuring topics being prioritised were as important to Neometals external stakeholders as they are to those within the business. Working with independent ESG specialists, Futureproof Consulting, surveys were distributed to both internal staff and external stakeholders including investors, partners, key suppliers, local community members and government and regulatory representatives. The survey asked stakeholders to rate environmental, social and governance issues in terms of their importance in order to inform and refresh the FY21 Materiality Matrix (below). In addition to receiving essential feedback on our sustainability priorities, the engagement process aimed to ensure that trusting relationships are built by regularly listening to, and engaging with, key stakeholders in an honest and transparent manner.



# SUSTAINABILITY AT NEOMETALS (CONTINUED)

## UN GLOBAL COMPACT

Neometals is committed to playing its part in global and Australian communities and strives to make a positive contribution to sustainable development through its membership of the United Nations Global Compact. The Compact promotes action from business in areas critical to ending poverty, protecting the environment and improving the prosperity of all people. In FY21, Neometals engaged more closely with the Compact community in Australia with Neometals MD Chris Reed speaking at the 2021 'Making Global Goals Local Business - Pathways to Decarbonisation' event organised by the Global Compact Network Australia. The session explored how businesses can harness existing technologies and opportunities to prepare for a net-zero future.

## CLIMATE AND TCFD

One of the key topics for both Neometals and its stakeholders is climate risk and the transition to a low-carbon economy. Given this year's IPCC climate change report and an increasing global focus on the same, Neometals has committed to follow international best-practice and will report against the Task Force on Climate-related Financial Disclosures (TCFD). The TCFD framework is structured around four thematic areas: governance, strategy, risk management, and metrics and targets. Neometals will implement the four recommendations across a multi-year roadmap with governance disclosures outlined in this year's Sustainability Report.


## RELEASE OF SECOND SUSTAINABILITY REPORT

Neometals is pleased to announce that it will release its second sustainability report, to be published in FY22. The Company aims to not only make significant contributions to a low-carbon future through its material recovery and recycling projects, but is wholeheartedly committed to sustainability and embedding responsible practices across all aspects of the business. For more detail, please see the full FY21 Sustainability Report, available soon on the Neometals' website.

# SUSTAINABILITY AT NEOMETALS (CONTINUED)

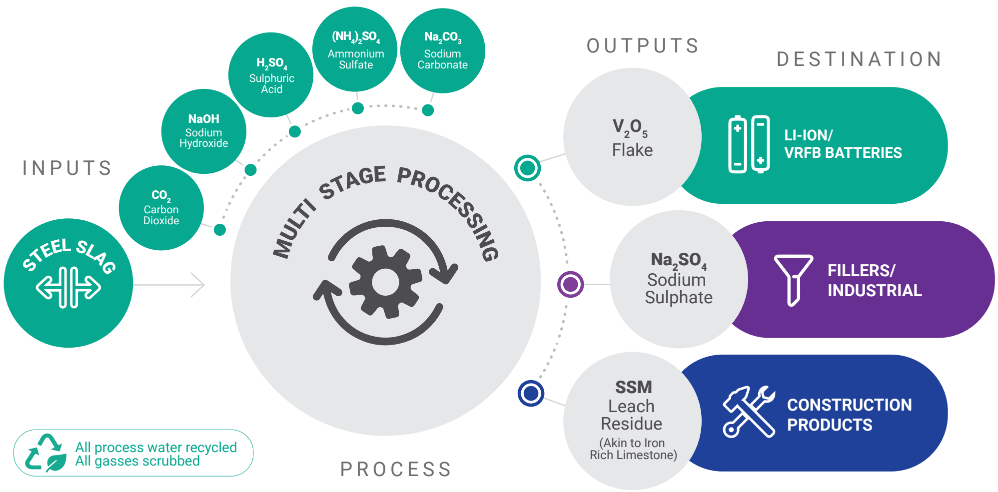
## ESG CASE STUDY: DEVELOPMENT OF NEW NEOMETALS VALUES

Neometals is strongly aware of the need for a 'social license to operate'. As part of this recognition, the Company has clearly articulated that its corporate purpose supports developing opportunities essential for a sustainable future.

The Vanadium Recovery Project supports the European battery and raw materials industry's desire to decarbonise its environmental footprint. The choice to deliver net zero (or negligible $CO_2$) vanadium without mining provides numerous stakeholder benefits. Those benefits outweigh the short term economic cost of bypassing the less sustainable, yet more recovery efficient, processing alternative (pyrometallurgy).

Neometals proposes to refine high purity vanadium from stockpiled steel industry by-product using hydrometallurgy. Traditional leaching methods rely on high strength acids that generate environmentally problematic tailings. Neometals has instead developed a unique alkaline leaching process that sequesters $CO_2$ for its reagent needs and eliminates waste. By-products are now suitable for re-use in the circular economy.

### NEOMETALS VANDUM RECOVERY PROCESS




"The sustainability benefits of the VRP are considerable and its exciting that this project will allow us to join our customers in the fight against climate change. Neometals strives to connecting corporate purpose to strategy with the health of the planet and its communities borne in mind."

- Neometals Managing Director, Chris Reed

*Full report viewable at https://www.neometals.com.au/esg/*

# DIRECTORS' REPORT

The directors of Neometals Ltd submit their report for the financial year ended 30 June 2021.

The names and particulars of the directors of the Company during or since the end of the financial year are:

## CURRENT DIRECTORS

| Mr Steven Cole | Non-executive Chairman |
|---|---|

Steven Cole has over 40 years of professional, corporate and business experience through senior legal consultancy, as well as a range of executive management and non-executive appointments.

His extensive boardroom and board sub-committee experience includes ASX listed, statutory, proprietary and NFP organisations covering the industrial, financial, educational, professional services, agribusiness, health and resources sectors.

Steven's professional qualifications include:

- Llb (hons)– University of Western Australia
- AICD Company Directors Diploma and Fellow
- Wharton Business School – University of Pennsylvania – Corporate Governance Program 2010
- Harvard – Corporate Governance Program 2015

**Appointed:** 24 July 2008

**Special responsibilities:** Chairman of each of the Nomination and Remuneration Committees and Member of each of the Audit and Risk Committees.

**Directorships of other listed companies:** Non-executive Director Matrix Composites and Engineering Ltd

| Mr David J. Reed OAM | Non-executive Director |
|---|---|

David Reed is a Fellow of CPA Australia with over 45 years' experience in stock broking and corporate management. From 1985 to 1997 Mr. Reed was chairman of stock-broking firm Eyres Reed Ltd until its sale to CIBC World Markets in 1997 at which time he became Chairman of CIBC Australia, a position he held until 2003. Mr. Reed has served as chairman of several ASX listed mineral exploration companies and served as Chairman of Neometals Ltd since inception in 2001 to 27 November 2015 when he was succeeded by Steven Cole. Mr. Reed is a former chairman of the fund raising committee for the Australian Prospectors and Miners Hall of Fame and secretary of the Amalgamated Prospectors and Leaseholders Association and was a co-founder of the Diggers and Dealers Forum in Kalgoorlie. Mr. Reed received an Order of Australia Medal in 2002 for his service to the community.

**Appointed:** 20 December 2001

**Special responsibilities:** Deputy Chairman and Member of the Nomination and Remuneration Committees

**Directorships of other listed companies:** Nil

| Mr Christopher J. Reed | Managing Director & CEO |
|---|---|

Christopher Reed is an accountant with over 25 years' experience in the resource industry including more than 15 years in corporate administration and management. Christopher served as Managing Director of Reed Resources Ltd (now Neometals Ltd) from September 2007 until May 2012 at which time he assumed the role executive director. Christopher resumed the role as Managing Director from 1 October 2013.

Mr. Reed holds a Bachelor of Commerce from the University of Notre Dame and a Graduate Certificate in Mineral Economics from the WA School of Mines. He is a member of the AusIMM.

**Appointed:** 20 December 2001

**Special responsibilities:** CEO

**Directorships of other listed companies:** Nil

## CURRENT DIRECTORS (continued)

| Dr Natalia Streltsova | Non-executive Director |
|---|---|

Natalia Streltsova is a PhD qualified chemical engineer with over 25 years' experience in the minerals industry, including over 10 years in senior technical and corporate roles with mining majors - WMC, BHP and Vale. Dr Streltsova has considerable international experience covering project development and acquisitions in South America, Africa and the Former Soviet Union. In the last 7 years, since finishing full-time executive roles, her focus has been on non-executive board memberships and consulting. She is a council member of Association of Mining and Exploration Companies and a graduate of the Australian Institute of Company Directors.

**Appointed:** 14 April 2016

**Special responsibilities:** Chair of the Risk Committee and Member of each of the Remuneration and Audit Committees.

**Directorships of other listed companies:** Western Areas Ltd & Ramelius Resources Limited

| Mr Douglas Ritchie | Non-executive Director |
|---|---|

Doug has four decades experience working in the mining industry, including as a member of Rio Tinto's Executive Committee, and the Group Executive responsible for China, Doug's expertise across the industry is extensive.

He has previously been a Director of Jinchuan Group International Resources (HKSE), Rossing Uranium Limited, Coal & Allied Limited (ASX 50), and various other ASX listed companies. He was also formerly Chairman of the Coal Industry Advisory Board to the International Energy Agency, a Director of the World Coal Association and a Director of the Queensland Resources Council. Between 2013 and April 2016, Doug was Chairman of UniQuest, the main commercialisation vehicle of the University of Queensland.

Doug is a Fellow of the Australian Institute of Mining and Metallurgy and a Fellow of the Australian Institute of Company Directors.

**Appointed:** 14 April 2016

**Special responsibilities:** Chairman of the Audit Committee and Member of each of the Nomination and Risk Committees.

**Directorships of other listed companies:** Nil

| Dr Jenny Purdie | Non-executive Director |
|---|---|

Dr Purdie's extensive career has seen her hold roles in engineering, senior technology, strategy and operations for leading international mining companies. Dr. Purdie is currently a senior executive of Jemena Management Holdings – Executive General Manager Gas Distribution - which follows her role as CEO of Adani Renewables Australia from 2017 to 2018. Dr. Purdie previously served as Executive Vice President - Enterprise Services at Aurizon, Global Practice Leader for Rio Tinto's Technology and Innovation team (leading a global network of in-house technologists and suppliers to deploy innovative technologies across Rio Tinto operations) and she filled engineering and management roles with Rio Tinto, Alcoa and Altona Petrochemical.

Dr Purdie has worked in a number of senior management and operational roles and has been deeply immersed in technology development. She has a PhD and Bachelor of Engineering (Chemical and Materials, Hons 1) from Auckland University and an Executive MBA from the University of Queensland. She is a committee member of Women in Mining and Resources Queensland, a fellow of the Institution of Chemical Engineers and a graduate of the Australian Institute of Company Directors.

**Appointed:** 27 September 2018

**Special Responsibilities:** Member of each of the Audit and Nomination Committees.

**Directorships of other listed companies:** Nil

## CURRENT DIRECTORS (continued)

| Mr Les Guthrie | Non-executive Director |
|---|---|

Mr Guthrie has over 40 years experience in the project delivery space. He has held corporate executive and project management roles, across the UK, Australia, North America and Asia. It is a background steeped in the strategy, development and delivery of major capital programs spanning mining, infrastructure and oil & gas.

He is currently Managing Director of Bedford Road Associates, where he has provided advice and delivery support to clients in Mongolia, S.Korea, New Zealand as well as in Australia. He was recently invited to be the sole international guest speaker at a conference jointly hosted by Seoul National University and the Korean Ministry of Trade & Industry.

Prior to establishing Bedford Road Mr Guthrie was Vice President Projects for BHP Billiton. Previously he held roles as Group Head of Capital Projects and President LNG for BG Group in the UK, President of Aker Kvaerner Inc. in the US, and Managing Director of Aker Kvaerner Australia.

Mr Guthrie was a founding contributor to the John Grill Centre for Project Leadership at Sydney University and is engaged as a subject matter expert by Ernst & Young Advisory.

**Appointed:** 27 September 2018

**Special responsibilities:** Member of the Risk Committee and Remuneration Committee.

**Directorships of other listed companies:** Australian Mines Ltd and DRA Global

## Company Secretary

| Mr Jason Carone | Chief Financial Officer and Company Secretary |
|---|---|

Mr. Carone is a Chartered Accountant with over 20 years' experience in accounting and company administration in Australia and South East Asia.

Mr. Carone holds a Bachelor of Commerce in Accounting and Business Law from Curtin University and is a member of the Chartered Accountants Australia & New Zealand, and Chartered Secretaries Australia.

**Appointed:** 4 March 2009

## Review of operations

The consolidated profit after income tax for the year attributable to members of Neometals Ltd was $16.3 million (2020: $14.6 million loss). A detailed review of the Company's operations during the financial year can be found on pages 8 to 19 of this Annual Financial Report.

## Changes in state of affairs

During the financial year the Consolidated Entity's primary focus centered on advancing its advanced minerals projects. There have not been any other significant changes in the affairs of the Consolidated Entity from the previous year other than as disclosed in the Director's Report.

## Principal activities

The Consolidated Entity's principal activities during the year centred on advancing its advanced minerals projects and developing its technology business unit.

## Events after the reporting period

On 18 August 2021, Neometals shareholders approved the demerger of Widgie Nickel Limited, a dedicated nickel exploration and development company holding Mt Edwards nickel assets. The demerged entity listed on the ASX on 22 September 2021.

On 30 August 2021, Neometals announced that its memorandum of understanding with Indian company Manikaran Power Limited to jointly fund the evaluation of developing an Indian lithium refinery had been terminated.

No other matters or circumstances have arisen since the end of the financial year that have significantly affected, or may significantly affect the operations, results of operations or state of affairs of the Group in subsequent financial years.

## COVID-19

Neometals recognises that COVID-19 is a rapidly evolving situation impacting us all. Whilst acknowledging the disruption to global commerce, Neometals finds itself well placed to continue to progress its projects and will continue to monitor any impacts the pandemic may have on its projects. The COVID19 outbreak and disruption during the financial year has not had a significant impact on Neometals financially. At this point in time the Company is experiencing minor delays in project timelines as a result of the pandemic. These delays are not expected to be significant.

## Future developments

The Consolidated Entity intends to continue its focus on disciplined evaluation and development of its four core assets, Lithium-ion Battery Recycling, Vanadium Recovery, Lithium Refinery Project and the Barrambie Vanadium and Titanium Project. These core projects are characterised by a combination of proven and innovative process flow sheets, successful mining operations and large JORC – compliant Resources.

## Environmental regulations

As required by section 299(1)(f) of the Corporations Act the Company confirms that it has performed all of its environmental obligations in accordance with applicable environmental regulations.

## Dividends

No dividends were paid during the year.

## Indemnification of officers and auditors

During the financial year the Company paid a premium in respect of a contract insuring the directors and officers of the Company and of any related body corporate against a liability incurred as a director or officer, to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Group or of any related body corporate against a liability incurred as such an officer or auditor.

## Unissued shares under option

There were no unissued ordinary shares of the company, Neometals Ltd, under option at the date of this report.

No shares of the Company were issued during or since the end of the financial year as a result of the exercise of an option over the unissued shares of the Company.

Please refer to the Remuneration Report at page 40 for details of Performance rights issued as part of KMP remuneration.

## Directors' Security Holdings

The following table sets out each director's relevant interest in shares, debentures, and rights or options in shares or debentures of the Company or a related body corporate as at the date of this report:

| Directors | Fully Paid Ordinary Shares | Share Options | Performance Rights |
|---|---|---|---|
| | Number | Number | Number |
| S. Cole | 1,890,160 | - | - |
| C. Reed | 7,375,460 | - | 2,889,775 |
| D. Reed | 39,588,900 | - | - |
| D. Ritchie | 184,819 | - | - |
| N. Streltsova | 184,819 | - | - |
| J. Purdie | 298,372 | - | - |
| L. Guthrie | 205,267 | - | - |

## Directors' Meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, ten Board meetings, one Nomination Committee meeting, one Remuneration Committee meeting, two Risk Committee and three Audit Committee meetings were held.

| Directors | Board of Directors | | Nomination Committee | | Remuneration Committee | | Risk Committee | | Audit Committee | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Held | Attended | Held (1) | Attended | Held (1) | Attended | Held (2) | Attended | Held | Attended |
| S. Cole | 10 | 10 | 1 | 1 | 1 | 1 | 2 | 2 | 3 | 3 |
| C. Reed | 10 | 10 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| D. Reed | 10 | 10 | 1 | 1 | 1 | 1 | n/a | n/a | n/a | n/a |
| N. Streltsova | 10 | 10 | n/a | n/a | n/a | n/a | 2 | 2 | 3 | 3 |
| D.Ritchie | 10 | 10 | 1 | 1 | 1 | 1 | 2 | 2 | 3 | 3 |
| J. Purdie | 10 | 10 | n/a | n/a | n/a | n/a | n/a | n/a | 3 | 3 |
| L. Guthrie | 10 | 10 | n/a | n/a | n/a | n/a | 2 | 2 | n/a | n/a |

Meeting numbers in the 'Held' column are the number of meetings held whilst the relevant director was a member of the board or committee.

(1) Excludes several informal meetings of the members of the Nomination and Remuneration Committees to discuss matters including the establishment of executive KPIs for incentive-based remuneration and the TSR comparator group, board evaluation and board succession planning.

(2) Excludes several informal meetings of the members of the Risk Committee and management to discuss matters including the Company's strategic direction and resultant changes in risk exposure.

## Proceedings on Behalf of the Company

No person has applied for leave of the court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. The Company was not a party to any such proceedings during the year.

## Corporate Governance Statement

The Company is committed to high standards of corporate governance designed to enable the Company to meet its performance objectives and better manage its risks.

# DIRECTORS' REPORT (CONTINUED)



The Company has adopted a comprehensive governance framework in the form of a formal corporate governance charter together with associated policies, protocols and related instruments (together 'Charter').

The Company's Charter is based on a template which has been professionally verified to be complementary to and in alignment with the ASX Corporate Governance Council Principles and Recommendations 4th Edition 2019 ('ASX CGC P&R') in all material respects. The Charter also substantially addresses the suggestions of good corporate governance mentioned in the 'Commentary' sections of the ASX CGC P&R.

The Charter was formally adopted by the board on 19 December 2019. Prior to that date the Company's corporate governance charter was substantially reflective of the ASX Corporate Governance Council Principles and Recommendations 3rd Edition.

The Board of Neometals is responsible for the corporate governance of the company and its subsidiaries. The Board has governance oversight of all matters relating to the strategic direction, corporate governance, policies, practices, management and operations of Neometals with the aim of delivering value to its Shareholders and respecting the legitimate interest of its other valued stakeholders, including employees, suppliers and joint venture partners.

Under ASX Listing Rule 4.10.3, Neometals is required to provide in its annual report details of where shareholders can obtain a copy of its corporate governance statement, disclosing the extent to which the Company has followed the ASX Corporate Governance Council Principles and Recommendations in the reporting period. Neometals has published its corporate governance statement on the Corporate section of its website:

**www.neometals.com.au/reports/corporate-governance-statement.pdf**

# REMUNERATION REPORT (AUDITED)

## Key Management Personnel

The following persons were deemed to be Key Management Personnel ('KMP') during or since the end of the financial year for the purpose of Section 300A of the Corporations Act 2001 and unless otherwise stated were KMP for the entire reporting period.

### Non-executive Directors

- Steven Cole — Non-executive Director/Chairman
- David Reed — Non-executive Director/Deputy Chairman
- Natalia Streltsova — Non-executive Director
- Douglas Ritchie — Non-executive Director
- Jenny Purdie — Non-executive Director
- Les Guthrie — Non-executive Director

### Executive Directors

- Christopher Reed — Managing Director and CEO

### Other executives

- Jason Carone — Chief Financial Officer and Company Secretary
- Michael Tamlin — Chief Operating Officer
- Darren Townsend — Chief Development Officer

## Remuneration Policy for Key Management Personnel

### Non-executive directors

The board's policy is to remunerate Non-executive Directors at market rates for comparable companies for time, commitment and responsibilities. The remuneration committee on behalf of the board determines payments to the Non-executive Directors and reviews their remuneration annually, based on market practice, shareholder sentiment, board workload, company cashflow capacity and corporate performance generally. Independent external advice and/or benchmark comparisons are sought when required.
The maximum aggregate amount of fees that can be paid to Non-executive Directors is $600,000 as approved by shareholders at the Annual General Meeting on 27 November 2015. Fees for Non-executive Directors are not linked to the performance of the economic entity. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and invited to salary sacrifice fees for performance rights pursuant to the company's Performance Rights Plan ('PRP').

### General

The remuneration policy for employees is developed by the Remuneration Committee taking into account market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

The Company adopted a revised PRP for its staff, executive KMP and Non-executive Directors in November 2020 and shareholders reapproved the issue of securities under the plan in November 2020. The board believes that the PRP will assist the Consolidated Entity in remunerating and providing ongoing incentives to employees of the Group.

The rules of the PRP enable the Company to issue performance rights to eligible personnel subject to performance and vesting conditions determined by the Company. Each performance right entitles the holder, for nil cash consideration, to one fully paid ordinary share in the Company for every performance right offered, if the applicable performance and vesting conditions set for that holder are satisfied.

During the financial year a total of 4,237,645 (2020: 3,408,604) performance rights were offered to and accepted by KMP.
Of this amount 3,805,084 performance rights are subject to relative and absolute Total Shareholder Return ('TSR') and other strategic hurdles, details of which can be found in the 'Service agreements - performance based remuneration' section below.
Testing undertaken for the period ended 31 December 2020 resulted in no performance rights subject to the TSR criteria vesting.
Testing undertaken for the period ended 30 June 2021 resulted in 80% or 1,948,091 performance rights subject to the TSR criteria vesting. The remaining 20% will be retested at 31 December 2021.

# REMUNERATION REPORT (AUDITED)
(continued)

The Group's remuneration policy for executive KMP seeks to balance its desire to attract, retain and motivate high quality personnel with the need to ensure that remuneration incentivises them to pursue growth and success of the Company without taking undue risks and without it being excessive remuneration.

To align the interests of the executive with that of the company remuneration packages for executive KMPs contain the following key elements:

a) Fixed Base Salary – salary, superannuation and non-monetary benefits;

b) Short Term Incentives – cash incentives applied to a maximum percentage of Fixed Base Salary and structured against relative satisfaction (at the reasonable discretion of the board) of certain corporate and personally related key performance indicators of the executive.

c) Long Term Incentives – the grant of performance rights in the Company, with value capped to a maximum percentage of Fixed Base Salary, vesting progressively while the executive remains employed, with the degree of vesting structured against the Company's relative and absolute TSR performance against a comparator group of companies as well as other strategic hurdles.

The Company's remuneration is specifically designed to encourage loyalty and longevity of employment as well as aligning the employee's interests with those of the Company and the creation of genuine long term sustainable value for security holders.

All remuneration provided to KMP in the form of share based payments are valued pursuant to AASB 2 Share-based Payment at fair value on grant date and are expensed on a pro rata basis over the vesting period of the relevant security.

### Relationship between the remuneration policy and company performance

The table below sets out summary information about the Consolidated Entity's earnings and movements in shareholder wealth for the five years to June 2021:

| | 30 June 2021 $ | 30 June 2020 $ | 30 June 2019 $ | 30 June 2018 $ Restated | 30 June 2017 $ |
|---|---|---|---|---|---|
| Revenue(i) | - | - | - | - | - |
| Net profit / (loss) before tax(ii) | 20,976,747 | (19,837,973) | (19,242,733) | 4,009,985 | 4,745,744 |
| Net profit / (loss) after tax(iii) | 16,343,172 | (14,553,693) | 76,178,556 | 15,679,541 | 4,963,444 |
| Share price at start of year | 0.16 | 0.21 | 0.30 | 0.27 | 0.450 |
| Share price at end of year | 0.48 | 0.16 | 0.21 | 0.30 | 0.270 |
| Market capitalisation at year end (undiluted) | 261,768,607 | 87,122,706 | 114,234,596 | 163,059,742 | 147,447,206 |
| Basic profit / (loss) per share | 0.030 | (0.027) | 0.1400 | 0.0290 | 0.0085 |
| Diluted profit / (loss) per share | 0.030 | (0.027) | 0.1401 | 0.0288 | 0.0084 |
| Dividends Paid | - | 10,890,338 | 10,879,485 | 5,435,325 | 11,260,217 |

*(i) Although 2 financial years have returned a net profit before tax there has been no revenues from ordinary activities. The group has been profitable in those financial years from profits booked from the Mt Marion project in 2017 and 2018 and an impairment reversal in 2018 relating to the Barrambie project.*

*(ii) Exclusive of profits resulting from discontinued operations.*

*(iii) Inclusive of profits resulting from discontinued operations.*

# REMUNERATION REPORT (AUDITED)

(continued)



## Key management personnel remuneration

The KMP received the following amounts during the year as compensation for their services as directors and executives of the Company and/or the Group.

| 2021 | Short-term employee benefits | | | | Post-employment benefits | Share based payments | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Salary & fees $ | Bonus FY 20'21 $ | Non-Monetary[1] $ | Other $ | Super-annuation $ | Shares $ | Performance rights $ | Total $ | % remuneration linked to performance |
| **Non-executive Directors** | | | | | | | | | |
| S. Cole | 73,059 | - | - | - | 6,941 | - | 50,000 | 130,000 | - |
| D. Reed | 73,059 | - | - | - | 6,941 | - | - | 80,000 | - |
| N. Streltsova | 62,100 | - | - | - | 5,900 | - | 12,000 | 80,000 | - |
| D. Ritchie | 62,100 | - | - | - | 5,900 | - | 12,000 | 80,000 | - |
| J. Purdie | 54,795 | - | - | - | 5,205 | - | 20,000 | 80,000 | - |
| L. Guthrie | 63,927 | - | - | - | 6,073 | - | 10,000 | 80,000 | - |
| | **389,040** | **-** | **-** | **-** | **36,960** | **-** | **104,000** | **530,000** | **-** |
| **Executive directors** | | | | | | | | | |
| C. Reed | 515,000 | 153,000 | 48,691 | - | 25,000 | - | 188,294 | 929,985 | 37 |
| | **515,000** | **153,000** | **48,691** | **-** | **25,000** | **-** | **188,294** | **929,985** | **-** |
| **Other executives** | | | | | | | | | |
| M. Tamlin | 349,400 | 111,197 | 55,145 | - | 25,000 | - | 85,975 | 626,717 | 31 |
| J. Carone | 305,000 | 74,250 | 30,891 | - | 25,000 | - | 73,117 | 508,258 | 29 |
| D. Townsend | 335,000 | 106,920 | 29,461 | - | 25,000 | - | 82,668 | 579,049 | 33 |
| | **989,400** | **292,367** | **115,497** | **-** | **75,000** | **-** | **241,760** | **1,714,024** | **-** |
| **Total** | **1,893,440** | **445,367** | **164,188** | **-** | **136,960** | **-** | **534,054** | **3,174,009** | **-** |

| 2020 | Short-term employee benefits | | | | Post-employment benefits | Share based payments | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Salary & fees $ | Bonus FY 20'21 $ | Non-Monetary[1] $ | Other $ | Super-annuation $ | Shares $ | Performance rights $ | Total $ | % remuneration linked to performance |
| **Non-executive Directors** | | | | | | | | | |
| S. Cole | 73,059 | - | - | - | 6,941 | - | 50,000 | 130,000 | - |
| D. Reed | 73,059 | - | - | - | 6,941 | - | - | 80,000 | - |
| N.Streltsova | 62,100 | - | - | - | 5,900 | - | 12,000 | 80,000 | - |
| D. Ritchie | 62,100 | - | - | - | 5,900 | - | 12,000 | 80,000 | - |
| J. Purdie | 54,795 | - | - | - | 5,205 | - | 20,000 | 80,000 | - |
| L. Guthrie | 63,927 | - | - | - | 6,073 | - | 10,000 | 80,000 | - |
| | **389,040** | **-** | **-** | **-** | **36,960** | **-** | **104,000** | **530,000** | **-** |
| **Executive directors** | | | | | | | | | |
| C. Reed | 515,000 | 90,000 | 41,109 | - | 25,000 | - | 240,140 | 911,249 | 36 |
| | **515,000** | **90,000** | **41,109** | **-** | **25,000** | **-** | **240,140** | **911,249** | **-** |
| **Other executives** | | | | | | | | | |
| M. Tamlin | 349,400 | 61,776 | 50,776 | - | 25,000 | - | 93,060 | 580,012 | 27 |
| J. Carone | 305,000 | 41,250 | 11,795 | - | 25,000 | - | 77,388 | 460,433 | 26 |
| D. Townsend | 335,000 | 59,400 | - | - | 25,000 | - | 108,904 | 528,304 | 32 |
| | **989,400** | **162,426** | **62,571** | **-** | **75,000** | **-** | **279,352** | **1,568,749** | **-** |
| **Total** | **1,893,440** | **252,426** | **103,680** | **-** | **136,960** | **-** | **623,492** | **3,009,998** | **-** |

*(1) Relates to fringe benefits received by key management personnel*

# REMUNERATION REPORT (AUDITED)
(continued)

## Service agreements - performance based remuneration

The KMP of the Company, other than non-executive directors, are employed under service agreements. A summary of performance conditions for relevant KMP are detailed below:

### Mr. J. Carone
**Chief Financial Officer / Company Secretary**

**Term**
No defined term

**Termination**
3 months notice period and 3 months' termination payment

#### INCENTIVE BASED REMUNERATION

**Short Term Incentive**
Each financial year during the term of his service agreement the board, at its sole discretion, may award the KMP a cash bonus up to 25% of the KMP's annual salary package ($330,000 inclusive of superannuation for 2020-21). The basis for calculating the STI will be a range of criteria including both the KMP's personal performance and the Company's financial performance/position and share price. The STI for 2020-21 was set at a maximum of $82,500 of which 90% or $74,250 was agreed to be paid by management.

**Long Term Incentive**
Each financial year during the term of his service agreement the KMP is entitled to receive performance rights granted under the Company's Performance Rights Plan. The number of performance rights to which the KMP may be granted is based on the following calculation and vesting of the performance rights are subject to further criteria which are also set out below.

**Calculation of potential entitlement to performance rights**

$$P= \frac{33}{100} \times \frac{S}{VWAP}$$

**Where**
P is the potential performance rights entitlement

S is the KMP's annual salary package for the applicable period

VWAP is the 30 day volume weighted average price of ordinary shares in Neometals Ltd for the period ended 30 June of the preceding financial year.

### Mr. C. Reed
**Managing Director**

**Term**
Expiry date of 30 June 2022

**Termination notice period**
12 months by employee

**Termination notice period**
6 months by executive

#### INCENTIVE BASED REMUNERATION

**Short Term Incentive**
Each financial year during the term of his service agreement the board, at its sole discretion, may award the KMP a cash bonus of up to one third of the KMP's annual salary package ($540,000 inclusive of superannuation for 2020-21). The STI for 2020-21 was set at a maximum of $180,000 representing approximately 33% of the annual base salary package of which 85% or $153,000 was acknowledged and agreed by the Board and Mr C Reed. The basis for calculating the STI will be a range of criteria including both the KMP's personal performance and the Company's financial performance / position and share price.

**Long Term Incentive**
Each financial year during the term of his service agreement the KMP is entitled to receive performance rights granted under the Company's Performance Rights Plan. The maximum number of performance rights to which the KMP may be granted is based on the following calculation and vesting of the performance rights are subject to further criteria which are also set out below, as approved by shareholders.

**Calculation of potential entitlement to performance rights**

$$P= \frac{50}{100} \times \frac{S}{VWAP}$$

**Where**
P is the potential performance rights entitlement

S is the KMP's annual salary package for the applicable period

VWAP is the 60 day volume weighted average price of ordinary shares in Neometals Ltd for the period ended 30 June of the preceding financial year.

## Service agreements - performance based remuneration (continued)

### Mr. M. Tamlin
**Chief Operating Officer**

**Term**
No defined term

**Termination notice period**
6 months

#### INCENTIVE BASED REMUNERATION

**Short Term Incentive**
Each financial year during the term of his service agreement the board, at its sole discretion, may award the KMP a cash bonus of up to 33% of the KMP's annual salary package ($374,400 inclusive of superannuation for 2020-21). The STI for 2020-21 was set at a maximum of $123,552 representing approximately 33% of the annual base salary package of which 90% or $111,197 was acknowledged and agreed by the board and Mr M Tamlin. The basis for calculating the STI will be a range of criteria including both the KMP's personal performance and the Company's financial performance / position and share price.

**Long Term Incentive**
Each financial year during the term of his service agreement the KMP is entitled to receive performance rights granted under the Company's Performance Rights Plan. The maximum number of performance rights to which the KMP may be granted is based on the following calculation and vesting of the performance rights are subject to further criteria which are also set out below, as approved by shareholders.

**Calculation of potential entitlement to performance rights**

$$P = \frac{33}{100} \times \frac{S}{VWAP}$$

**Where**
P is the potential performance rights entitlement

S is the KMP's annual salary package for the applicable period

VWAP is the 30 day volume weighted average price of ordinary shares in Neometals Ltd for the period ended 30 June of the preceding financial year.

### Mr. D. Townsend
**Chief Development Officer**

**Term**
No defined term

**Termination notice period**
6 months

#### INCENTIVE BASED REMUNERATION

**Short Term Incentive**
Each financial year during the term of his service agreement the board, at its sole discretion, may award the KMP a cash bonus of up to 33% of the KMP's annual salary package ($360,000 inclusive of superannuation for 2020-21). The STI for 2020-21 was set at a maximum of $118,800 representing approximately 33% of the annual base salary package of which 90% or $106,920 was acknowledged and agreed by the CEO and Mr D Townsend. The basis for calculating the STI will be a range of criteria including both the KMP's personal performance and the Company's financial performance / position and share price.

**Long Term Incentive**
Each financial year during the term of his service agreement the KMP is entitled to receive performance rights granted under the Company's Performance Rights Plan. The maximum number of performance rights to which the KMP may be granted is based on the following calculation and vesting of the performance rights are subject to further criteria which are also set out below, as approved by shareholders.

**Calculation of potential entitlement to performance rights**

$$P = \frac{33}{100} \times \frac{S}{VWAP}$$

**Where**
P is the potential performance rights entitlement

S is the KMP's annual salary package for the applicable period

VWAP is the 30 day volume weighted average price of ordinary shares in Neometals Ltd for the period ended 30 June of the preceding financial year.

# REMUNERATION REPORT (AUDITED)
(continued)

## Service agreements - performance based remuneration (continued)

### Criteria

The grant of Performance Rights is designed to reward long term sustainable business performance measured over a three year period with an opportunity for the performance conditions to be re-measured six months later should they not vest at the first vesting date. The KMP's entitlement to the performance rights is dependent on 3 criteria:

#### (a) Tranche 1 – Relative TSR

The performance conditions of 40% of Performance Rights will be measured as at each vesting date by comparing the Company's total shareholder return (TSR) with that of a comparator group of resource companies over the relevant period.

The Performance Rights will vest depending on the Company's percentile ranking within the comparator group on the relevant Vesting Date as follows:

- If the Company ranks below the 50th percentile, none of the Performance Rights will vest.
- If the Company ranks at the 50th percentile, 50% of the Performance Rights will vest.
- For each 1% ranking at or above the 51st percentile, an additional 2% of the Performance Rights will vest, with 100% vesting where the Company ranks at or above the 75th percentile.

#### (b) Tranche 2 – Absolute TSR

The performance conditions of 40% of Performance Rights will be measured as at each vesting date by calculating the Company's TSR calculated over the period commencing on the Comparator Start Date and ending on the relevant Vesting Date (Absolute TSR).

The Performance Rights will vest depending on the Company's Absolute TSR on the relevant Vesting Date as follows:

- If the Company's Absolute TSR is less than 15%, none of the Performance Rights will vest.
- If the Company's Absolute TSR is 15%, 50% of the Performance Rights will vest.
- each additional 1% TSR above 15% Absolute TSR, an additional 10% of the Performance Rights will vest, with 100% vesting where the Company's Absolute TSR is at or above 20%.

#### (c) Tranche 3 – Business plan

The performance conditions of 20% of Performance Rights will be measured as at each Vesting Date as follows:

10% will vest if the combined market capitalisation of Neometals and any entity demerged from the Neometals Group and separately listed on the ASX would meet the threshold for entry into the ASX/S&P 200 Index.

10% will vest if any two of the following are at least under construction via direct investment or joint venture involvement (as assessed by the Board):

- a LiOH plant;
- a Li-Battery recycling plant;
- a Titanium / Vanadium mine or process.

Performance rights granted to the KMP have a vesting period of 3 years from grant date and will lapse on the KMP ceasing to be an employee of the Group prior to the vesting date.

The Company provides the KMP with performance based incentives in order to incentivise KMP to pursue strategies that are aligned with the overall business strategy and the interests of the shareholders. Where deemed appropriate the Company has set specific Key Performance Indicators as performance criteria for staff that have a direct role/responsibility in achieving a specific outcome. To ensure that KMP are also incentivised to pursue longer term strategies that increase shareholder wealth a portion of the KMP's remuneration is linked to a 'comparative TSR model' which links the level of the KMP remuneration to the Company's performance against a group of comparable ASX listed entities, using Total Shareholder Return as the basis of comparison. KMP are also issued with performance rights with service conditions as vesting criteria which assist the company to retain staff as well as aligning the interests of the KMP with shareholders. The Company has deemed the issue of service based performance rights as an appropriate form of remuneration due to the uncertain nature of the Group's business, that is, mineral exploration, mining and developing new mineral processing technologies.

## Service agreements - performance based remuneration (continued)

**The comparator group adopted by the company for LTI granted in 2019 (vest 2021) is as follows:**

- Galaxy Resources Limited (ASX: GXY)
- TNG Ltd (ASX: TNG)
- Nemaska Lithium Inc. (TSX: NMX)
- Iluka Resources Limited (ASX: ILU)
- Argex Titanium Inc. (TSX: RGX)
- Pilbara Minerals Limited (ASX: PLS)
- Global X Lithium ETF (NYSE Arca: LIT)
- S&P ASX Small Resources Index (ASXR: ASX)
- S&P ASX 300 (ASX: XKO)
- Orocobre Limited (ASX: ORE)
- Umicore Belgium (BSE:UMI)
- AVZ Minerals Limited (ASX:AVZ)

**The comparator group adopted by the company for LTI granted in 2020 (vest 2022) is as follows:**

- Galaxy Resources Limited (ASX: GXY)
- TNG Ltd (ASX: TNG)
- Nemaska Lithium Inc. (TSX: NMX)
- Iluka Resources Limited (ASX: ILU)
- Argex Titanium Inc. (TSX: RGX)
- Pilbara Minerals Limited (ASX: PLS)
- Global X Lithium ETF (NYSE Arca: LIT)
- S&P ASX Small Resources Index (ASXR: ASX)
- S&P ASX 300 (ASX: XKO)
- Orocobre Limited (ASX: ORE)
- Umicore Belgium (BSE:UMI)
- AVZ Minerals Limited (ASX:AVZ)

**The comparator group adopted by the company for LTI granted in 2021 (vest 2023) is as follows:**

- Albermale (NYSE: ALB)
- TNG Ltd (ASX: TNG)
- AMG Metallurgical Group NV (AMS: AMG)
- Iluka Resources Limited (ASX: ILU)
- Bushveld Minerals (LSE: BMN)
- Piedmont Lithium Inc. (ASX: PLL)
- Global X Lithium ETF (NYSE Arca: LIT)
- S&P ASX Small Resources Index (ASXR: ASX)
- S&P ASX 300 (ASX: XKO)
- Lithium Australia NL (ASX: LIT)
- Umicore Belgium (BSE:UMI)

The Company has selected the above group of companies as the comparator group for the following reasons:

1. It represents a reasonable cross section of resource companies with reasonably comparable market capitalisation, resource base and stage of development to that of the Company.
2. The group is primarily focused on developing industrial minerals projects.

The Company's performance rights plan was approved by shareholders at the 2020 AGM.

# REMUNERATION REPORT (AUDITED)
(continued)

## Performance rights issued as part of KMP remuneration

### Performance Rights granted to key management personnel

The following tables summarises information relevant to the current financial year in relation to the grant of performance rights to KMP as part of their remuneration. Performance rights are issued by Neometals Ltd.

| Name | During the Financial Year | | | | | |
|---|---|---|---|---|---|---|
| | Grant date | No. granted | No. vested | Fair value at grant date[3] | Earliest exercise date | Consideration payable on exercise |
| **KMP** | | | | | | |
| C. Reed[1] | 7/12/2020 | 1,656,754 | - | 299,872 | 30/06/2023 | - |
| J. Carone[1] | 7/12/2020 | 666,055 | - | 120,556 | 30/06/2023 | - |
| M. Tamlin[1] | 7/12/2020 | 755,670 | - | 136,776 | 30/06/2023 | - |
| D. Townsend[1] | 7/12/2020 | 726,605 | - | 131,516 | 30/06/2023 | - |
| N. Streltsova[2] | 7/12/2020 | 49,911 | 49,911 | 12,000 | 30/06/2021 | - |
| D. Ritchie[2] | 7/12/2020 | 49,911 | 49,911 | 12,000 | 30/06/2021 | - |
| S. Cole[2] | 7/12/2020 | 207,962 | 207,962 | 50,000 | 30/06/2021 | - |
| J. Purdie[2] | 7/12/2020 | 83,185 | 83,185 | 20,000 | 30/06/2021 | - |
| L. Guthrie[2] | 7/12/2020 | 41,592 | 41,592 | 10,000 | 30/06/2021 | - |
| **Total** | | **4,237,645** | **432,561** | **792,720** | | **-** |

*(1) The number of performance rights that will actually vest, if any, is determined by the Company's performance based on Neometals relative and absolute TSR compared to the comparative group of companies over a 3 year period and Business Plan strategic objectives.*

*(2) These Non-executive Directors have forgone Directors Fees for performance rights pursuant to the company's PRP.*

*(3) These values have been calculated using the monte carlo valuation method.*

Details of performance rights held by KMP and of shares issued during the financial year as a result of the vesting of performance rights:

| 2021 | Balance at 01/07/20 No. | Grant date | Granted No. | Fair value of rights at grant date $ | Vested during the financial year No. | Forfeited/ lapsed during the financial year No. | Balance at 30/06/2021 No. | Ordinary shares issued on exercise of rights No. |
|---|---|---|---|---|---|---|---|---|
| **KMP** | | | | | | | | |
| C. Reed[1] | 3,020,834 | 7/12/2020 | 1,656,754 | 299,872 | - | (952,474) | 3,725,114 | - |
| J. Carone[1] | 1,170,503 | 7/12/2020 | 666,055 | 120,556 | - | (370,012) | 1,466,546 | - |
| M. Tamlin[1] | 1,387,056 | 7/12/2020 | 755,670 | 136,776 | - | (444,015) | 1,698,711 | - |
| D. Townsend[1] | 1,350,786 | 7/12/2020 | 726,605 | 131,516 | - | (444,015) | 1,633,376 | - |
| N. Streltsova[2] | 68,512 | 7/12/2020 | 49,911 | 12,000 | 49,911 | - | 49,911 | 68,512 |
| D. Ritchie[2] | 68,512 | 7/12/2020 | 49,911 | 12,000 | 49,911 | - | 49,911 | 68,512 |
| S. Cole[2] | 285,467 | 7/12/2020 | 207,962 | 50,000 | 207,962 | - | 207,962 | 285,467 |
| J. Purdie[2] | 114,187 | 7/12/2020 | 83,185 | 20,000 | 83,185 | - | 83,185 | 114,187 |
| L. Guthrie[2] | 47,675 | 7/12/2020 | 41,592 | 10,000 | 41,592 | - | 41,592 | 47,675 |
| **Total** | **7,513,532** | | **4,237,645** | **792,720** | **432,561** | **(2,210,516)** | **8,956,308** | **584,353** |

*(1) The number of performance rights that will actually vest, if any, is determined by the Company's performance based on Neometals relative and absolute TSR compared to the comparative group of companies over a 3 year period and Business Plan strategic objectives.*

*(2) Under the Performance Rights Plan, Non-Executive Directors were invited to forgo part of their fees for their services in exchange for performance rights.*

# REMUNERATION REPORT (AUDITED)
(continued)

## Performance rights issued as part of KMP remuneration (continued)

### Performance Rights granted to key management personnel (continued)

| 2020 | Balance at 01/07/19 No. | Grant date | Granted No. | Fair value of rights at grant date $ | Vested during the financial year No. | Forfeited/ lapsed during the financial year No. | Balance at 30/06/2020 No. | Ordinary shares issued on exercise of rights No. |
|---|---|---|---|---|---|---|---|---|
| **KMP** | | | | | | | | |
| C. Reed[1] | 1,787,813 | 02/09/2019 | 1,233,021 | 141,797 | - | - | 3,020,834 | - |
| J. Carone[1] | 677,168 | 02/09/2019 | 493,335 | 56,734 | - | - | 1,170,503 | - |
| M. Tamlin[1] | 827,345 | 02/09/2019 | 559,711 | 64,367 | - | - | 1,387,056 | - |
| D. Townsend[1] | 812,602 | 02/09/2019 | 538,184 | 61,891 | - | - | 1,350,786 | - |
| N. Streltsova[2] | 39,348 | 02/09/2019 | 68,512 | 12,000 | 68,512 | - | 68,512 | 39,348 |
| D. Ritchie[2] | 39,348 | 02/09/2019 | 68,512 | 12,000 | 68,512 | - | 68,512 | 39,348 |
| S. Cole[2] | 163,948 | 02/09/2019 | 285,467 | 50,000 | 285,467 | - | 285,467 | 163,948 |
| J. Purdie[2] | - | 02/09/2019 | 114,187 | 20,000 | 114,187 | - | 114,187 | - |
| L. Guthrie[2] | - | 24/10/2019 | 47,675 | 10,000 | 47,675 | - | 47,675 | - |
| **Total** | **4,347,572** | | **3,408,604** | **428,789** | **584,353** | **-** | **7,513,532** | **242,644** |

*(1) The number of performance rights that will actually vest, if any, is determined by the Company's performance based on Neometals relative and absolute TSR compared to the comparative group of companies over a 3 year period and Business Plan strategic objectives.*

*(2) Under the Performance Rights Plan, Non-Executive Directors were invited to sacrifice part of their fees for their services in exchange for performance rights.*

*(3) These values have been calculated using the monte carlo valuation method.*

The performance rights granted entitle the grantee to one fully paid ordinary share in Neometals Ltd for nil cash consideration on satisfaction of the vesting criteria.

### Use of remuneration consultants

During the year no remuneration consultants were used in relation to the company's Performance Rights Plan.

**This is the end of the audited remuneration report.**

## Auditor's Independence Declaration

The auditor's independence declaration is included on page 46 of the Annual Financial Report.

Signed in accordance with a resolution of directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the directors of Neometals Ltd.

CReed.

**Mr. Christopher Reed**
Managing Director
West Perth, WA
29 September 2021

Deloitte.

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# Independent Auditor's Report to the members of Neometals Ltd

## Report on the Audit of the Financial Report

*Opinion*

We have audited the financial report of Neometals Ltd (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2021, 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 other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001.*

*Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

*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 for 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.

Deloitte.

| Key Audit Matter | How the scope of our audit responded to the Key Audit Matter |
|---|---|
| **Exploration and Evaluation Asset and Expenditure**<br><br>As at 30 June 2021, the carrying value of exploration and evaluation assets totaled $36.3 million as disclosed in Note 13. The Group's accounting policy in respect of exploration and evaluation expenditure is disclosed in Note 2.<br><br>Significant judgement is required:<br>• in determining whether facts and circumstances indicate that the exploration and evaluation assets should be tested for impairment in accordance with the relevant accounting standard; and<br>• in determining the treatment of exploration and evaluation expenditure:<br>  o whether the particular area of interest meets the recognition conditions for an asset; and<br>  o which elements of exploration and evaluation expenditures qualify for capitalisation for each area of interest. | Our procedures associated with exploration and evaluation expenditure performed during the year included, but were not limited to:<br>• obtaining an understanding of the relevant controls associated with the capitalisation or expensing of exploration and evaluation expenditure; and<br>• testing on a sample basis, the appropriateness and value of costs capitalised during the year, including whether they were consistent with the Group's accounting policy.<br><br>Our procedures associated with assessing the carrying value of exploration and evaluation assets included, but were not limited to:<br>• assessing the relevant controls associated with the identification of indicators of impairment; and<br>• evaluating management's impairment indicator assessment, including whether any of the following events exist at the reporting date which may indicate that exploration and evaluation assets may not be recoverable:<br>  o obtaining a schedule of the areas of interest held by the Group and confirming whether the rights to tenure of those areas of interest remained current at balance date;<br>  o inquiring of management as to the status of ongoing exploration programmes in the respective areas of interest; and<br>  o assessing whether any facts or circumstances existed to suggest impairment testing was required.<br><br>We also assessed the appropriateness of the disclosures in Notes 2 and 13 to the financial statements. |

*Other Information*

The directors are responsible for the other information. The other information comprises the Directors' Report and Review of Operations, which we obtained prior to the date of this auditor's report, and also includes the following information which will be included in the Group's annual report (but does not include the financial report and our auditor's report thereon): letter from the Chairman and additional stock exchange information, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the letter from the Chairman, and additional stock exchange information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action.

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

*Auditor's Responsibilities for the Audit of the Financial Report*

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's 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, actions taken to eliminate threats or safeguards applied.

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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

*Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 32 to 41 of the Directors' Report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Neometals Ltd, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001.*

*Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 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.

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

**Ian Skelton**
Partner
Chartered Accountants
Perth, 29 September 2021

# AUDITOR'S INDEPENDENCE DECLARATION

Deloitte.

Deloitte Touche Tohmatsu
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The Board of Directors
Neometals Ltd
Level 1, 1292 Hay Street
West Perth WA 6005

29 September 2021

Dear Board Members

**Auditor's Independence Declaration to Neometals Ltd**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Neometals Ltd.

As lead audit partner for the audit of the financial report of Neometals Ltd for the year ended 30 June 2021, 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

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

**Ian Skelton**
Partner
Chartered Accountants

# DIRECTORS’ DECLARATION



**The directors declare that:**

(a) in the directors’ opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

(b) the attached financial statements are in compliance with International Financial Reporting Standards as stated in note 2 to the financial statements;

(c) in the directors’ opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity; and

(d) the directors have been given the declarations required by s.295A of the Corporations Act 2001.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

**On behalf of the directors of Neometals Ltd,**

**Mr. Christopher Reed**
Managing Director
West Perth, WA
29 September 2021

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2021

| | Note | 2021 $ | 2020 $ |
|---|---|---|---|
| **Continuing operations** | | | |
| Other income | 5 | 35,821,349 | 431,554 |
| Interest income | 5 | 527,398 | 1,630,841 |
| Employee expenses | 5 | (6,879,307) | (6,623,940) |
| Occupancy expenses | | (384,836) | (501,823) |
| Administration expenses | 5 | (3,641,986) | (3,461,528) |
| Finance costs | | (63,310) | (63,185) |
| Other expenses | 5 | (5,273,180) | (6,262,439) |
| Marketing expenses | | (526,457) | (304,080) |
| Foreign exchange loss | | (95,642) | (86,438) |
| Impairment expense | 5 | - | (4,596,935) |
| Impairment reversal | 23 | 1,678,210 | - |
| Share of loss in associate | 23 | (99,967) | - |
| Share of loss in Joint Venture | 22 | (85,525) | - |
| Profit/(loss) before income tax | | 20,976,747 | (19,837,973) |
| Income tax (expense)/benefit | 7 | (4,547,786) | 5,284,280 |
| **Profit/(loss) for the year from continuing operations** | | **16,428,961** | **(14,553,693)** |
| **Discontinued operations** | | | |
| **Loss for the year from discontinuing operations** | 6 | **(85,789)** | **-** |
| **Profit/(loss) for the year from continuing and discontinuing operations** | | **16,343,172** | **(14,553,693)** |
| **Other comprehensive income** | | **-** | **-** |
| **Total comprehensive profit/(loss) for the year** | | **16,343,172** | **(14,553,693)** |
| **Earnings per share** | | | |
| From continuing and discontinued operations: | | | |
| Basic (cents per share) | 19 | 3.00 | (2.67) |
| Diluted (cents per share) | 19 | 3.00 | (2.67) |

The 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 2021

| | Note | 2021 $ | 2020 $ |
|---|---|---|---|
| **Current assets** | | | |
| Cash and cash equivalents | 28 (a) | 93,897,137 | 77,043,016 |
| Trade and other receivables | 11 | 542,201 | 385,213 |
| Other financial assets | 12 | 1,938,368 | 1,192,757 |
| **Total current ordinary assets** | | **96,377,706** | - |
| Assets classified as held for sale | 6 | 11,494,537 | - |
| **Total current assets** | | **107,872,243** | **78,620,986** |
| **Non-current assets** | | | |
| Loan to joint ventures | 22 | 70,000 | - |
| Exploration and evaluation expenditure | 13 | 36,318,834 | 44,058,921 |
| Intangibles | | 755,081 | 793,053 |
| Investments in joint ventures | 22 | 2,811,339 | 1 |
| Investment in associate | 23 | 4,869,566 | 3,531,048 |
| Other financial assets | 12 | 7,811,000 | 5,396,000 |
| Right of use assets | 21 | 563,572 | 1,044,969 |
| Property, plant and equipment | 14 | 590,715 | 2,011,931 |
| **Total non-current assets** | | **53,790,107** | **56,835,923** |
| **Total assets** | | **161,662,350** | **135,456,909** |
| **Current liabilities** | | | |
| Trade and other payables | 15 | 5,245,188 | 2,182,786 |
| Provisions | 16 | 1,272,684 | 1,170,935 |
| Lease liability | 21 | 363,512 | 500,878 |
| Liabilities associated with the assets classified as held for sale | 6 | 452,489 | - |
| **Total current liabilities** | | **7,333,873** | **3,854,599** |
| **Non-current liabilities** | | | |
| Provisions | 16 | 455,476 | 1,326,359 |
| Lease liability | 21 | 336,398 | 721,854 |
| Deferred tax liability | 7 | 6,768,334 | - |
| **Total non-current liabilities** | | **7,560,208** | **2,048,213** |
| **Total liabilities** | | **14,894,081** | **5,902,812** |
| **Net assets** | | **146,768,269** | **129,554,097** |
| **Equity** | | | |
| Issued capital | 17 | 154,634,997 | 154,437,267 |
| Reserves | 18 | 9,041,400 | 8,368,130 |
| Accumulated losses | | (16,908,128) | (33,251,300) |
| **Total equity** | | **146,768,269** | **129,554,097** |

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2021

| | Issued Capital $ | Investment revaluation reserve $ | Other equity reserve $ | Share based payments reserve $ | Accumulated losses $ | Total $ |
|---|---|---|---|---|---|---|
| Balance at 01/07/19 | 154,264,634 | 1,019,637 | 300,349 | 6,300,747 | (7,807,269) | 154,078,098 |
| Loss for the period | - | - | - | - | (14,553,693) | (14,553,693) |
| Total comprehensive income for the period | - | - | - | - | (14,553,693) | (14,553,693) |
| Recognition of share-based payments (see note 18) | - | - | - | 924,147 | - | 924,147 |
| Recognition of shares issued under performance rights plan | 176,750 | - | - | (176,750) | - | - |
| Issue of dividends | - | - | - | - | (10,890,338) | (10,890,338) |
| Share issue costs, net of tax | (4,117) | - | - | - | - | (4,117) |
| **Balance at 30/06/20** | **154,437,267** | **1,019,637** | **300,349** | **7,048,144** | **(33,251,300)** | **129,554,097** |
| Gain for the period | - | - | - | - | 16,343,172 | 16,343,172 |
| Total comprehensive income for the period | - | - | - | - | 16,343,172 | 16,343,172 |
| Recognition of share-based payments (see note 18) | - | - | - | 873,520 | - | 873,520 |
| Recognition of shares issued under performance rights plan | 200,250 | - | - | (200,250) | - | - |
| Issue of dividends | - | - | - | - | - | - |
| Share issue costs, net of tax | (2,520) | - | - | - | - | (2,520) |
| **Balance at 30/06/21** | **154,634,997** | **1,019,637** | **300,349** | **7,721,414** | **(16,908,128)** | **146,768,268** |

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2021

| | Note | 2021 $ | 2020 $ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Research and development refund | | 2,220,548 | 1,497,829 |
| Payments to suppliers and employees | | (13,479,311) | (14,812,599) |
| Payments to suppliers – discontinued operations | | (85,789) | - |
| Net cash used in operating activities | 28 (c) | (11,344,552) | (13,314,770) |
| **Cash flows from investing activities** | | | |
| Payments for property, plant & equipment | | (153,171) | (1,023,959) |
| Payments for intellectual property | | (152,320) | (312,192) |
| Payments for exploration and evaluation | | (1,280,083) | (6,796,133) |
| Payments for exploration and evaluation – discontinued operations | | (2,548,919) | - |
| Payments for tenement acquisitions | | (100,000) | (550,000) |
| Receipts from tenement disposals | | 200,000 | - |
| Interest received | | 538,268 | 1,879,620 |
| Proceeds from disposal of discontinued operations (incl. GST) | | 33,000,000 | - |
| Payments for equity instruments | | (3,593,100) | (1,557,584) |
| Receipts from equity instruments | | 5,945,042 | 860,217 |
| Investment in joint venture | | (2,896,862) | - |
| Net cash generated by / (used in) investing activities | | 28,958,855 | (7,500,031) |
| **Cash flows from financing activities** | | | |
| Share issue costs | | (2,520) | (4,117) |
| Amounts received for security deposits | | 43,000 | - |
| Dividends paid | | - | (10,890,338) |
| Lease payments | | (683,113) | (645,884) |
| Interest and other finance costs paid | | (60,449) | (63,185) |
| Net cash used in financing activities | | (703,082) | (11,603,524) |
| **Net increase/(decrease) in cash and cash equivalents** | | 16,911,221 | (32,418,325) |
| **Cash and cash equivalents at the beginning of the financial year** | | 77,043,016 | 109,462,006 |
| **Effect of exchange rates on cash balances** | | 29,837 | (665) |
| **Cash and cash equivalents at the end of the financial year** | | 93,984,074 | 77,043,016 |
| **Less: cash and cash equivalents at the end of the financial year – discontinued operations** | | (86,937) | - |
| **Cash and cash equivalents at the end of the financial year – continuing operations** | 28 (a) | 93,897,137 | 77,043,016 |

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

# INDEX TO NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021


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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021

## 1. General information

Neometals Ltd is a limited public company incorporated in Australia and listed on the Australian Securities Exchange. The principal activities of the Consolidated Entity are mineral exploration. Neometals Ltd is the ultimate parent.

### Registered office and principal place of business

Level 1, 1292 Hay St, West Perth WA 6005

## 2. Significant accounting policies

### Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations, and complies with other requirements of the law. The financial statements comprise the consolidated financial statements of the Consolidated Entity, comprising Neometals Ltd and its controlled entities. For the purpose of preparing the financial statements the consolidated entity is a for-profit entity.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors of Neometals Ltd on 29 September 2021.

### Basis of preparation

The financial report has been prepared on a going concern basis. The accounting policies adopted are consistent with those adopted and disclosed in the Consolidated Entity's 2020 Annual Financial Report for the financial year ended 30 June 2020, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with IRFS.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Boards ('AASB') that are relevant to its operations and effective for the current reporting period beginning 1 July 2020.

The financial report has been prepared on the basis of historical cost except for the revaluation of certain non-financial assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Certain comparative amounts have been re-presented to conform with the current period's presentation to better reflect the nature of the financial position and performance of the Group, in particular:

- On 1 July 2021, Neometals announced intention to demerge Mt Edwards Nickel Project into a new company "Widgie Nickel Limited". Therefore, at 30 June 2021, Mt Edwards Lithium Pty Ltd was classified as a non-current asset held for sale as disclosed in Note 6. In accordance with AASB 5 Non-current Assets Held for Sale and Discontinued Operations, the Group has:
  - presented the loss from Mt Edwards Lithium separately from its continuing operations in its Consolidated Statement of Profit or Loss and Other Comprehensive Income in the current year and restated the prior year. Refer to Note 6 for further details;
  - presented the assets and liabilities of Mt Edwards Lithium as held for sale separately from other assets and liabilities in the Consolidated Statement of Financial Position as at 30 June 2021 with no re-presentation of amounts presented in the prior period. Refer to Note 6 for further details; and
  - continued to present the Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows including both continuing operations and discontinued operations.

### Going concern

The Directors believe that Neometals Ltd will continue as a going concern, and as a result the financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

In the event that the company progress any of the Group's core projects through to construction of a commercial plant, the Board are aware that additional funding will required at that point through debt or equity financing arrangements.

The Directors believe that, based on current conditions and performance assumptions, that Neometals Ltd is sufficiently funded to meet its anticipated near-term funding needs, including required expenditure related to operations over the next 12 months.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021

## 2. Significant accounting policies (continued)

### Standards and interpretations adopted in the current year

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 July 2020.

New and revised Standards and amendments thereof and Interpretations effective for the current year 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.

### Standards and interpretations issued but not yet effective

At the date of authorisation of the financial statements, the following Australian Accounting Standards and Interpretations have been issued or amended but are not yet effective and have not been adopted by the Group for the year ended 30 June 2021:

| Standard | Effective for annual reporting periods beginning on or after | Expected to be initially applied in the financial year ending |
|---|---|---|
| AASB 2014-10 'Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128' | 1 January 2022 | 30 June 2023 |
| AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date | 1 January 2022 | 30 June 2023 |
| AASB 17 Insurance Contracts and AASB 2020-5 Amendments to Australian Accounting Standards – Insurance Contracts | 1 January 2023 | 30 June 2024 |
| AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates | 1 January 2023 | 30 June 2024 |

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2021. The Company is assessing the impact of the new standards, however does not expect them to have a material impact on the Company in the current of future reporting periods and on foreseeable future transactions.

### Critical accounting judgments and key sources of estimation uncertainty

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Refer to note 3 for a discussion of critical judgments in applying the entity's accounting policies, and key sources of estimation uncertainty.

## 2. Significant accounting policies (continued)

### Significant accounting policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

#### (A) CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and term deposits with a 30 day cancellation policy. Cash equivalents are 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.

#### (B) EMPLOYEE BENEFITS

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

#### (C) FOREIGN CURRENCY TRANSLATION

**Functional and presentation currency**
Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian Dollar ($), which is Neometals Ltd's functional and presentation currency.

**Transactions and balances**
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.

#### (D) FINANCIAL INSTRUMENTS ISSUED BY THE COMPANY

**Debt and equity instruments**
Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

**Financial assets**
Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed immediately.

Financial instruments are subsequently measured at fair value through profit or loss (FVTPL), amortised cost using the effective interest rate method or at cost. Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Quoted prices in an active market are used to determine fair value where possible. The group does not designate any interest in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

Amortised cost instruments are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

By default, all other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL).

The Group classifies its financial assets into the following categories: those to be measured subsequently at fair value (either through other comprehensive income 'FVOCI' or through the income statement 'FVTPL') and those to be held at amortised cost. The classification depends on the Group's business model for managing its financial assets and the contractual terms of the cash flows.

## 2. Significant accounting policies (continued)

### (D) FINANCIAL INSTRUMENTS ISSUED BY THE COMPANY (CONTINUED)

**Impairment of financial assets**
The Group recognises a loss allowance for expected credit losses on investments in debt and equity instruments that are measured at amortised cost, FVTPL or at FVTOCI. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group recognises lifetime ECL (expected credit loss) when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for these financial assets.

**Financial liabilities**
Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities.

**Financial liabilities at fair value through profit or loss**
Financial liabilities are classified as at fair value through profit or loss where the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is held for trading if:

- It has been incurred principally for the purpose of repurchasing in the near future; or
- It is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading is designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 9 'Financial Instruments' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

**Other financial liabilities**
Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

**Transaction costs on the issue of equity instruments**
Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

**Interest and dividends**
Interest and dividends are classified as expenses or as distributions of profit consistent with the balance sheet classification of the related debt or equity instruments or component parts of compound instruments.

## 2. Significant accounting policies (continued)

### (E) GOODS AND SERVICE TAX

Other income, expenses and assets are recognised net of the amount of goods and services tax ('GST'), except:

i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

### (F) NON-CURRENT ASSETS HELD FOR SALE

Non-current assets and their disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less cost to sell.

### (G) IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date, the consolidated entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

### (H) INCOME TAX

**Current tax**
Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

**Deferred tax**
Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021

## 2. Significant accounting policies (continued)

### (H) INCOME TAX (CONTINUED)

business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the consolidated entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would

**Deferred tax (continued)**

follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company/Consolidated Entity intends to settle its current tax assets and liabilities on a net basis.

**Current and deferred tax for the period**

Current and deferred tax is recognised as an expense or income in the profit and loss statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or gain on a bargain purchase.

**Tax consolidation**

The Company and all its wholly-owned Australian resident entities are part of a tax-consolidated group under Australian taxation law. Neometals Ltd is the head entity in the tax-consolidated group. Income tax expense/benefit, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax consolidated group using a 'group allocation' approach based on the allocation specified in the tax funding arrangement.

The tax funding arrangement requires a notional current and deferred tax calculation for each entity as if it were a taxpayer in its own right, except that unrealised profits, distributions made and received and capital gains and losses and similar items arising on transactions within the tax consolidated group are treated as having no consequence. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax consolidated group are recognised by the Company (as head entity in the tax consolidated group).

Due to the existence of a tax funding arrangement between the entities in the tax consolidated group, amounts are recognised as payable to or receivable by the Company and each member of the group in relation to the tax contribution amounts paid or payable between the parent and the other members of the tax consolidated group in accordance with the arrangement.

Where the tax contribution amount recognised by each member of the tax consolidated group for a particular period is different to the aggregate of the current tax liability or asset and any deferred tax asset arising from the unused tax losses and tax credits in respect of that period, the difference is recognised as a contribution from, or distribution to, equity participants.

**Research & Development Tax offset**

In respect of Research and Development tax offsets, the Income tax approach (AASB 112) of accounting has been utilised, where the tax benefit is presented within the tax line in the Statement of Comprehensive Income.

### (I) EXPLORATION AND EVALUATION EXPENDITURE

Exploration and evaluation expenditures, excluding general overhead, in relation to separate areas of interest are capitalised in the year in which they are incurred and are carried at cost less accumulated impairment losses where the following conditions are satisfied;

i) the rights to tenure of the area of interest are current; and

ii) at least one of the following conditions is also met:

## 2. Significant accounting policies (continued)

### (I) EXPLORATION AND EVALUATION EXPENDITURE (CONTINUED)

- the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Capitalised exploration costs for each area of interest (considered to be the cash generating unit) are reviewed each reporting date to test whether an indication of impairment exists. If any such indication exists, the recoverable amount of the capitalised exploration costs is estimated to determine the extent of the impairment loss (if any). The recoverable amount for capitalised exploration costs has been determined as the fair value less costs to sell by reference to an active market. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development, accumulated expenditure is tested for impairment and transferred to capitalised development and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

**Development expenditure**
Development expenditure is recognised at cost less any impairment losses. Where commercial production in an area of interest has commenced, the associated costs are amortised over the life of the reserves associated with the area of interest. Changes in factors such as estimates of proved and probable reserves that effect unit-of-production calculations are dealt with on a prospective basis.

### (J) PAYABLES

Trade payables and other accounts payable are recognised when the Consolidated Entity becomes obliged to make future payments resulting from the purchase of goods and services.

### (K) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the Consolidated Entity, being the Company (the parent entity) and its subsidiaries as defined in Accounting Standard AASB 10 'Consolidated Financial Statements'. A list of subsidiaries appears in note 24 to the financial statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after reassessment, the fair value of the identifiable net assets acquired exceeds the cost of acquisition, the excess is credited to profit and loss in the period of acquisition. The consolidated financial statements include the information and results of each subsidiary from the date on which the Company obtains control and until such time as the Company ceases to control such entity. In preparing the consolidated financial statements, all inter-company balances and transactions, and unrealised profits arising within the consolidated entity are eliminated in full.

### (L) PROPERTY, PLANT AND EQUIPMENT

Plant and equipment is stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, costs are determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is calculated on a diminishing value basis so as to write off the net cost or other re-valued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period with the effect of any changes recognised on a prospective basis.

The following estimated useful lives are used in the calculation of depreciation:

| | |
|---|---|
| Furniture & Fittings | 5-20 years |
| Plant and Equipment | 2-10 years |
| Buildings | 10-20 years |

An item of property, plant and equipment is derecognised upon disposal when no future economic benefits are expected to

## 2. Significant accounting policies (continued)

### (L) PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit and loss.

### (M) INTANGIBLES

**Trademarks, licences and customer contracts**
Separately acquired trademarks and licences are shown at historical cost. Trademarks, licenses and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

**Research and development**
Research expenditure is recognised as an expense as incurred. Development expenditure is recognised as an asset as incurred if the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Research and development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

### (N) PROVISIONS

Provisions are recognised when the consolidated entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

**Provision for onerous contract**
Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

### (O) INCOME RECOGNITION

Other income is measured at the fair value of the consideration received or receivable.

**Dividend and interest revenue**
Dividend revenue from investments is recognised when the shareholder's right to receive the payment has been established. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

### (P) INTERESTS IN JOINT OPERATIONS

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;

## 2. Significant accounting policies (continued)

### (P) INTERESTS IN JOINT OPERATIONS (CONTINUED)

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

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the AASBs applicable to the particular assets, liabilities, revenues and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

### (Q) SHARE-BASED PAYMENTS

Equity-settled share-based payments to employees and others providing services to the Group are measured at fair value at the date of grant.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Consolidated Entity's estimate of shares that will eventually vest, with a corresponding increase in equity.

Equity-settled share-based payments transactions with parties other than employees are measured at the fair value of the goods or services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counter party renders the service. The fair value of performance rights are measured using a Monte Carlo Simulation.

### (R) LEASED ASSETS

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

### (S) INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with AASB 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's

## 2. Significant accounting policies (continued)

### (S) INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of AASB 9 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with AASB 136 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with AASB 136 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with AASB 9. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no re-measurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

## 3. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 2, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### 3.1 Critical judgments in applying the entity's accounting policies

The following are the critical judgments that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

## 3. Critical accounting judgments and key sources of estimation uncertainty (continued)

### 3.1 Critical judgments in applying the entity's accounting policies (continued)

**(a) Recovery of capitalised exploration and evaluation expenditure**

The Group capitalises exploration and evaluation and development expenditure incurred on ongoing projects. The recoverability of this capitalised exploration expenditure is entirely dependent upon returns from the successful development of mining operations or from surpluses from the sale of the projects or the subsidiary companies that control the projects. At the point that it is determined that any capitalised exploration expenditure is definitely not recoverable, it is written off.

**(b) Share-based payments**

Equity-settled share-based payments granted are measured at fair value at the date of grant. The fair value of share options is measured by use of the Monte Carlo model and requires substantial judgement. Management has made its best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioural considerations.

The fair value of performance rights issued during the period was made with reference to the Company's closing share price on the date of grant. Management has been required to estimate the probability that the Company will meet the performance criteria determined by the board.

### 3.2 Key areas of estimation uncertainty

The following are key assumptions concerning the future, or other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**(a) Onerous Contract**

The Company has an onerous contract which relates to a contract entered into by Neometals Energy Pty Ltd, a wholly owned subsidiary of the Company, for the Group's Barrambie Project. The contract with DBNGP (WA) Transmission Pty Ltd for gas transmission, commenced on 1 July 2010. The provision in the accounts represents the present value of the gas transmission obligations under the contract for gas transmission not expected to be utilised or on sold.

The estimates for the remaining term are subject to Management's judgement and could change in future periods.

## 4. Parent entity disclosure

| | 2021 $ | 2020 $ |
|---|---|---|
| **Financial Position** | | |
| **Assets** | | |
| Current assets | 93,717,178 | 76,700,157 |
| Non-current assets | 32,165,354 | 29,512,286 |
| **Total assets** | **125,882,532** | **106,212,443** |
| **Liabilities** | | |
| Current liabilities | 5,896,458 | 2,670,853 |
| Non-current liabilities | 660,491 | 1,001,430 |
| **Total liabilities** | **6,556,949** | **3,672,283** |
| **Net Assets** | **119,325,583** | **102,540,160** |
| **Equity** | | |
| Issued capital | 154,634,998 | 154,437,267 |
| Retained earnings | (43,331,178) | (59,245,600) |
| **Reserves** | | |
| Share based payments | 8,021,763 | 7,348,493 |
| **Total equity** | **119,325,583** | **102,540,160** |
| **Financial Performance** | | |
| **Profit for the year** | **24,089,657** | **(19,666,892)** |
| Other comprehensive income | - | - |
| **Total comprehensive income** | **24,089,657** | **(7,220,061)** |
| **Guarantees entered into on behalf of subsidiaries**[(i)] | **4,000,000** | **4,000,000** |

*(i) Neometals Energy Pty Ltd, a wholly owned subsidiary of the Company, is party to a gas transmission agreement with DBNGP (WA) Transmission Pty Ltd. The parent entity has provided security for a bank guarantee required under the contract for $4.0 million. Refer to note 12 for details.*

## 5. Profit/(loss) for the year continuing operations

| | Note | 2021 $ | 2020 $ |
|---|---|---|---|
| **(a) Income** | | | |
| Income from operations consisted of the following items: | | | |
| **Other income:** | | | |
| Proceeds from divestment of RIM offtake (i) | | 30,000,000 | - |
| Net fair value gain on financial assets (ii) | | 4,780,371 | 72,300 |
| Other income | | 1,040,978 | 359,254 |
| Interest revenue | | 527,398 | 1,630,841 |
| | | **36,348,747** | **2,062,395** |
| **(b) Profit / (loss) before income tax** | | | |
| Profit / (loss) before income tax has been arrived at after charging the following expenses: | | | |
| **Employee benefits expense:** | | | |
| Equity settled share-based payments | 18 | (873,520) | (924,147) |
| Superannuation expense | | (401,560) | (382,778) |
| Employee salaries | | (5,604,227) | (5,317,015) |
| | | **(6,879,307)** | **(6,623,940)** |
| **Administration expenses:** | | | |
| Legal fees | | (1,109,728) | (598,655) |
| Consultantant fees | | (488,530) | (566,117) |
| Insurances | | (393,788) | (386,798) |
| Other | | (1,649,940) | (1,909,958) |
| | | **(3,641,986)** | **(3,461,528)** |
| **Impairments:** | | | |
| Impairment reversal/(expense) of associate | 23 | 1,678,210 | (3,531,047) |
| Impairment of property, plant, and equipment | 14 | - | (501,963) |
| Impairment of intangibles | | - | (549,282) |
| Impairment of other assets | | - | (14,643) |
| | | **1,678,210** | **(4,596,935)** |
| **Other expenses:** | | | |
| Research and development expenditure | | (3,127,325) | (3,572,177) |
| Consultancy costs | | (604,961) | (866,759) |
| Depreciation of non-current assets | | (598,613) | (754,970) |
| Other expenses | | (942,281) | (1,039,692) |
| Re-measurement of onerous contract | 16 | - | (28,841) |
| | | **(5,273,180)** | **(6,262,439)** |

*(i) On 3 June 2021, Neometals Ltd accepted an offer from Reed Industrial Minerals Pty Ltd (RIM) to relinquish its Mt Marion spodumene offtake option rights for the sum of A$30 million (ex GST).*

*(ii) Refer to note 12 for further details on financial assets.*

## 6. Discontinued operations

(i) On 1 July 2021, Neometals announced intention to demerge Mt Edwards Nickel Project into a new company 'Widgie Nickel Limited'. Therefore, at 30 June 2021, Mt Edwards Lithium Pty Ltd was classified as a non-current asset held for sale. The results of the discontinued operation which have been included in the financial statements for the year were as follows:

| | 2021 $ |
|---|---|
| **Results of discontinued operations** | |
| Loss from discontinued operations | (85,789) |
| **Cash flows from discontinued operations** | |
| Cashflows from investing activities | (2,548,919) |
| Cashflows from operating activities | (85,789) |
| **Effect on the financial position of the group** | |
| Assets classified as held for sale | 11,494,537 |
| Liabilities associated with the assets classified as held for sale | (452,489) |

## 7. Income taxes

| | 2021 $ | 2020 $ |
|---|---|---|
| **(a) Income tax benefit recognised in profit or loss** | | |
| **Tax benefit comprises:** | | |
| Deferred tax expense / (benefit) relating to temporary differences | 6,771,314 | (4,097,614) |
| Other | (2,980) | 311,031 |
| Total tax expense / (benefit) | 6,768,334 | (3,786,583) |
| | | |
| The prima facie income tax expense on pre-tax accounting profit from continuing operations reconciles to the income tax benefit in the financial statements as follows: | | |
| Profit / (loss) before income tax | 20,976,747 | (19,837,973) |
| Income tax calculated at 30% | 6,293,024 | (5,951,392) |
| | | |
| Effect of income and expenses that are not deductible in determining taxable profit | 475,310 | 1,341,490 |
| Tax losses not recognised | - | 823,319 |
| Income tax (benefit) / expense recognised | **6,768,334** | **(3,786,583)** |
| | | |
| Refund of prior year R&D claim | (2,220,548) | (1,497,697) |
| Income tax expense / (benefit) recognised inclusive of R&D claim | **4,547,786** | **(5,284,280)** |

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable income under Australian tax law. There has been no change in the corporate tax rate during the reporting period.

**(b) Deferred tax balances**
The net deferred tax balance as presented in the statement of financial position is detailed below:

| | 2021 $ | 2020 $ |
|---|---|---|
| Deferred tax balances are presented in the statement of financial position as follows: | | |
| Deferred tax liabilities | (15,331,073) | (13,559,164) |
| Deferred tax assets | 8,562,739 | 13,559,164 |
| Net deferred tax balance | (6,768,334) | - |

**(c) Deferred tax assets not brought to account**
At 30 June 2021 the amount of tax losses not recognised was $1,861,059 (June 2020: $2,744,397).

### TAX CONSOLIDATION

**Relevance of tax consolidation to the consolidated entity**
The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group and are therefore taxed as a single entity. The head entity within the tax-consolidated group is Neometals Ltd. The members of the tax-consolidated group are identified at note 24.

**Nature of tax funding arrangements and tax sharing agreements**
Entities within the tax-consolidated group have entered into a tax funding arrangement and a tax sharing agreement with the head entity. Under the terms of the tax funding arrangement, Neometals Ltd and each of the entities in the tax consolidation group has agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax assets of the entity. Such amounts are reflected in amounts receivable from or payable to each entity in the tax consolidated group, and are eliminated on consolidation. The tax sharing agreement entered into between the members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its payment obligations or if an entity should leave the tax-consolidated group. The effect of the tax sharing agreement is that each member's tax liability for tax payable by the tax-consolidated group is limited to the amount payable to the head entity under the tax funding arrangement.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021

## 8. Key management personnel compensation

Details of key management personnel compensation are provided on pages 32-41 of the Directors' Report.

The aggregate compensation made to key management personnel of the Group is set out below:

| | 2021 $ | 2020 $ |
|---|---|---|
| Short-term employee benefits | 2,502,996 | 2,249,546 |
| Post-employment benefits | 136,960 | 136,960 |
| Share-based payments | 534,054 | 623,492 |
| | **3,174,010** | **3,009,998** |

## 9. Share based payments

Neometals Ltd has an ownership based remuneration scheme for executives and employees.

**Performance Rights Plan ('PRP')**
In accordance with the provisions of the PRP, as approved by shareholders at the Company's AGM on 25 November 2020, employees, Non-Executive Directors and consultants may be offered performance rights at such times and on such terms as the board considers appropriate.

General terms of performance rights granted under the PRP:

- The performance rights will not be quoted on the ASX.
- Performance rights can only be granted to employees, Non-Executive Directors and consultants of the Company.
- Performance rights are transferable to eligible nominees.
- Performance rights not exercised on or before the vesting date will lapse.
- All shares allotted upon the vesting of performance rights rank equally in all respects to all previously issued shares.
- Performance rights confer no right to vote, attend meetings, participate in a distribution of profit or a return of capital or another participating rights or entitlements on the grantee unless and until the performance rights vest.

The following share-based payment arrangements in relation to performance rights were in existence at the end of the period:

| 2021 | Grant date | Number | Vesting date/ Expiry date | Grant date share price | Probability factor | Fair value at grant date |
|---|---|---|---|---|---|---|
| C. Reed | 10/08/2018 | 835,339 | 30/06/2021 | 0.32 | n/a | 0.25 |
| J. Carone | 10/08/2018 | 307,156 | 30/06/2021 | 0.32 | n/a | 0.25 |
| M. Tamlin | 10/08/2018 | 383,330 | 30/06/2021 | 0.32 | n/a | 0.25 |
| D. Townsend | 10/08/2018 | 368,587 | 30/06/2021 | 0.32 | n/a | 0.25 |
| Staff and consultants | 10/08/2018 | 739,501 | 30/06/2021 | 0.32 | n/a | 0.25 |
| Staff and consultants | 25/01/2019 | 356,797 | 30/06/2021 | 0.22 | n/a | 0.25 |
| C. Reed | 02/09/2019 | 1,233,021 | 30/06/2022 | 0.154 | n/a | 0.25 |
| J. Carone | 02/09/2019 | 493,335 | 30/06/2022 | 0.154 | n/a | 0.25 |
| M. Tamlin | 02/09/2019 | 559,711 | 30/06/2022 | 0.154 | n/a | 0.12 |
| D. Townsend | 02/09/2019 | 538,184 | 30/06/2022 | 0.154 | n/a | 0.12 |
| Staff and consultants | 02/09/2019 | 1,957,911 | 30/06/2022 | 0.154 | n/a | 0.12 |
| C. Reed | 07/12/2020 | 1,656,754 | 30/06/2023 | 0.230 | n/a | 0.18 |
| J. Carone | 07/12/2020 | 666,055 | 30/06/2023 | 0.230 | n/a | 0.18 |
| M. Tamlin | 07/12/2020 | 755,670 | 30/06/2023 | 0.230 | n/a | 0.18 |
| D. Townsend | 07/12/2020 | 726,605 | 30/06/2023 | 0.230 | n/a | 0.18 |
| Staff and consultants | 07/12/2020 | 4,005,618 | 30/06/2023 | 0.230 | n/a | 0.18 |
| S. Cole | 07/12/2020 | 207,962 | 30/06/2021 | 0.230 | n/a | 0.24 |
| D. Ritchie | 07/12/2020 | 49,911 | 30/06/2021 | 0.230 | n/a | 0.24 |
| N. Streltsova | 07/12/2020 | 49,911 | 30/06/2021 | 0.230 | n/a | 0.24 |
| J. Purdie | 07/12/2020 | 83,185 | 30/06/2021 | 0.230 | n/a | 0.24 |
| L. Guthrie | 07/12/2020 | 41,592 | 30/06/2021 | 0.230 | n/a | 0.24 |
| **Total** | | **16,016,135** | | | | |

## 9. Share based payments (continued)

The valuation of the Non-executive Directors performance rights has been based on the amount of their fees that have been forgone. The fair value of other KMP performance rights issued have been independently valued by a third party using a Monte Carlo simulation to determine fair value. The total expense recognised for the period arising from share-based payment transactions and accounted for as equity-settled share-based payment transactions is $873,520 (2020: $924,147).

The following reconciles the outstanding performance rights granted at the beginning and end of the financial year:

| | 2021 Performance Rights No. | 2020 Performance Rights No. |
|---|---|---|
| Balance at beginning of the financial year | 11,098,052 | 6,274,181 |
| Granted during the financial year as compensation | 8,243,263 | 5,366,515 |
| Vested during the financial year (i) | (834,352) | (542,644) |
| Lapsed during the financial year (ii) | (2,490,828) | - |
| **Balance at the end of the financial year (iii)** | **16,016,135** | **11,098,052** |

(i) *834,352 shares in the Company were issued on vesting of performance rights (2020: 542,644).*

(ii) *2,490,828 performance rights lapsed during the financial year (2020: Nil).*

(iii) *Subject to the satisfaction of certain retention and performance conditions 3,025,130 performance rights vest at the end of the year (2020: 584,353)*

## 10. Dividends on equity instruments

| | 2021 $ | 2020 $ |
|---|---|---|
| **Declared and paid during the year:** | | |
| Dividends paid on ordinary shares: | | |
| No dividends declared or paid during the 2021 financial year. On 20 March 2020, the directors declared a partially franked dividend of 2 cent per share, .0014 cent franked and 0.0186 cent unfranked to the holders of fully paid ordinary shares, paid to shareholders on 3 April 2020. | - | 10,890,338 |

The dividend franking account has a balance of $3,710 as at 30 June 2021 (2020: $3,710).

## 11. Trade and other receivables

| | 2021 $ | 2020 $ |
|---|---|---|
| **Current** | | |
| Other receivables | 285,448 | 170,803 |
| Prepayments | 256,753 | 214,410 |
| **Total** | **542,201** | **385,213** |

## 12. Other financial assets

| | 2021 $ | 2020 $ |
|---|---|---|
| **Current** | | |
| Financial assets measured at FVTPL(i) | 1,938,368 | 1,149,757 |
| Rental bond term deposit | - | 43,000 |
| **Total Current** | **1,938,368** | **1,192,757** |
| **Non-current** | | |
| Financial assets measured at FVTPL (ii) | 3,611,000 | 1,196,000 |
| Barrambie Gas term deposit(iii) | 4,000,000 | 4,000,000 |
| Rental bond term deposit | 200,000 | 200,000 |
| **Total Non-current** | **7,811,000** | **5,396,000** |
| **Total** | **9,749,368** | **6,588,757** |

*(i) The Group has invested in a portfolio of listed shares which are held for trading. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The valuation technique and key inputs used to determine the fair value are quoted bid prices in an active market.*

*(ii) The Group has invested in a portfolio of non-listed shares which are not actively traded. Within this balance, Neometals has an equity interest in Critical Metals Limited. As (unadjusted) quoted prices in active markets are unavailable, consideration is given to precedent transactions involving the sale of the company's shares, as a basis to assess the value of the equity investment.*

*(iii) Neometals Energy Pty Ltd, a wholly owned subsidiary of the Company, is a party to a gas transmission agreement with DBNGP (WA) Transmission Pty Ltd (DBP) in relation to the Barrambie Project. As part of the agreement the Group was required to provide security by way of a $4.0 million bank guarantee. Although the guarantee sits at $4.0 million, this is security against the provision at note 16, which is less than $1.0 million.*

## 13. Exploration and evaluation expenditure

| | Consolidated |
|---|---|
| | Capitalised exploration and evaluation expenditure $ |
| **Gross carrying amount** | |
| **Balance at 1 July 2019** | **42,743,826** |
| Additions | 7,075,815 |
| **Balance at 30 June 2020** | **49,819,641** |
| Additions | 3,659,265 |
| Balance transferred to asset held for sale | (11,399,352) |
| **Balance at 30 June 2021** | **42,079,554** |
| | |
| **Accumulated amortisation and impairment** | |
| **Balance at 1 July 2019** | **5,760,720** |
| Amortisation expense | - |
| Impairment expense | - |
| Expenditure written off | - |
| **Balance at 1 July 2020** | **5,760,720** |
| Amortisation expense | - |
| Impairment expense | - |
| Expenditure written off | - |
| **Balance at 30 June 2021** | **5,760,720** |
| **Net book value** | |
| As at 30 June 2020 | **44,058,921** |
| As at 30 June 2021 | **36,318,834** |

The recovery of exploration expenditure carried forward is dependent upon the discovery of commercially viable mineral and other natural resource deposits, their development and exploration, or alternatively their sale.

## 14. Property, plant and equipment

| | Consolidated<br>Plant and equipment at cost<br>$ |
|---|---|
| **Gross carrying amount** | |
| **Balance at 1 July 2019** | **2,026,324** |
| Additions | 890,293 |
| Disposals | (33,908) |
| Impairments | (501,963) |
| **Balance at 1 July 2020** | **2,380,746** |
| Additions | 184,576 |
| Disposals | (683,574) |
| Transfers to property, plant and equipment | (15,952) |
| Write offs | (843,599) |
| **Balance at 30 June 2021** | **1,022,197** |
| | |
| **Accumulated depreciation** | |
| **Balance at 1 July 2019** | **251,804** |
| Disposals and write offs | (51,705) |
| Depreciation expense | 168,716 |
| **Balance at 1 July 2020** | **368,815** |
| Disposals and write offs | (102,708) |
| Depreciation expense | 165,375 |
| **Balance at 30 June 2021** | **431,482** |
| | |
| **Net book value** | |
| **As at 30 June 2020** | **2,011,931** |
| **As at 30 June 2021** | **590,715** |

## 15. Trade and other payables

| | 2021<br>$ | 2020<br>$ |
|---|---|---|
| Trade payables | 975,405 | 856,396 |
| Accrued expenses | 1,354,900 | 1,291,929 |
| GST Payable | 2,914,883 | - |
| Other | - | 34,461 |
| | **5,245,188** | **2,182,786** |

The average credit period on purchases is 30 days. No interest is charged on the trade payables. The Group has financial risk management policies in place to help ensure that all payables are paid within the settlement terms.

## 16. Provisions

| | 2021 $ | 2020 $ |
|---|---|---|
| **Current** | | |
| Annual leave | 517,977 | 478,202 |
| Long service leave | 286,009 | 224,036 |
| Other (a) | 468,698 | 468,697 |
| | **272,684** | **1,170,935** |
| **Non-current** | | |
| Rehabilitation provision (i) | - | 398,000 |
| Other (a) | 455,476 | 928,359 |
| | 455,476 | 1,326,359 |
| | **1,728,160** | **2,497,294** |

*(i) Refer to note 6 for further details*

### (a) Detail of movement in other provisions

| 2021 | Onerous Contracts (ii) $ |
|---|---|
| **Balance at 1 July 2020** | 1,397,056 |
| Reductions arising from payments | (472,882) |
| Increase resulting from re-measurement | - |
| **Balance at 30 June 2021** | 924,174 |
| Comprised of: | |
| Current provision | 468,698 |
| Non-current provision | 455,476 |
| | 924,174 |

*(i) The onerous contract relates to a contract entered into by Neometals Energy Pty Ltd, a wholly owned subsidiary of the Company, for the Company's Barrambie Project. The contract with DBNGP (WA) Transmission Pty Ltd for gas transmission, commenced on 1 July 2010. The provision in the accounts represents the present value of the remaining gas transmission obligations under the contract for gas transmission not expected to be utilised or on sold.*

| 2020 | Onerous Contracts (ii) $ |
|---|---|
| **Balance at 1 July 2019** | 1,937,202 |
| Reductions arising from payments | (568,987) |
| Increase resulting from re-measurement | 28,841 |
| **Balance at 30 June 2020** | 1,397,056 |
| **Comprised of:** | |
| Current provision | 468,697 |
| Non-current provision | 928,359 |
| | 1,397,056 |

*(ii) The onerous contract relates to a contract entered into by Neometals Energy Pty Ltd, a wholly owned subsidiary of the Company, for the Company's Barrambie Project. The contract with DBNGP (WA) Transmission Pty Ltd for gas transmission, commenced on 1 July 2010. The provision in the accounts represents the present value of the remaining gas transmission obligations under the contract for gas transmission not expected to be utilised or on sold.*

## 17. Issued capital

| | 2021 $ | 2020 $ |
|---|---|---|
| 545,351,266 fully paid ordinary shares (2020: 544,516,913) | **154,634,997** | **154,437,267** |

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | No. | $ | No. | $ |
| **Fully paid ordinary shares** | | | | |
| Balance at beginning of financial year | 544,516,913 | 154,437,267 | 543,974,269 | 154,264,634 |
| Share issue costs | - | (2,520) | - | (4,117) |
| Other share based payments | 834,353 | 200,250 | 542,644 | 176,750 |
| **Balance at the end of the financial year** | **545, 351,266** | **154,634,997** | **544,516,913** | **154,437,267** |

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

**Share options**
At balance date there were no share options in existence over ordinary shares (2020: nil).

**Performance rights**
At balance date there were 16,016,135 performance rights in existence over ordinary shares (2020: 11,098,052).

## 18. Reserves

The share-benefits reserve arises on the grant of share options and performance rights for the provision of services by consultants and to executives and employees under the employee share option plan, performance rights plan, employment contracts or as approved by shareholders. Amounts are transferred out of the reserve and into issued capital when the options are exercised or when shares are issued pursuant to the terms of the performance rights. Further information about share-based payments to employees is provided in note 9 to the financial statements.

| | 2021 $ | 2020 $ |
|---|---|---|
| **Share based payments reserve:** | | |
| Balance at the beginning of the financial year | 7,048,144 | 6,300,747 |
| Increase in share based payments | 873,520 | 924,147 |
| Amounts transferred to share capital on exercise | (200,250) | (176,750) |
| **Balance at the end of the financial year** | **7,721,414** | **7,048,144** |
| **Convertible note reserve:** | | |
| Balance at the beginning of the financial year | 300,349 | 300,349 |
| **Balance at the end of the financial year** | **300,349** | **300,349** |
| **Investment revaluation reserve:** | | |
| Balance at the beginning of the financial year | 1,019,637 | 1,019,637 |
| **Balance at the end of the financial year** | **1,019,637** | **1,019,637** |
| **Total Reserves** | **9,041,400** | **8,368,130** |

## 19. Earnings per share

| | 2021 Cents per share | 2020 Cents per share |
|---|---|---|
| **Basic earnings per share:** | | |
| Continuing operations | 3.01 | (2.67) |
| Continuing and discontinued operations | 3.00 | (2.67) |
| **Diluted earnings per share:** | | |
| Continuing operations | 3.01 | (2.67) |
| Continuing and discontinued operations | 3.00 | (2.67) |

**Basic and diluted profit / (loss) per share**

The profit / (loss) and weighted average number of ordinary shares used in the calculation of basic and diluted profit / (loss) per share are as follows:

| | 2021 $ | 2020 $ |
|---|---|---|
| **Profit / (loss)** [(a)] | | |
| Continuing operations | 16,428,961 | (14,553,693) |
| Continuing and discontinued operations | 16,343,172 | (14,553,693) |

| | 2021 No. | 2021 No. |
|---|---|---|
| Weighted average number of ordinary shares for the purpose of basic profit/(loss) per share | 545,351,266 | 544,516,913 |
| Weighted average number of ordinary shares for the purpose of diluted profit/(loss) per share | 545,351,266 | 544,516,913 |

*(a) Profit / (loss) used in the calculation of profit / (loss) per share reconciles to net loss in the consolidated statement of comprehensive income.*

## 20. Commitments for expenditure

**(a) Exploration and evaluation expenditure commitments**

The Consolidated Entity holds mineral exploration licences in order for it to undertake its exploration and evaluation activities. To continue to hold tenure over these areas the Group is required to undertake a minimum level of expenditure on or in relation to the leases. Minimum expenditure commitments for the exploration and mining leases for the 2022 financial year are outlined in the table below.

| | 2021 $ | 2020 $ |
|---|---|---|
| **Exploration expenditure commitments** | | |
| Not longer than 1 year[(i)] | **1,448,020** | **2,110,369** |

*(i) Due to the nature of this expenditure, in that the expenditure commitments may be reduced by the relinquishment of tenements, estimates for the commitment have not been forecast beyond June 2022. However, should the Group continue to hold the tenements beyond this date additional expenditure commitments would arise.*

**(b) Other**

As referred to in note 16 (i) to the accounts, Neometals Energy Pty Ltd, a wholly owned subsidiary of the Company, previously entered into a gas transmission agreement with DBNGP (WA) Transmission Pty Ltd for the Barrambie Project. As part of the agreement the Group was required to procure a 'blocked' term deposit for $4.0 million (30 June 2020: $4.0 million) as security over the obligation, as detailed in note 16, which approximates the present value of the Group's commitment under the agreement. The obligations under the gas transmission agreement commenced on 1 July 2010.

In addition, $275,000 has been committed to the Primobius JV as part of ongoing funding requirements.

## 21. Leases

**Leasing arrangements**

Leases relate to the lease of commercial premises in West Perth, Welshpool and a photocopier. The lease agreement for the Company's West Perth premises was entered into on 1 July 2019 for a 48 month period expiring on 30 June 2023. The lease of the Canadian branch premises was entered into on 1 May 2016 for a 60 month period expiring on 30 April 2021. The lease of a photocopier is for a period of 48 months expiring in June 2022. The commitments are based on the fixed monthly lease payment.

| | 30 June 2021 | | |
|---|---|---|---|
| | Buildings $ | Equipment $ | Total $ |
| **Right-of-use assets** | | | |
| Cost | 850,982 | 17,473 | 868,455 |
| Accumulated Depreciation | (296,146) | (8,737) | (304,883) |
| Carrying Amount | **554,836** | **8,736** | **563,572** |
| **Lease liability** | | | |
| Current | 354,468 | 9,044 | 363,512 |
| Non-current | 336,398 | - | 336,398 |
| Total | **690,866** | **9,044** | **699,910** |

| | 30 June 2020 | | |
|---|---|---|---|
| | Buildings $ | Equipment $ | Total $ |
| **Right-of-use assets** | | | |
| Cost | 1,605,014 | 26,210 | 1,631,224 |
| Accumulated Depreciation | (577,518) | (8,737) | (586,255) |
| Carrying Amount | 1,027,496 | 17,473 | 1,044,969 |
| **Lease liability** | | | |
| Current | 492,145 | 8,733 | 500,878 |
| Non-current | 712,810 | 9,044 | 721,854 |
| Total | 1,204,955 | 17,777 | 1,222,732 |

| | 2021 $ | 2020 $ |
|---|---|---|
| **Amounts recognised in profit and loss** | | |
| Depreciation expense on right-of-use asset | 440,566 | 586,255 |
| Interest expense on lease liabilities | 33,259 | 50,570 |
| | **473,825** | **636,825** |

## 22. Joint arrangements

| Name of operation | Principal activity | Interest 2021 % | Interest 2020 % |
|---|---|---|---|
| Reed Advanced Materials Pty Ltd(i) | Evaluation of lithium hydroxide process | 70 | 70 |

The Consolidated Entity's interest in assets employed in the above joint venture is detailed below.

**(i) Reed Advanced Materials Pty Ltd ('RAM')**
On 6 October 2015 Neometals and Process Minerals International Pty Ltd entered into a shareholders agreement for the purposes of establishing and operating a joint venture arrangement through RAM to operate a business of researching, designing and developing the capabilities and technology relating to the processing of lithium hydroxide. Following the execution of the shareholders agreement RAM was held 70:30 between Neometals and Process Minerals International.

| Summarised financial information for the joint venture: | 2021 $ | 2020 $ |
|---|---|---|
| Carrying value of investment in the joint venture | 1 | 1 |
| Loan to joint venture | 70,000 | - |
| Share of loss of joint venture not recognised in profit or loss | 66,727 | 21,413 |
| | | |
| Current assets | 64,498 | 177,801 |
| Non-current assets | 534,024 | 444,967 |
| Current liabilities | (16,501) | (2,709) |
| Non-current liabilities | (2,251,568) | (2,176,568) |

| Name of operation | Principal activity | Interest 2021 % |
|---|---|---|
| Primobius GmbH(ii) | Lithium battery recycling project | 50 |

The Consolidated Entity's interest in assets employed in the above joint venture is detailed below.

**(ii) Primobius GmbH**
On 31 July 2020, Neometals and SMS group GmbH entered into a formal agreement to establish a 50:50 JV ('Primobius GmbH') to commercialise Neometals proprietary lithium battery recycling process.

| Summarised financial information for the joint venture: | 2021 $ |
|---|---|
| Carrying value of investment in the joint venture | 2,811,339 |
| Share of loss of joint venture recognised in profit or loss | (85,525) |
| | |
| Current assets | 2,868,142 |
| Non-current assets | 3,658,262 |
| Current liabilities | (678,386) |
| Non-current liabilities | (7,911) |

## 23. Investment in associate

**(i) Hannans Limited**

| Name of operation | Principal activity | Interest 2021 % | Interest 2020 % |
|---|---|---|---|
| Hannans Limited | Exploration of nickel and lithium | 31.74 | 35.5 |

The above associate is accounted for using the equity method in this consolidated financial report.

| Summarised information for the associate: | 2021 $ | 2020 $ |
|---|---|---|
| Opening carrying value of investment in associate | 3,531,048 | 7,062,095 |
| Shares sold at fair value | (239,725) | - |
| Share of profit/(loss) of associate recognised in profit or loss[(i)] | (99,967) | - |
| Impairment reversal[(ii)] | 1,678,210 | (3,531,047) |
| Closing carrying value of investment in associate | 4,869,566 | 3,531,048 |

*(i) The equity accounted share of the associate's loss as adjusted as if applying the same accounting policies as Neometals is credited against the carrying value of the investment in the associate.*

*(ii) In the current financial year, the impairment previously recognised in the carrying value of the investment in associate has been reversed to reflect the carrying value on a per share basis.*

| | 2021 No. | 2020 No. |
|---|---|---|
| Shares held in Hannans Limited | 749,164,028 | 706,209,483 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021

## 24. Subsidiaries

| Name of entity<br>Parent entity | Country of incorporation | Ownership interest<br>2021<br>% | Ownership interest<br>2020<br>% |
|---|---|---|---|
| Neometals Ltd | Australia | | |
| **Subsidiaries** | | | |
| Australian Titanium Pty Ltd (formerly Australian Vanadium Corporation (Holdings) Pty Ltd) | Australia | 100 | 100 |
| Alphamet Management Pty Ltd (formerly Australian Vanadium Corporation (Investments) Pty Ltd) | Australia | 100 | 100 |
| Inneovation Pty Ltd (formerly Australian Vanadium Exploration Pty Ltd) | Australia | 100 | 100 |
| Neometals Energy Pty Ltd (formerly Barrambie Gas Pty Ltd) | Australia | 100 | 100 |
| Neomaterials Pty Ltd (formerly GMK Administration Pty Ltd) | Australia | 100 | 100 |
| Neometals Investments Pty Ltd (formerly Gold Mines of Kalgoorlie Pty Ltd) | Australia | 100 | 100 |
| Urban Mining Pty Ltd (formerly Mount Finnerty Pty Ltd) | Australia | 100 | 100 |
| Adamant Technologies Pty Ltd | Australia | 100 | 100 |
| Mt Edwards Lithium Pty Ltd | Australia | 100 | 100 |
| Avanti Materials Ltd | Australia | 100 | 100 |
| ACN 630 589 507 Pty Ltd | Australia | 100 | 100 |
| Ecometals Pty Ltd | Australia | 100 | N/A |
| Widgie Nickel Pty Ltd | Australia | 100 | N/A |

All of these companies are members of a tax consolidated group. Neometals Ltd is the head entity of the tax consolidated group.

## 25. Segment information

**Basis for segmentation**

AASB 8 Operating Segments requires the presentation of information based on the components of the entity that management regularly reviews for its operational decision making. This review process is carried out by the Chief Operating Decision Maker ('CODM') for the purpose of allocating resources and assessing the performance of each segment. The amounts reported for each operating segment is the same measure reviewed by the CODM in allocating resources and assessing performance of that segment.

For management purposes, the Group operates under three operating segments comprised of the Group's lithium, titanium/vanadium and 'other segments' which comprises other minor exploration projects and mineral process technology businesses. The titanium/vanadium operating segment is separately identified given it possess different competitive and operating risks and meets the quantitative criteria as set out in the AASB 8. Previously the Group operated under two reportable operating segments comprised of the Group's titanium/vanadium and 'other segments' which comprises the Mount Marion lithium project and other minor exploration projects. The 'other segments' category is the aggregation of all remaining operating segments given sufficient reportable operating segments have been identified.

The segment information reported on the next page does not include any amounts for this discontinued operation for the current and prior periods, which is described in more detail in note 6.

## 25. Segment information (continued)

**For the year ended 30 June 2021**

| Reportable operating segments | Lithium $ | Vanadium / Titanium $ | Other $ | Corporate $ | Total $ |
|---|---|---|---|---|---|
| Revenue from external customers | - | - | - | - | - |
| Cost of sales | - | - | - | - | - |
| Gross profit/(loss) | - | - | - | - | - |
| Other income | 30,078,874 | 5,399 | 4,780,371 | 1,484,103 | 36,348,747 |
| Expenditure written off / impairments | - | (740,893) | 1,578,243 | - | 837,350 |
| Depreciation and amortisation | - | (206,891) | - | (391,722) | (598,613) |
| Share of loss of JV and associate | (85,525) | - | (99,967) | - | (185,492) |
| Total expenses | (2,161,077) | (3,982,170) | (63,349) | (9,218,649) | (15,425,245) |
| **Profit/(loss) before tax** | **27,832,272** | **(4,924,555)** | **6,195,298** | **(8,126,268)** | **20,976,747** |
| **Loss for the year from discontinued operations** | **-** | **-** | **(85,789)** | **-** | **(85,789)** |
| Income tax expense | - | - | - | (4,547,786) | (4,547,786) |
| **Consolidated profit/(loss) after tax** | **27,832,272** | **(4,924,555)** | **6,109,509** | **(12,674,054)** | **16,343,172** |

**As at 30 June 2021**

| Reportable operating segments | Lithium $ | Vanadium / Titanium $ | Other $ | Corporate $ | Total $ |
|---|---|---|---|---|---|
| Increase/(decrease) in segment assets | (10,894,693) | (91,488) | 16,038,260 | 6,259,280 | 11,311,359 |
| Total segment assets | 524,483 | 36,831,855 | 10,873,089 | 101,938,386 | 150,167,813 |
| Assets classified as held for sale | - | - | 11,494,537 | - | 11,494,537 |
| **Total assets** | **524,483** | **36,831,855** | **22,367,626** | **101,938,386** | **161,209,861** |

**For the year ended 30 June 2020 (RESTATED)**

| Reportable operating segments | Lithium $ | Vanadium / Titanium $ | Other $ | Corporate $ | Total $ |
|---|---|---|---|---|---|
| Revenue from external customers | - | - | - | - | - |
| Cost of sales | - | - | - | - | - |
| Gross profit/(loss) | - | - | - | - | - |
| Other income | 348,641 | 3,433 | 72,300 | 1,638,021 | 2,062,395 |
| Expenditure written off / impairments | (184,024) | (521,456) | (3,531,047) | (360,408) | (4,596,935) |
| Depreciation and amortisation | - | (285,443) | - | (469,527) | (754,970) |
| Total expenses | (3,739,865) | (2,766,043) | (12,316) | (10,002,976) | (16,521,200) |
| **Profit/(loss) before tax** | **(3,575,248)** | **(3,569,509)** | **(3,471,063)** | **(9,194,890)** | **(19,810,710)** |
| Loss for the year from discontinued operations | (27,263) | - | - | - | (27,263) |
| Income tax benefit | - | - | - | 5,284,280 | 5,284,280 |
| **Consolidated profit/(loss) after tax** | **(3,602,511)** | **(3,569,509)** | **(3,471,063)** | **(3,910,610)** | **(14,553,693)** |

**As at 30 June 2020**

| Reportable operating segments | Lithium $ | Vanadium / Titanium $ | Other $ | Corporate $ | Total $ |
|---|---|---|---|---|---|
| Increase/(decrease) in segment assets | 5,096,269 | 2,942,632 | 1,019,831 | (31,492,164) | (22,433,432) |
| Impairment | (184,024) | (521,456) | (3,531,047) | (360,408) | (4,596,935) |
| Consolidated increase/(decrease) in segment assets | 4,912,245 | 2,421,176 | (2,511,216) | (31,852,572) | (27,030,367) |
| Total segment assets | 1,819,249 | 36,708,688 | 5,876,877 | 82,353,822 | 126,758,636 |
| Assets classified as held for sale | 8,698,273 | - | - | - | 8,698,273 |
| **Total assets** | **10,517,522** | **36,708,688** | **5,876,877** | **82,353,822** | **135,456,909** |

**Geographical information**

The Group operates in a single geographical area being Australia (country of domicile).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021

## 26. Related party disclosures

**(a) Equity interests in related parties**

**Equity interests in subsidiaries**

Details of the percentage of ordinary shares held in subsidiaries are disclosed in note 24 to the financial statements.

Equity interests in joint arrangements

Details of the percentage of ordinary shares held in joint arrangements are disclosed in note 22 to the financial statements.

**(b) Key management personnel remuneration**

Details of Key Management Personnel remuneration are disclosed on pages 32-41 of the Remuneration Report.

**(c) Key management personnel equity holdings**

| 2021 | Balance at 01/07/2020 No. | Balance on appointment No. | Received on exercise of perf rights No. | Net other change No. | Balance at 30/06/2021 No. | Balance held nominally No. |
|---|---|---|---|---|---|---|
| **Non-executive directors** | | | | | | |
| S. Cole | 1,396,731 | - | 285,467 | - | 1,682,198 | - |
| D. Ritchie | 66,396 | - | 68,512 | - | 134,908 | - |
| N. Streltsova | 66,396 | - | 68,512 | - | 134,908 | - |
| D. Reed | 46,188,900 | - | - | (6,600,000) | 39,588,900 | - |
| J. Purdie | 101,000 | - | 114,187 | - | 215,187 | - |
| L. Guthrie | 85,605 | - | 47,675 | 30,395 | 163,675 | - |
| **Executive directors** | | | | | | |
| C. Reed | 10,428,170 | - | - | (3,720,981) | 6,707,189 | - |
| **Other executives** | | | | | | |
| M. Tamlin | 229,189 | - | - | - | 229,189 | - |
| J. Carone | 1,100,000 | - | - | (700,000) | 400,000 | - |
| D. Townsend | 163,605 | - | - | 108,800 | 272,405 | - |
| **Total** | **59,825,992** | **-** | **584,353** | **(10,881,786)** | **49,528,559** | **-** |

| 2020 | Balance at 01/07/2019 No. | Balance on appointment No. | Received on exercise of perf rights No. | Net other change No. | Balance at 30/06/2020 No. | Balance held nominally No. |
|---|---|---|---|---|---|---|
| **Non-executive directors** | | | | | | |
| S. Cole | 1,232,783 | - | 163,948 | - | 1,396,731 | - |
| D. Ritchie | 27,048 | - | 39,348 | - | 66,396 | - |
| N. Streltsova | 27,048 | - | 39,348 | (3,000,000) | 66,396 | - |
| D. Reed | 49,188,900 | - | - | - | 46,188,900 | - |
| J. Purdie | 44,248 | - | 56,752 | - | 101,000 | - |
| L. Guthrie | 25,000 | - | 60,605 | - | 85,605 | - |
| **Executive directors** | | | | | | |
| C. Reed | 10,228,170 | - | - | 200,000 | 10,428,170 | - |
| **Other executives** | | | | | | |
| M. Tamlin | 979,189 | - | - | (750,000) | 229,189 | - |
| J. Carone | 1,450,000 | - | - | (350,000) | 1,100,000 | - |
| D. Townsend | 130,272 | - | - | 33,333 | 163,605 | - |
| **Total** | **63,332,658** | **-** | **360,001** | **(3,866,667)** | **59,825,992** | **-** |

**Share options of Neometals Ltd**

No options were issued to related parties during the current period (2020: nil).

**Performance rights of Neometals Ltd**

In the current reporting period the Company granted 4,237,645 (2020: 3,408,604) performance rights to executives and KMP pursuant to the Company's Performance Rights Plan.

Further details of performance rights granted are contained in note 9 to the financial statements.

## 26. Related party disclosures (continued)

**Performance rights granted to related parties**

The following tables summarises information relevant to the current financial year in relation to the grant of performance rights to KMP as part of their remuneration. Performance rights are issued by Neometals Ltd.

| | During the Financial Year | | | | | |
|---|---|---|---|---|---|---|
| **Name** | **Grant date** | **No. granted** | **No. vested** | **Fair value at grant date** | **Earliest exercise date** | **Consideration payable on exercise** |
| **KMP:** | | | | | | |
| N. Streltsova | 7/12/2020 | 49,911 | 49,911 | 12,000 | 30/06/2021 | - |
| D. Ritchie(1) | 7/12/2020 | 49,911 | 49,911 | 12,000 | 30/06/2021 | - |
| S. Cole(1) | 7/12/2020 | 207,962 | 207,962 | 50,000 | 30/06/2021 | - |
| J. Purdie | 7/12/2020 | 83,185 | 83,185 | 20,000 | 30/06/2021 | - |
| L. Guthrie | 7/12/2020 | 41,592 | 41,592 | 10,000 | 30/06/2021 | - |
| C. Reed(2) | 7/12/2020 | 1,656,754 | - | 299,872 | 30/06/2023 | - |
| J. Carone(2) | 7/12/2020 | 666,055 | - | 120,556 | 30/06/2023 | - |
| M. Tamlin(2) | 7/12/2020 | 755,670 | - | 136,776 | 30/06/2023 | - |
| D. Townsend(2) | 7/12/2020 | 726,605 | - | 131,516 | 30/06/2023 | - |
| **Total** | | **4,237,645** | **432,561** | **792,720** | | **-** |

*(1) At 30 June 2021 Non-Executive Directors became entitled to securities whose vesting conditions were the subject to the rules of the Performance Rights Plan.*

*(2) The number of performance rights that will actually vest, if any, is determined by the Company's performance based on Neometals relative and absolute TSR compared to the comparative group of companies over a 3 year period and Business Plan strategic objectives.*

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021

## 26. Related party disclosures (continued)

Details of performance rights held by KMP and of shares issued during the financial year as a result of the vesting of performance rights:

| | Grant date | Fair value of rights at grant date | No. granted | Vested during the financial year | Forfeited/ lapsed during the financial year | Ordinary shares issued on exercise of rights |
|---|---|---|---|---|---|---|
| **KMP:** | | | | | | |
| J. Carone[1] | 03/10/2017 | 93,243 | 370,012 | - | 370,012 | - |
| M. Tamlin[1] | 03/10/2017 | 111,892 | 444,015 | - | 444,015 | - |
| C. Reed[1] | 11/12/2017 | 320,984 | 952,474 | - | 952,474 | - |
| D. Townsend[1] | 11/12/2017 | 149,633 | 444,015 | - | 444,015 | - |
| C. Reed[1] | 10/08/2018 | 209,252 | 835,339 | 668,271 | - | - |
| J. Carone[1] | 10/08/2018 | 76,943 | 307,156 | 245,725 | - | - |
| M. Tamlin[1] | 10/08/2018 | 96,024 | 383,330 | 306,664 | - | - |
| D. Townsend[1] | 10/08/2018 | 92,331 | 368,587 | 294,870 | - | - |
| N. Streltsova[2] | 02/09/2019 | 12,000 | 68,512 | - | - | 68,512 |
| D. Ritchie[2] | 02/09/2019 | 12,000 | 68,512 | - | - | 68,512 |
| S. Cole[2] | 02/09/2019 | 50,000 | 285,467 | - | - | 285,467 |
| J. Purdie[2] | 02/09/2019 | 20,000 | 114,187 | - | - | 114,187 |
| L. Guthrie[2] | 02/09/2019 | 10,000 | 47,675 | - | - | 47,675 |
| C. Reed[1] | 02/09/2019 | 141,797 | 1,233,021 | - | - | - |
| J. Carone[1] | 02/09/2019 | 56,734 | 493,335 | - | - | - |
| M. Tamlin[1] | 02/09/2019 | 64,367 | 559,711 | - | - | - |
| D. Townsen[1] | 02/09/2019 | 61,891 | 538,184 | - | - | - |
| N. Streltsova[3] | 07/12/2020 | 12,000 | 49,911 | 49,911 | - | - |
| D. Ritchie[3] | 07/12/2020 | 12,000 | 49,911 | 49,911 | - | - |
| S. Cole[3] | 07/12/2020 | 50,000 | 207,962 | 207,962 | - | - |
| J. Purdie[3] | 07/12/2020 | 20,000 | 83,185 | 83,185 | - | - |
| L. Guthrie[3] | 07/12/2020 | 10,000 | 41,592 | 41,592 | - | - |
| C. Reed[1] | 07/12/2020 | 299,872 | 1,656,754 | - | - | - |
| J. Carone[1] | 07/12/2020 | 120,556 | 666,055 | - | - | - |
| M. Tamlin[1] | 07/12/2020 | 136,776 | 755,670 | - | - | - |
| D. Townsend[1] | 07/12/2020 | 131,516 | 726,605 | - | - | - |
| **Total** | | **2,371,811** | **11,751,177** | **1,948,091** | **2,210,516** | **584,353** |

*(1) The number of performance rights that will actually vest, if any, is determined by the Company's performance based on Neometals TSR compared to the comparative group of companies over the 3-year period as set out in the employee's employment contract. As a result of the testing of the Company's performance over this period no rights vested and thus no shares were issued (2020: nil).*

*(2) Under the Performance Rights Plan, Non-Executive Directors were invited to forgo part of their fees for their services in exchange for performance rights. At 30 June 2021 all performance rights have vested. As a result of the testing of the Company's performance over this period 584,353 rights vested and shares were issued (2020: 242,644).*

*(3) Under the Performance Rights Plan, Non-Executive Directors were invited to sacrifice part of their fees for their services in exchange for performance rights. At 30 June 2021 all performance rights have vested.*

The performance rights granted entitle the grantee to one fully paid ordinary share in Neometals Ltd for nil cash consideration on satisfaction of the vesting criteria.

**(d) Transactions with other related parties**

Other related parties include:

- The parent entity;
- Associates;
- Joint ventures in which the entity is a venturer;
- Subsidiaries;
- Key Management Personnel of the Group; and
- Other related parties.

## 26. Related party disclosures (continued)

**(d) Transactions with other related parties (continued)**

**Transactions involving the parent entity**

The directors elected for wholly-owned Australian entities within the Group to be taxed as a single entity from 1 July 2003.

No other transactions occurred during the financial year between entities in the wholly owned Group.

**(e) Controlling entities**

The ultimate parent entity of the Group is Neometals Ltd, a company incorporated and domiciled in Australia.

## 27. Auditors remuneration

Details of the amounts paid or payable to the auditor for the audit and other assurance services during the year are as follows:

| Audit services - Deloitte Touche Tohmatsu | 2021 $ | 2020 $ |
|---|---|---|
| Fees to the group auditor for the audit or review of the statutory financial reports of the Company, subsidiaries and joint operations | 73,648 | 53,340 |
| Fees for other assurance and agreed-upon procedures under other legislation or contractual arrangements | 40,950 | - |
| **Total remuneration of Deloitte Touche Tohmatsu** | **114,598** | **53,340** |

## 28. Notes to the statement of cash flows

**(a) Reconciliation of cash and cash equivalents**

| | 2021 $ | 2020 $ |
|---|---|---|
| For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the statement of financial position as follows: | | |
| Cash and cash equivalents | 93,897,137 | 77,043,016 |
| | **93,897,137** | **77,043,016** |

**(b) Funds not available for use**

Restrictions exist on bank deposits with a total value of $4,200,000. Deposits are classified as financial assets (see note 12).

Of the $4,200,000 held in restricted bank deposits $4,000,000 is held as security in relation to an unconditional performance bond issued by the National Australia Bank in favour of the Minister for State Development and DBNGP (WA) Transmission Pty Ltd (see note 16). In addition, the Group has $200,000 on deposit as security for a rental bond relating to its leased business premises.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021

## 28. Notes to the statement of cash flows (continued)

### (c) Reconciliation of profit / (loss) for the period to net cash flows from operating activities

| | 2021 $ | 2020 $ |
|---|---|---|
| **(Loss) / Profit for the year** | **16,428,961** | **(14,553,693)** |
| Impairment (reversal)/expense | (1,678,210) | 4,596,935 |
| Profit on disposal of financial assets | (3,232,962) | (249,835) |
| Profit on the disposal of tenements | (200,000) | - |
| Profit on the disposal of offtake | (30,000,000) | - |
| Share of loss in associate | 99,967 | - |
| Share of loss in Joint Venture | 85,525 | - |
| Net (profit) / loss on financial assets measured at FVTPL | (1,547,409) | 177,535 |
| Interest received on investments | (527,398) | (1,630,841) |
| Finance costs recognised in profit or loss | 63,310 | 63,185 |
| Depreciation and amortisation of non-current assets | 598,613 | 754,970 |
| Equity settled share-based payment | 873,520 | 924,147 |
| Net foreign exchange (gain)/loss | (29,837) | 665 |
| **(Increase) / decrease in assets:** | | |
| Current receivables | (165,238) | 242,386 |
| Other | (79,060) | (107,835) |
| **Increase / (decrease) in liabilities:** | | |
| Current payables | 622,702 | 238,140 |
| Deferred tax liability | 6,768,334 | (3,786,582) |
| Provisions | 574,630 | 16,053 |
| **Net Cash used in operating activities** | **(11,344,552)** | **(13,314,770)** |

## 29. Financial instruments

**(a) Financial risk management objectives**

The Consolidated Entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

**(b) Significant accounting policies**

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, financial liability and equity instrument are disclosed in note 2 to the financial statements.

**(c) Interest rate risk**

The following tables detail the Group's exposure to interest rate risk:

| 2021 | Weighted average effective interest rate % | Variable interest rate % | Maturity dates | | | Non interest bearing $ | Total $ |
|---|---|---|---|---|---|---|---|
| | | | Less than 1 year $ | 1-5 years $ | More than 5 years $ | | |
| **Financial assets:** | | | | | | | |
| Cash and cash equivalents AUD | 0.33% | - | 97,304,363 | - | - | - | 97,304,363 |
| Cash and cash equivalents CAD | 0.00% | - | 34,652 | - | - | - | 34,652 |
| Cash and cash equivalents EUR | 0.00% | - | 535,029 | - | - | - | 535,029 |
| Cash and cash equivalents USD | 0.00% | - | 297,156 | - | - | - | 297,156 |
| Barrambie Gas term deposit(i) | 0.29% | - | 4,000,000 | - | - | - | 4,000,000 |
| Bond term deposits(i) | 0.40% | - | 200,000 | - | - | - | 200,000 |
| Cash deposits trust | 0.73% | - | 2,073,227 | - | - | - | 2,073,227 |
| Trade and other receivables | 0.00% | - | - | - | - | 385,213 | 385,213 |
| **Financial liabilities:** | | | | | | | |
| Trade payables(ii) | - | - | - | - | - | 5,245,188 | 5,245,188 |
| Lease liability | 3.50% | - | 363,512 | 336,398 | - | - | 699,910 |

*(i) The balances represent two term deposits that are restricted in their use and are classified in the current reporting period as other financial assets. Additional information on all other term deposits is provided at notes 12 and 28(b). The financial assets have contractual maturities of less than one year, however they are classified as non-current in the statement of financial position as they are not accessible to the Group due to restrictions placed on accessing the funds.*

*(ii) Non interest bearing liabilities are due within 30 days.*

| 2020 | Weighted average effective interest rate % | Variable interest rate % | Maturity dates | | | Non interest bearing $ | Total $ |
|---|---|---|---|---|---|---|---|
| | | | Less than 1 year $ | 1-5 years $ | More than 5 years $ | | |
| **Financial assets:** | | | | | | | |
| Cash and cash equivalents AUD | 0.92% | - | 74,640,987 | - | - | - | 74,640,987 |
| Cash and cash equivalents CAD | 0.00% | - | 46,563 | - | - | - | 46,563 |
| Cash and cash equivalents USD | 0.00% | - | 297,277 | - | - | - | 297,277 |
| Barrambie Gas term deposit(i) | 1.00% | - | 4,000,000 | - | - | - | 4,000,000 |
| Bond term deposits(i) | 1.14% | - | 243,000 | - | - | - | 243,000 |
| Cash deposits trust | 1.57% | - | 2,058,189 | - | - | - | 2,058,189 |
| Trade and other receivables | 0.00% | - | - | - | - | 385,213 | 385,213 |
| **Financial liabilities:** | | | | | | | |
| Trade payables | - | - | - | - | - | 856,396 | 856,396 |
| Lease liabilities | 3.50% | - | 500,878 | 721,854 | - | - | 1,222,732 |

*(i) The balances represent two term deposits that are restricted in their use and are classified in the current reporting period as other financial assets. Additional information on all other term deposits is provided at notes 12 and 28(b). The financial assets have contractual maturities of less than one year, however they are classified as non-current in the statement of financial position as they are not accessible to the Group due to restrictions placed on accessing the funds.*

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021

## 29. Financial instruments (continued)

**(d) Credit risk management**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has adopted a policy of only dealing with credit-worthy counterparties and obtaining sufficient collateral where appropriate as a means of mitigating the risk of financial loss from defaults. The consolidated entity exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The consolidated entity does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics other than the Joint Venture. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

**(e) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and banking facilities, and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The undiscounted lease liabilities balance is $725,018, split between $382,210 with a maturity date of less than 1 year and $342,808 with a maturity date of 1-5 years.

In addition to financial liabilities in note 15, the Company is required to meet minimum spend commitments to maintain the tenure over the Company's mineral exploration areas as described in note 20.

**(f) Fair value**

The carrying amount of financial assets measured at amortised cost recorded in the financial statements approximates their respective fair values.

Financial assets carried at fair value through profit or loss comprise investments predominantly in Australian listed equities. Their fair value is determined using key inputs of quoted bid prices in an active market multiplied by the number of shares held, which is Level 1 in the fair value heirachy. Where quoted prices in an active market are unable to be used to determine fair value, alternative valuation methods are used to most accurately represent the equities fair value which for the investments held by the entity include other observable inputs and is therefore categorised as level 2 on the fair value hierarchy.  The group does not have any instruments or investments measured using level 3 of the fair value hierarchy. Other that the investments held at fair value, the group does not hold any instruments that are measured at fair value. There have been no transfers between fair value classes during the yearThe sensitivity analysis below has been calculated based on the exposure to equity price risk at the end of the reporting period for financial assets carried at fair value through profit or loss.  A 25 percent increase and decrease has been used to assess the sensitivity of the equity price risk and represents management's assessment of a reasonably possible change in equity pricing.

**(g) Capital management**

The board's policy is to endeavour to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group sources any additional funding requirements from either debt or equity markets depending on the market conditions at the time the funds are sourced and the purpose for which the funds are to be used. The Group is not subject to externally imposed capital requirements.

**(h) Interest rate risk management**

The Group is exposed to interest rate risk as the Group has funds on deposit as security for the head office lease and the Neometals Energy Pty Ltd onerous contract outlined at note 16.

The sensitivity analysis below has been calculated based on the exposure to interest rates at the end of the reporting period. A 50 basis point increase and decrease has been used when reporting the interest rate risk and represents management's assessment of the potential change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 30 June 2021 would decrease/increase by $490,856 (2020: decrease/increase $406,430). This is mainly attributable to the Group's exposure to interest rates on the maturity of its term deposits.

## 30. Events after the reporting period

On 18 August 2021, Neometals shareholders approved the demerger of Widgie Nickel Limited, a dedicated nickel exploration and development company holding Mt Edwards nickel assets. The demerged entity listed on the ASX on 22 September 2021.

On 30 August 2021, Neometals announced that its memorandum of understanding with Indian company Manikaran Power Limited to jointly fund the evaluation of developing an Indian lithium refinery had been terminated.

No other matters or circumstances have arisen since the end of the financial year that have significantly affected, or may significantly affect the operations, results of operations or state of affairs of the Group in subsequent financial years.

# ADDITIONAL ASX INFORMATION

As of 31 Aug 2021

## Ordinary Fully Paid Shares (Total)

Range of Units Snapshot

| Range | Total Holders | Units | % of Issued Capital |
|---|---|---|---|
| 1 - 1,000 | 805 | 388,811 | 0.07 |
| 1,001 - 5,000 | 3,369 | 9,512,603 | 1.73 |
| 5,001 - 10,000 | 1,712 | 13,928,084 | 2.54 |
| 10,001 - 100,000 | 3,362 | 113,004,123 | 20.61 |
| 100,001 - 9,999,999,999 | 635 | 411,542,775 | 75.05 |
| **Rounding** | | | **0.00** |
| **Total** | **9,883** | **548,376,396** | **100.00** |

Unmarketable Parcels

| | Minimum Parcel Size | Holders | Units |
|---|---|---|---|
| Minimum $ 500.00 parcel at $ 0.7350 per unit | 681 | 461 | 65779 |

## Neometals Limited

Top Holders (Ungrouped) As Of 10 September 2021

| Rank | Name | Units | % Units |
|---|---|---|---|
| 1 | MR DAVID JOHN REED | 31,801,674 | 5.80 |
| 2 | CITICORP NOMINEES PTY LIMITED | 30,825,139 | 5.62 |
| 3 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 17,866,014 | 3.26 |
| 4 | BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM | 15,840,215 | 2.89 |
| 5 | BNP PARIBAS NOMS PTY LTD <DRP> | 9,966,328 | 1.82 |
| 6 | FARJOY PTY LTD | 9,540,999 | 1.74 |
| 7 | ZERO NOMINEES PTY LTD | 9,100,000 | 1.66 |
| 8 | MR KENNETH JOSEPH HALL <HALL PARK A/C> | 8,648,914 | 1.58 |
| 9 | BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP> | 8,337,294 | 1.52 |
| 10 | MR FRANCIS JAMES ROBINSON | 8,000,000 | 1.46 |
| 11 | MR RICHARD ARTHUR LOCKWOOD | 6,100,000 | 1.11 |
| 12 | BOND STREET CUSTODIANS LIMITED <HP0DHH - V04614 A/C> | 5,028,182 | 0.92 |
| 13 | TRUCKING NOMINEES PTY LTD <D J REED SUPER FUND A/C> | 5,000,000 | 0.91 |
| 14 | FANO PTY LTD <HURLEY SUPER FUND A/C> | 4,600,000 | 0.84 |
| 15 | PESYAN PTY LTD <PARS FAMILY A/C> | 4,297,040 | 0.78 |
| 16 | J P MORGAN NOMINEES AUSTRALIA PTY LIMITED | 3,999,568 | 0.73 |
| 17 | LINFOOT ONE SUPER PTY LTD <LINFOOT SUPER PLAN NO 1 A/C> | 3,975,000 | 0.72 |
| 18 | LINFOOT TWO SUPER PTY LTD <LINFOOT SUPER PLAN NO 2 A/C> | 3,504,000 | 0.64 |
| 19 | WESTERN MINING CORPORATION PTY LIMITED <TWO BOYS A/C> | 3,358,862 | 0.61 |
| 20 | MR PETER CHAMPION + MRS LEE-ANNE CHAMPION <CHAMPION S/F A/C> | 3,014,482 | 0.55 |

# ADDITIONAL ASX INFORMATION



As of 31 Aug 2021

## Substantial Shareholder

| Name | |
|---|---|
| David Reed | 37,588,900 Ordinary fully paid shares representing 6.85% |

## Voting Rights

On a show of hands every member present at a meeting in person or by proxy shall one vote and upon a poll each share shall have one vote.

## Other

Registers of Securities are held at the following addresses:

Level 1
1292 Hay street
West Perth, WA 6005

## List of Tenement Interests

As at 23 September 2021, the Company has an interest in the following projects and tenements which are all located within Western Australia.

| Project Name | Licence Name | Beneficial Interest | Status |
|---|---|---|---|
| Barrambie | E57/769 | 100% | Live |
| Barrambie | E57/770 | 100% | Live |
| Barrambie | E57/1041 | 100% | Live |
| Barrambie | L57/30 | 100% | Live |
| Barrambie | L20/55 | 100% | Live |
| Barrambie | M57/173 | 100% | Live |
| Barrambie | L20/80 | 100% | Pending |
| Barrambie | L20/81 | 100% | Pending |
| Queen Victoria Rocks | E15/1416 | 100% | Live |

# CORPORATE DIRECTORY

## DIRECTORS

**Steven Cole**
Non-Executive Chairman

**Christopher Reed**
Managing Director

**David Reed**
Non-Executive Director

**Dr Natalia Streltsova**
Non-Executive Director

**Douglas Ritchie**
Non-Executive Director

**Dr Jenny Purdie**
Non-Executive Director

**Les Guthrie**
Non-Executive Director

## COMPANY SECRETARY

**Jason Carone**

## REGISTERED OFFICE

Level 1, 1292 Hay Street
West Perth WA 6005

## CONTACT DETAILS

Telephone (+618) 9322 1182
Facsimile (+618) 9321 0556
www.neometals.com.au

## AUDITORS

Deloitte Touche Tohmatsu
Brookfield Place, Tower 2
123 St Georges Terrace
Perth WA 6000

## SHARE REGISTRY

Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
45 St Georges Terrace
Perth WA 6000

## STOCK EXCHANGE LISTING

Neometals Ltd are listed on
the Australian Stock Exchange
(Home Branch – Perth)

ASX Code: NMT

ACN: 099 116 631

ABN: 89 099 116 631

North American OTC Market

(DR Symbol: RDRUY)

## ANNUAL GENERAL MEETING

The 2021 Annual General Meeting of Neometals Ltd ABN 89 099 116 631 (Company) will be held at 3:00pm (AWST) on Tuesday, 30 November 2021 at the Parmelia Hilton Perth, 14 Mill St, Perth, Western Australia

Neometals

ACN: 099 116 631 ABN: 89 099 116 631

**REGISTERED OFFICE**
Level 1, 1292 Hay Street
West Perth WA 6005

**CONTACT DETAILS**
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neometals.com.au