



ALMA METALS
annual **report** 2022

—
Copper exploration
and **development**

Corporate Directory

DIRECTORS

Alasdair Cooke
Executive Chairman

Charles Frazer Tabear
Managing Director

Valentine Chitalu
Independent Director

Vincent Masterton-Hume
Non-Executive Director

John Dean
Non-Executive Director

COMPANY SECRETARY
Daniel Davis

REGISTERED OFFICE
Granite House, La Grande Rue
St Martin, Guernsey GY1 3RS

**REPRESENTATIVE
OFFICE IN AUSTRALIA**
Suite 1, 245 Churchill Avenue
Subiaco Western Australia 6008

SHARE REGISTER

Level 4 Central Park
152 St Georges Terrace
Perth, Western Australia 6000

AUDITOR

BDO Audit (WA) Pty Limited
Level 9 Mia Yellagonga Tower 2
5 Spring Street
Perth, Western Australia 6000

STOCK EXCHANGE LISTING

Australian Securities Exchange
(ASX:ALM)

SOLICITORS

Fairweather Corporate Lawyers
595 Stirling Highway
Cottesloe, Western Australia 6011

BANKERS

Westpac Banking Corporation
Level 6, 109 St Georges Terrace
Perth, Western Australia 6000

WEBSITE

almametals.com.au



Managing Director's Letter

Dear Shareholder,

I'm delighted to present you with Alma Metals' inaugural Annual Report. As I'm sure you are aware, this has been a truly transformative 12 months for the company during which time we finalised our transition from an African energy developer to an Australian copper explorer. Your Company has secured an excellent portfolio of projects representing the full spectrum from first-mover frontier copper exploration in the East Kimberley to more advanced projects with very large, drilled resources and significant upside through proximal exploration targets in central Queensland.

As the world recovers from the global Covid pandemic, focus is once again returning to decarbonisation and electrification. With many developed economies committing to net-zero by 2050, there is a renewed emphasis on copper which remains, dollar-for-dollar, the most efficient conductor of electricity and a critical metal for all forms of electric motors and wiring in smart-technology. Almost all commodity forecasts predict significant increases in copper demand until 2035, coupled with supply constraints leading to shortfalls as early as 2024 and resulting strength in copper prices. This is likely to sustain increased investor focus on the red metal for a considerable period.

Against this background, Alma has secured access to two very exciting copper opportunities: the Briggs, Mannersley and Fig Tree Hill Project in Queensland, and the Cambridge Gulf Copper Project in the East Kimberley.

Our Queensland project contains a large porphyry copper resource at Briggs, where 143Mt @ 0.29% Cu has been defined in inferred resources. Over the past twelve months, our soil sampling, geological mapping, and drilling programs have demonstrated enormous upside potential to more than quadruple this resource, and our metallurgical test-work has shown the potential to produce sealable concentrates with very high copper recovery. Coupled with excellent infrastructure and ready access to a nearby deep-water port, and with mineralisation at surface, this project has the potential to supply copper to the market when it will be most needed.

These highly encouraging results have given us the confidence to exercise the option we held over this project and enter the earn-in phase, under which Alma can earn a 70% joint venture interest from Canterbury Resources

Limited through spending \$15.25m on the entire project over the next nine years. Drilling is scheduled to recommence in early October, with an initial 3,000m of core drilling planned to increase the size of the inferred resource at Briggs and evaluate the nearby Northern Porphyry target. Further drilling is planned for the 2023 season.

Complementing this is our East Kimberley copper opportunity where we have applied for five exploration licences covering 1000km² to the west of the Cambridge Gulf. This is a first-mover opportunity for a different type of copper deposit, with the published geology and the presence of known copper occurrences indicating fertility for sediment-hosted copper mineralisation like the world class central African Copperbelt (best known in Zambia and the DRC). Copper deposits of this nature tend to be much higher grade than porphyry deposits such as Briggs, and often contain significant by-product metals including cobalt and silver, both of which are also critical metals related to net-zero. They offer the potential for underground mining, small surface-footprints, and significantly reduced environmental impacts.

The land on which the five East Kimberley exploration licences lies is owned by the Balanggarra. Alma the Balanggarra have entered into agreements under which Alma may be allowed to conduct reconnaissance level activities subject to strict cultural heritage clearance and monitoring protocols. Alma and Balanggarra have also agreed to conduct further negotiations for a potential exploration joint venture once the initial reconnaissance phase has been completed.

Reconnaissance will comprise helicopter supported stream sediment sampling aimed at validating the exploration model and defining the most fertile parts of the project for further evaluation.

We are very excited by these two projects which we believe will provide strong news flow and excellent results over the next twelve months. I look forward to sharing these results with you on a regular basis and would like to thank you for your continued support.



Frazer Tabear
Managing Director

Queensland Copper



Outcropping high-grade copper mineralisation at Briggs, Queensland

The Briggs, Mannersley and Fig Tree Hill Porphyry Copper Project covers an area of 241 km² and contains a JORC compliant Inferred Mineral Resource estimate of 143Mt @ 0.29% copper at a 0.2% copper cut-off grade in the Central Porphyry zone of the Briggs Copper Project ("Project").

The Project is in a low-risk, Tier 1 jurisdiction, close to key infrastructure, including sealed roads, rail, grid power, gas pipelines and a deep-water port at Gladstone which lies only 50km to the east (Figure 1).

Under the terms of an Option and Earn-In Joint Venture Agreement signed with owner Canterbury Resources Limited, Alma can reach 70% ownership of the Project through staged exploration and evaluation programs:

1. \$2.25M in exploration expenditure to earn a 30% interest by 30 June 2024.
2. A further \$3.0M in expenditure to reach 51% interest by 30 June 2026.
3. A further \$10.0M in expenditure to reach a 70% interest by 30 June 2031.

Work undertaken by Alma on this project in the last twelve months includes:

- 12-hole (1,446m) RC drilling program confirming extensive porphyry copper-molybdenum mineralisation up to 750m along strike from the existing mineral resource at the Central Porphyry.
- Grid-based soil sampling program providing high resolution, low detection level gold and multi-element geochemistry across the entire Briggs

porphyry system, confirming multi-commodity anomalism along a strike-length of ~2200m.

- Metallurgical test-work confirming potential for excellent copper recoveries up to 95%.
- Definition of multiple exploration targets providing significant resource upside potential.

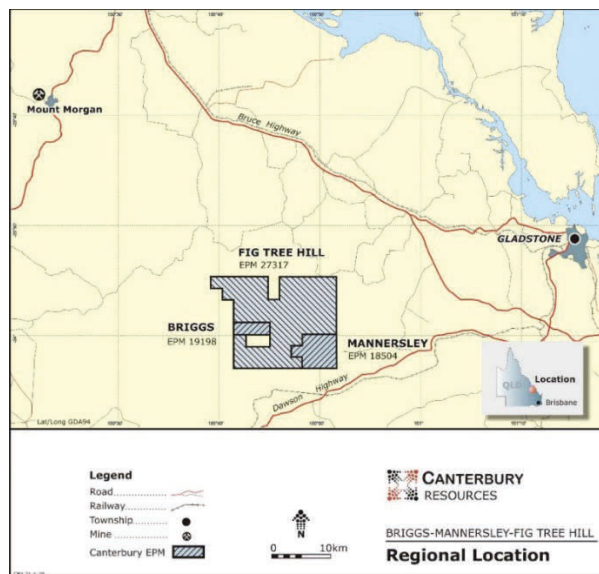


Figure 1. Location Map of the Briggs and Mannersley Copper Project, SE Queensland

Soil Sampling Confirms Large Strike Extent of Briggs Mineralisation

Assays from 100m x 50m spaced soil sampling define a surface geochemical anomaly which extends up to 1,200m outside the currently defined mineral resource envelope (Figure 2):

- Copper anomalism peaks at 4,710ppm Cu (0.47% Cu) and defines a large anomaly measuring more

Queensland Copper

than 2,200m along strike and over 950m across strike.

- There are several clusters of >1,000ppm Cu (0.1% Cu) which reflect the known mineralised centres at Briggs Central and the Northern and Southern Porphyry Targets (Figure 2).
- There is a very strong correlation between surface soil sampling geochemistry and the underlying

geology as evident from outcrop and drilling.

- The copper geochemistry indicates very significant targets for additional tonnage immediately surrounding the Briggs Central Mineral Resource Estimate.
- This is supported by the presence of magnetic lows in airborne magnetic data (Figure 3).

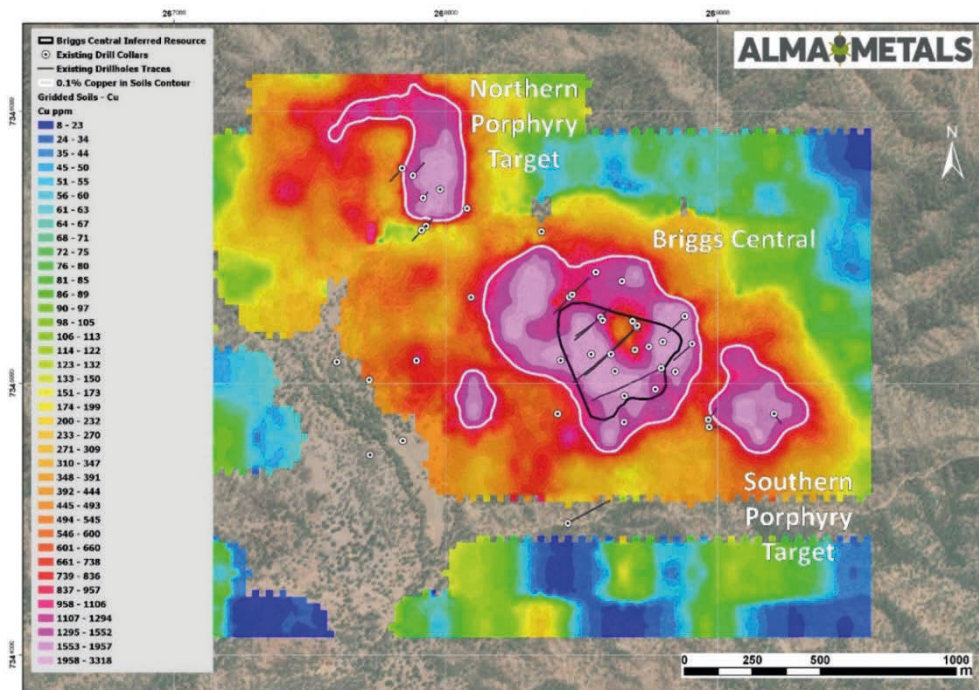


Figure 2. Exploration Target outlines (white) based on 0.1% Cu in soils contour. Existing inferred mineral resource outline (black) and all existing drill holes shown.

Excellent Preliminary Metallurgy Results

Preliminary metallurgical test-work was undertaken on three composite samples representing low-grade (0.2% Cu), moderate-grade (0.4% Cu) and high-grade (0.9% Cu) mineralisation. Key results are as follows (Table 1):

- Excellent copper recoveries between 92% and 95% into cleaner concentrates.
- Excellent first pass concentrate grades between 17.4% and 19.7% copper.
- Trace metal analysis of the concentrates indicated very low levels of arsenic (<0.01%), cadmium (<5ppm) and uranium (<0.002%).
- The results above combine to indicate excellent potential to produce commercially attractive copper concentrates from the project.

Table 1: Initial metallurgical test work results

	Granodiorite, 0.2% Cu		Quartz-rich, 0.9% Cu		Min Sed 0.4% Cu	
	Grade Cu %	Recovery %	Grade Cu %	Recovery %	Grade Cu %	Recovery %
Cleaner Concentrate	17.6	95.1	19.7	91.9	17.4	93.5
Rougher Concentrate	9.7	95.7	14.0	97.9	13.3	95.4

Queensland Copper

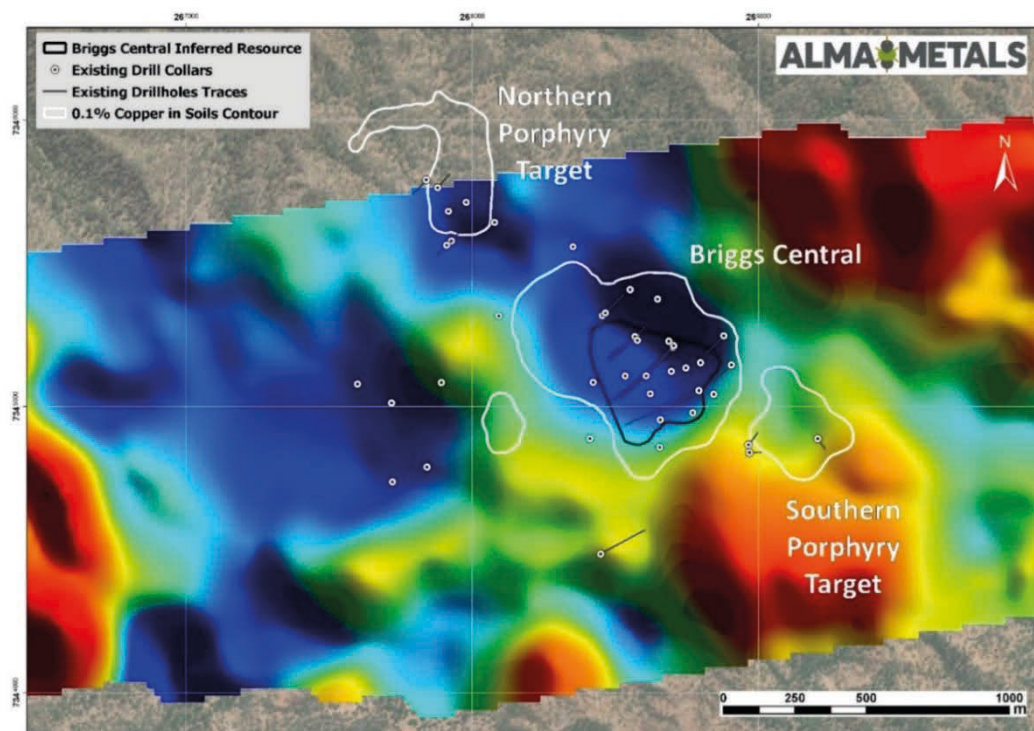


Figure 3. Exploration target outlines (white) overlain on RTP aeromagnetic data.

Large Exploration Targets at Briggs Offer significant Upside

Geological mapping, airborne geophysics and limited drilling (Figure 4) confirms that three geochemical anomalies >0.1% Cu in soils define outcropping mineralised intrusions and adjacent volcanic sediments containing copper bearing quartz stockworks. The central area also contains the Briggs Central Inferred Resource (143Mt @ 0.29% Cu).

Exploration Targets have been defined for each of these three areas as shown in Table 2:

Table 2 Exploration Target Ranges for the Briggs Project	
Target	Exploration Target Ranges
Northern Porphyry	110Mt - 205Mt @ 0.20% to 0.35% Cu
Briggs Central	260Mt - 490Mt @ 0.20% to 0.35% Cu
Southern Porphyry	85Mt - 155Mt @ 0.20% to 0.35% Cu
Total	455Mt - 850Mt @ 0.20% to 0.35% Cu

NOTE: The potential tonnage and grade of the exploration targets is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in an increase in the Mineral Resource Estimate. The Exploration Target for Briggs Central excludes the current Inferred Mineral Resource estimate (143Mt @ 0.29% Cu).

Queensland Copper

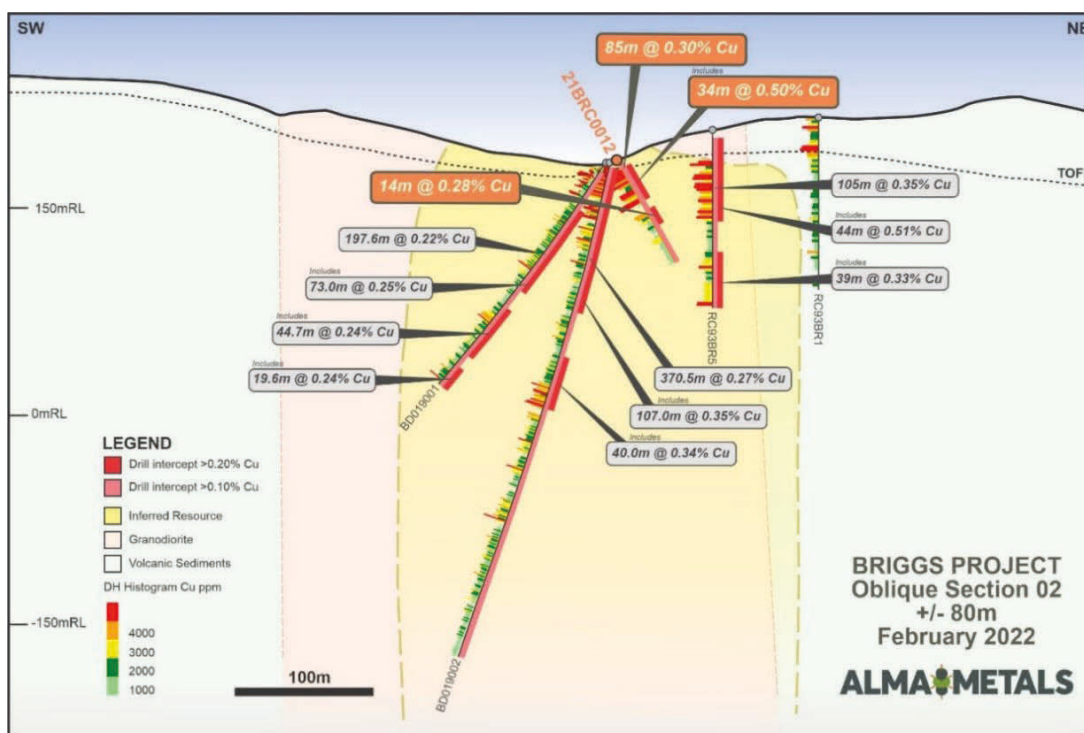


Figure 4. Geological cross section through Briggs Central inferred resource and exploration target.

Next Steps

- Follow-up drilling to test the validity of the exploration targets and expand the Inferred Mineral Resource at Briggs is scheduled to commence in October 2002.
- Six deep diamond drill holes for a total of 3,000m are planned, four to expand the resource and evaluate the exploration target at Briggs Central, and two to evaluate the exploration target at the Northern Porphyry (Figure 5).

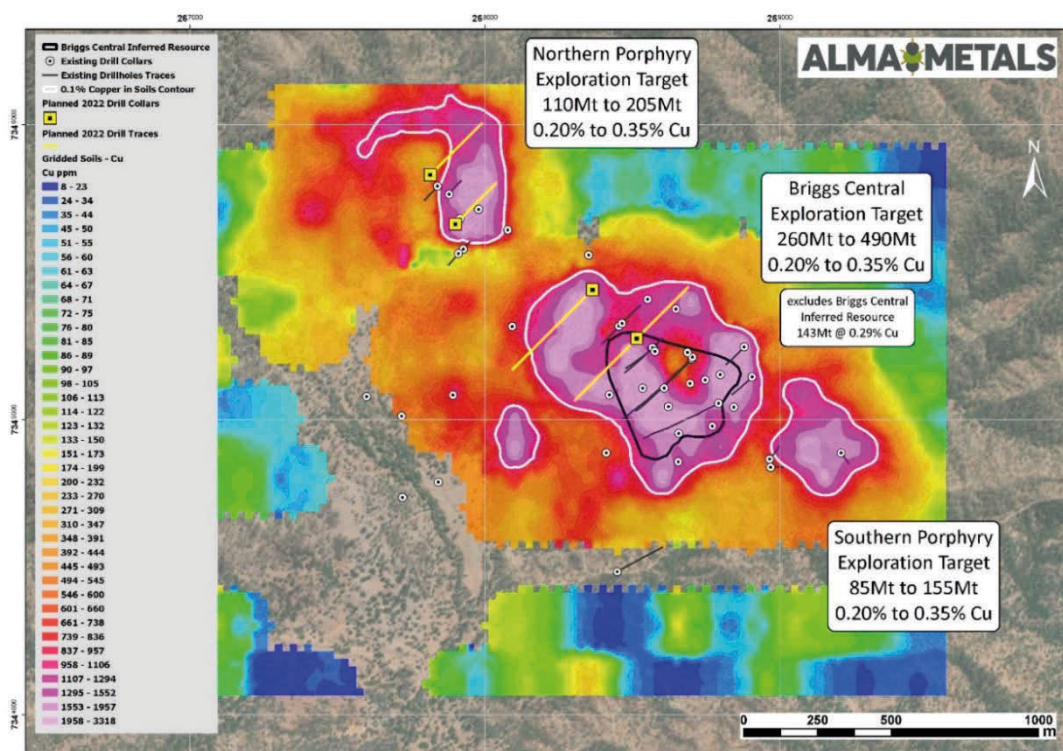


Figure 5. Exploration target outlines and proposed drill collars and traces (yellow) for evaluation core drilling program

East Kimberley Copper

Alma Metals has submitted applications for five maximum size exploration licences in the East Kimberley District of Western Australia, covering project areas considered highly prospective for stratiform copper mineralisation like the Central African Copperbelt (Figure 6).

- The project contains numerous copper occurrences hosted in the Elgee Siltstone and the base of the Middle Pentecost Sandstone, both in the Palaeo-Proterozoic Kimberley Group.
- These stratigraphic horizons are considered prospective for sediment-hosted, stratiform copper mineralisation.
- No modern exploration for copper in the project area is noted in any open file data.
- Alma Metals Ltd and Balangarra Aboriginal Corporation RNTBC have executed agreements under which Alma may be granted access to undertake initial reconnaissance exploration activities on the exploration licences:

Negotiation and Funding Agreement:

- This agreement sets out the protocol for Alma to commence reconnaissance exploration of the East Kimberley Copper Project ("Authorised Activities").
- This agreement also addresses the protocol for the

parties to negotiate a joint venture agreement and sets out the funding obligations of Alma during these negotiations.

- Alma will pay the reasonable costs of BAC, the Balangarra people and their advisors to attend and conduct the negotiations for an exploration joint venture.

Heritage Protection Agreement ("HPA") which sets the following:

- Cultural Heritage Protection protocols
- Protocols under which Alma will seek cultural heritage clearance to undertake the Authorised Activities.
- Protocols under which BAC will assess the clearance application, including cultural heritage survey team composition and costs to be borne by Alma.
- Compensation payments and community benefits to be borne by Alma.
- Alma's responsibilities to ensure adequate environmental assessment, protection, and rehabilitation.
- Follow-up programs comprising combinations/permutations of aerial geophysical surveying, infill stream sediment sampling and soil sampling and geological mapping will be undertaken over the most promising areas.



Figure 6. Gently dipping sandstones in the East Kimberley

East Kimberley Copper

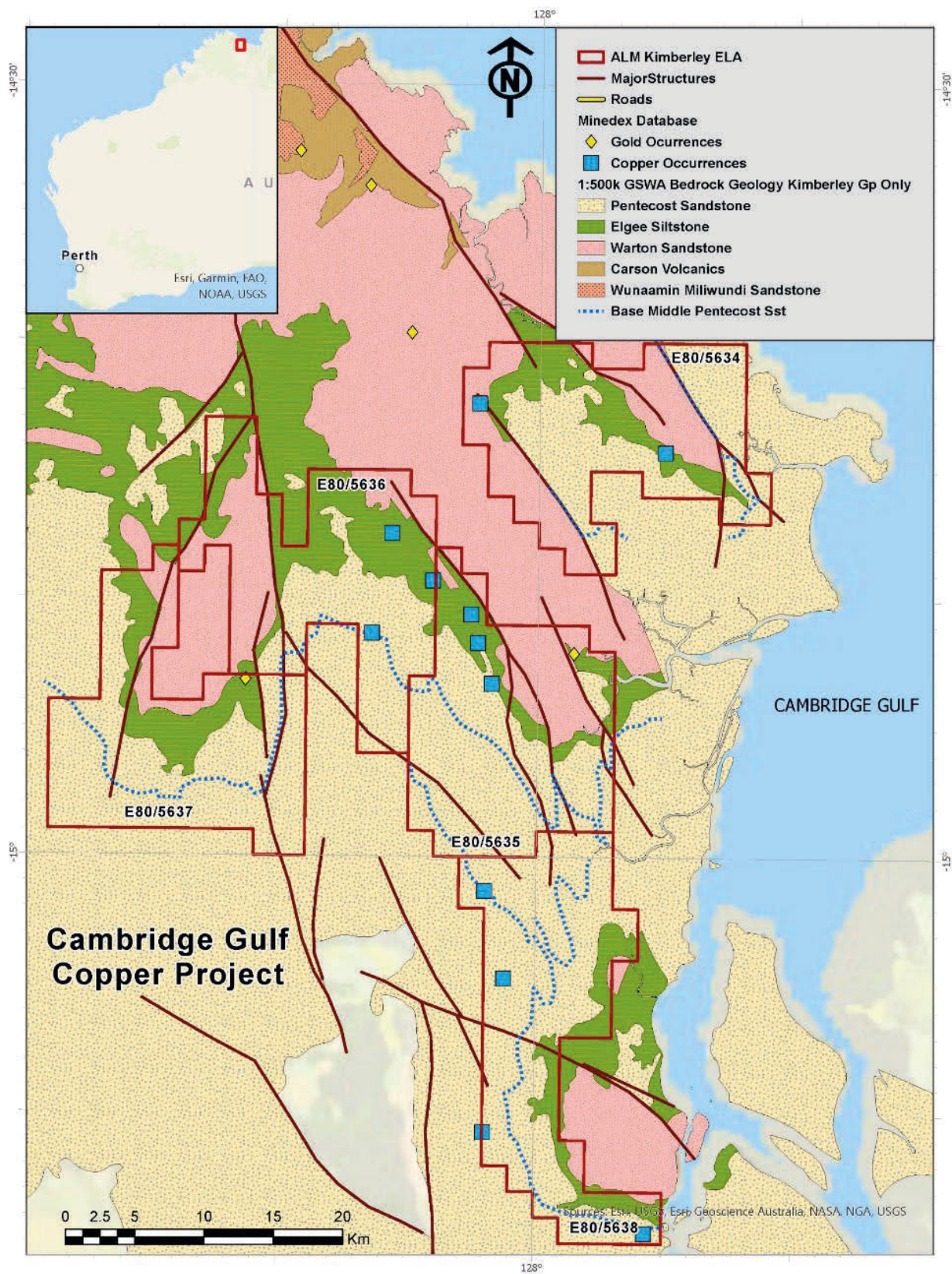


Figure 7. East Kimberley licence applications plotted over regional geology, showing copper occurrences in the Elgee Siltstone and at the base of the Middle Pentecost Sandstones.

SW Terrane of Western Australia

The Company has several granted exploration licences in the emerging world class province of the SW Terrane of Western Australia (Figure 10). These cover project areas which are considered prospective for large porphyry-style Cu-Au deposits or intrusion related orogenic Au deposits. Preliminary evaluation of open file data indicates extremely limited historical exploration has been undertaken in these areas.

- Soil sampling at 200m to 400m spacing along public access roads has been completed across all five granted exploration licences.
- Results have been received for Sunnyside and Mayanup.
- Moderate Cu, Ni, Co anomalism was detected in the central part of Sunnyside project. This requires follow-up field investigation.
- Minor Cu anomalism was detected in the Mayanup project, but this is spatially related to Proterozoic dykes and does not appear to be related to mineralisation. The tenement has been relinquished.

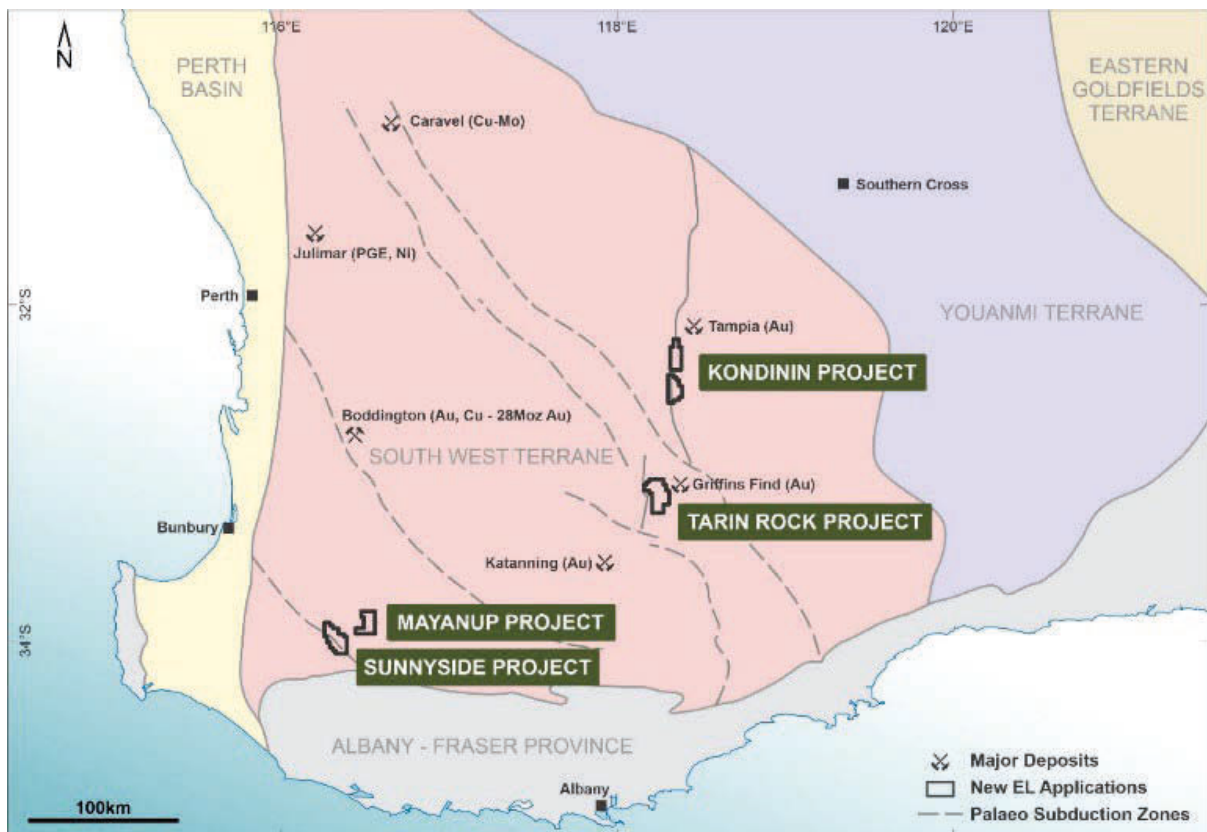


Figure 8. Location of Alma's copper-gold projects in the SW Terrane of Western Australia.

Tenement Schedule

Project Name	Tenement Name	Tenement Holder	Licence Number	Equity	Area (sq km)	Date Granted	Current Expiry Date
Briggs, Mannersley and Fig Tree Hill Copper Project	Briggs	Canterbury Resources Limited	EPM19198	-% (70%)*	9.4	16-Dec-11	15-Dec-26
	Mannersley	Canterbury Resources Limited	EPM18504	-% (70%)*	31.3	13-Oct-10	12-Oct-25
	Fig Tree Hill	Canterbury Resources Limited	EPM27317	-% (70%)*	181.7	20-Aug-20	19-Aug-25
Kondinin	Kondinin North	Alma Metals Australia Pty Ltd	E70/5611	100%	26.1	3-May-21	2-May-26
	Kondinin South	Alma Metals Australia Pty Ltd	E70/5612	100%	112.9	3-May-21	2-May-26
Sunnyside	Sunnyside	Alma Metals Australia Pty Ltd	E70/5614	100%	162.3	3-May-21	2-May-26
Tarin Rock	Tarin Rock	Alma Metals Australia Pty Ltd	E70/5615	100%	201.2	3-May-21	2-May-26
Tonebridge	Tonebridge	Alma Metals Australia Pty Ltd	E70/5671	100%	150.4	TBA	
Cambridge Gulf	Helby River	Alma Metals Australia Pty Ltd	E80/5634	100%	231.6	TBA	
	Lyne River	Alma Metals Australia Pty Ltd	E80/5635	100%	231.4	TBA	
	Mt McMillan	Alma Metals Australia Pty Ltd	E80/5636	100%	231.5	TBA	
	Mt Nicholls	Alma Metals Australia Pty Ltd	E80/5637	100%	231.4	TBA	
	Thompson River	Alma Metals Australia Pty Ltd	E80/5638	100%	231.2	TBA	

*Alma Metals has entered an earn-in joint venture with Canterbury Minerals (holder of the Briggs Mannersley and Fig Tree Hill Copper Project) where it may earn up to a 70% interest

Annual Statement of Mineral Resources

The Company completed an annual review of the reported Mineral Resources for the year ending 30 June 2022.

MINERAL RESOURCE INFORMATION (as at 30 June 2022)

Project	Deposit	Category	Cut-off	Mt	Cu (%)	Cu (kt)
Briggs, Mannersley and Fig Tree Hill *	Briggs Central	Inferred	0.2% Cu	142.8	0.29	414

*Alma Metals has entered an earn-in joint venture with Canterbury Minerals (holder of the Briggs, Mannersley and Fig Tree Hill Project) where it may earn up to a 70% interest

ASX Listing Rule 5.21 disclosure

- The Company's financial year end is 30 June 2022 and mineral resources held at year end are disclosed in the table above.
- In the reporting period the Company disposed its interests in Botswana coal resources and entered an earn-in joint venture with Canterbury Minerals where it may earn up to a 70% interest in Briggs Mannersley and Fig Tree Hill Project
- Resource governance arrangements are disclosed in ALM ASX release dated 18 August 2021.

COMPETENT PERSONS STATEMENT

The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC Code') sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves. The information contained in this announcement has been presented in accordance with the JORC Code (2012 edition) and references to "Measured, Indicated and Inferred Resources" are to those terms as defined in the JORC Code (2012 edition).

The information in this report relating to exploration targets, exploration activities and results is based on information reviewed by Dr Frazer Tabeart (Executive Director of Alma Metals Limited). Dr Tabeart is a member of the Australian Institute of Geoscientists. Dr Tabeart is a qualified geologist and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking, to qualify as Competent Persons as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Tabeart consents to the inclusion in the ASX release of the matters based on their information in the form and context in which it appears.

There is information in this announcement relating to:

- *the Mineral Resource Estimate for the Briggs Central Copper Deposit, which was previously announced on 18 August 2021;*
- *exploration results which were previously announced on 18 February 2022, 11 April 2022 and 12 May 2022.*

FORWARD LOOKING STATEMENTS:

Any forward-looking information contained in this news release is made as of the date of this news release. Except as required under applicable securities legislation, Alma Metals does not intend, and does not assume any obligation, to update this forward-looking information. Any forward-looking information contained in this news release is based on numerous assumptions and is subject to all of the risks and uncertainties inherent in the Company's business, including risks inherent in resource exploration and development. As a result, actual results may vary materially from those described in the forward-looking information. Readers are cautioned not to place undue reliance on forward-looking information due to the inherent uncertainty thereof.



Alma Metals Limited
(formerly African Energy Resources Limited)

ARBN 123 316 781

Financial Report

30 June 2022

Directors' Report

Your Directors present their report on the Consolidated Entity consisting of Alma Metals Limited (Company) and its controlled entities for the financial year ended 30 June 2022.

1. Directors and Company Secretary

The Directors and the Company Secretary of the Company at any time during or since the end of the financial year are as follows.

Alasdair Cooke BSc (Hons), MAIG – Executive Chairman

Mr Cooke has served as Chairman of the Board since its incorporation. Mr Cooke is a geologist with over 30 years' experience in the resource exploration industry throughout Australia and internationally. For the past 20 years Mr Cooke has been involved in mine development through various private and public resource companies, prior to which he held senior positions in BHP Billiton plc's international new business and reconnaissance group.

Mr Cooke is a founding director of Mitchell River Group, which over the past seventeen years has established a number of successful ASX listed resources companies, including Panoramic Resources, operating the Savannah and Lanfranchi nickel projects in Australia; Albidon, operating the Munali Nickel Mine in Zambia, Mirabela Nickel, operating the Santa Rita nickel project in Brazil; Exco Resources, developing copper and gold resources in Australia; and EVE Investments.

Other current directorships

EVE Health Group Limited
Caravel Minerals Limited

Special responsibilities

Executive Chairman

Former directorships in the last three years

Anova Metals Limited

Interests in shares and options

55,603,682 shares
8,000,000 options

Charles (Frazer) Tabeart PhD, BSc (Hons) ARSM, MAIG – Executive Director and CEO

Dr Tabeart is a graduate of the Royal School of Mines with a PhD and Honours in Mining Geology. He has over 30 years' experience in international exploration and mining projects, including 16 years with WMC Resources. Whilst at WMC, Dr Tabeart managed exploration portfolios in the Philippines, Mongolia and Africa, gaining considerable experience in a wide variety of commodities and operating with staff from diverse cultural backgrounds, and developing a particular expertise in porphyry copper mineralisation.

Dr Tabeart was appointed Managing Director of the Company in November 2007 after serving two years as General Manager. Under his stewardship the Company discovered and delineated the coal resource at the Sese Coal & Power Project. In the last two years he has led the transition to copper exploration in Australia.

Other current directorships

PolarX Limited
Arrow Minerals Ltd

Special responsibilities

Managing Director

Former directorships in the last three years

nil

Interests in shares and options

5,925,100 shares
8,000,000 options

Valentine Chitalu MPhil, BAcc, FCCA – Non-Executive Director

Mr Chitalu, a Zambian national and resident, is a Chartered Certified Accountant, Fellow of the Association of Chartered Certified Accountants (UK) and holds a practicing certificate from the Zambia Institute of Certified Accountants. He also holds a Masters Degree in Economics, Finance and Politics of Development and a Bachelor's Degree in Accounting and Finance.

Mr Chitalu has been a Non-Executive Director of Alma Metals since listing and has assisted the Company through his extensive business and Government contacts in the region.

Directors Report (continued)

Other current directorships

Minbos Resources

Special responsibilities

nil

Former directorships in the last three years

nil

Interests in shares and options

2,251,425 shares

Vincent Ian Masterton-Hume - Non-Executive Director

Mr Hume's career in the resources industry stretches back several decades, primarily in the fields of managed fund investments, capital raising and project development. He currently sits on the boards of TSX-listed Golden Minerals and ASX-listed Iron Road. He is a former Director of ASX and TSX-listed Marengo Mining.

Mr Hume was a Founding Partner of The Sentient Group ("Sentient"), an independent private equity investment firm that specialises in the global resource industry. Prior to the founding of Sentient, Mr Hume was a consultant to AMP's Private Capital Division, working on the development of a number of Chilean mining investment joint ventures, as well as advising on a number of specific investments across a range of commodities and locations.

Other current directorships

Iron Road Limited

Special responsibilities

nil

Former directorships in the last three years

Golden Minerals Limited

Interests in shares and options

4,157,606 shares

John Dean - Non-Executive Director

Since joining First Quantum Minerals Ltd in 2011, John Dean has fulfilled various roles within their mining operations and development projects globally. John is now Assistant General Manager of the Cobre Panamá copper mine. He is also Manager of Project Feasibility for the Company's Taca Taca copper-gold-molybdenum pre-development project in Argentina.

John graduated with honours from the University of Louisville with a Bachelor of Science in Business Administration, and was later awarded an MBA, with distinction, from the University of Oxford.

Current directorships

nil

Special responsibilities

nil

Former directorships in the last three years

nil

Interests in shares and options

nil

Daniel Davis – Company Secretary

Mr Davis is a qualified accountant who has fifteen years-experience in senior accounting and corporate roles for resources businesses in all stages from exploration to development, construction and mining.

1.1 Directors' Meetings

There was one Director's meeting during the Year which was attended by all Directors.

2. Remuneration Report - Audited

This Remuneration Report outlines the remuneration arrangements which were in place during the year and remain in place as at the date of this report, for the Directors and key management personnel ("KMP") of Alma Metals Limited.

The information provided in this remuneration report has been Audited as required by section 308(3c) of the Corporations Act 2001.

Directors Report (continued)

3.1 Principles of Compensation

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders and conforms with market practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation;
- transparency; and
- capital management.

Alignment to shareholders' interests:

- has economic profit as a core component of plan design;
- focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracts and retains high calibre executives.

Alignment to program participants' interests:

- rewards capability and experience;
- reflects competitive reward for contribution to growth in shareholder wealth;
- provides a clear structure for earning rewards; and
- provides recognition for contribution.

The framework provides a mix of fixed and variable pay, and a blend of short and long-term incentives. As executives gain seniority with the Company, the balance of this mix shifts to a higher proportion of "at risk" rewards.

The following table shows key performance indicators for the group over the last five years:

	2022	2021	2020	2019	2018
Loss for the year attributable to owners (A\$)	(9,247,079)	(5,391,293)	(4,486,397)	(1,234,056)	(5,337,928)
Basic loss per share (cents)	(1.30)	(0.86)	(0.72)	(0.20)	(0.85)
Dividend payments	-	-	-	-	-
Dividend payment ratio (%)	-	-	-	-	-
Increase / (decrease) in share price (%)	52%	50%	(7%)	(187%)	(304%)
Total KMP incentives as percentage of profit / (loss) for the year (%)	-	-	-	-	-

3.2 Remuneration governance

The Remuneration Committee provides advice on remuneration and incentive policies and practices and specific recommendations on remuneration packages and other terms of employment for Executive Directors, other senior executives and Non-Executive Directors. The Corporate Governance Statement provides further information on the role of the Board.

3.3 Non-Executive Directors

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-Executive Directors' fees and payments are reviewed annually by the Board. The current base remuneration was last reviewed with effect from 28 October 2020 and was set at \$25,000 per annum (2021: \$25,000).

3.4 Executive Directors

Base Pay

Base pay is structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the Remuneration Committee's discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for executives is reviewed annually to ensure the executive's pay is competitive with the market. There are no guaranteed base pay increases included in any executives' contract.

Directors Report (continued)

Long-term incentives

The award of options to Directors, provides an opportunity for Directors to participate in the Company's growth and an incentive to contribute to that growth. The Board determines the terms that will apply to each option issued.

The options' exercise price is determined based on an appropriate premium to the weighted average price at which the company's shares are traded on the Australian Stock Exchange during the week up to and including the date of the grant.

Options will lapse if vesting conditions are not met. Options will be forfeited on cessation of employment unless the Board determines otherwise.

Service Contracts

On appointment to the Board, Executive Directors enter into an executive service agreement with the Company. The agreement details the Board policies and terms, including compensation, relevant to the office of Director.

The Company currently has service contracts in place with Alasdair Cooke and Charles Tabeart. All contracts with Executive Directors are for a two-year term but can be terminated by either party with three months' notice. Details of the service agreements are listed below.

Alasdair Campbell Cooke - Executive Chairman, the Company

- Commencement date: 1 January 2021
- Term: 1 year
- Base annual salary is \$85,000
- Consulting Fee of \$2,000 per day when the executive works more than one day per week
- Termination payment is the equivalent of three months consulting fees

Charles Frazer Tabeart - Executive Director, the Company

- Commencement date: 1 January 2021
- Term: 1 year
- Base annual salary is \$160,000
- Consulting Fee of \$2,000 per day when the executive works more than two and a half days per week
- Termination payment is the equivalent of three months consulting fees

No other key management personnel have service contracts in place with the Consolidated Entity.

3.5 Comments made at the Company's 2021 Annual General Meeting

The Company did not receive any specific feedback at the AGM held on 21 October 2021 or throughout the year on its remuneration practices.

3.6 Directors and Executive Officers' Remuneration (Consolidated Entity)

Details of the remuneration of the Directors of the Consolidated Entity (as defined in AASB 124 Related Party Disclosures) of the Consolidated Entity are set out in the following tables.

The key management personnel of the Consolidated Entity are the Directors of Alma Metals Limited.

Directors Report (continued)

The following tables set out remuneration paid to key management personnel of the Consolidated Entity during the year.

Key Management Personnel remuneration - 2022	Short term employee benefits	Post-employment benefits	Share based payments	Performance based	Total
	Cash salary & fees	Superannuation			
	\$	\$	\$	%	\$
Non-Executive Directors					
Valentine Chitalu	25,000	-	-	-	25,000
Vincent Masterton-Hume	22,727	2,273	-	-	25,000
Gregory Fry	-	-	-	-	-
John Dean	25,000	-	-	-	25,000
Total Non-Executive Directors	72,727	2,273	-	-	75,000
Executive Directors					
Charles Tabear	160,000	-	184,800	54	344,800
Alasdair Cooke	97,000	-	184,800	66	281,800
Total Executive Directors	257,000	-	369,600	59	626,600
Total Key Management Personnel	329,727	2,273	369,600	53	701,600

Key Management Personnel remuneration - 2021

Non-Executive Directors					
Valentine Chitalu	24,918	-	-	-	24,918
Vincent Masterton-Hume	22,552	2,368	-	-	24,920
Gregory Fry	1,048	-	-	-	1,048
John Dean	24,918	-	-	-	24,918
Total Non-Executive Directors	73,436	2,368	-	-	75,804
Executive Directors					
Charles Tabear	159,479	-	-	-	159,479
Alasdair Cooke	84,723	-	-	-	84,723
Total Executive Directors	244,202	-	-	-	244,202
Total Key Management Personnel	317,638	2,368	-	-	320,006

The Group did not engage a remuneration consultant during the year.

Directors Report (continued)

3.7 Share-based compensation

During the year ended 30 June 2022, the Company granted 16 million options to directors, as follows:

	Tranche 4	Tranche 5
Date of issue	21/10/2021	21/10/2021
Number of options	8,000,000	8,000,000
Dividend yield (%)	-	-
Expected volatility (%)	98.00%	98.00%
Risk free interest rate (%)	2.35%	2.35%
Expected life of the option (years)	2.78	2.78
Option exercise price (cents per option)	4.3	4.3
Vesting hurdle	nil	nil
Vesting date	21/10/2021	21/10/2021
Share price at grant date (cents per share)	4.20	4.20
Fair value per option (\$)	\$0.0231	\$0.0231
Total value at grant date (\$)	184,800	184,800
Vested during the period	8,000,000	8,000,000
Granted to Director	Alasdair Cooke	Frazer Tabearnt

The options fully vested and were expensed during the year.

3.8 Directors' and Executives Interests

(a) Shares

	Balance at 30/06/2021	Purchases (Sales)	Balance at 30/06/2022
Non-executive Directors			
Valentine Chitalu	2,251,425	-	2,251,425
Vincent Masterton-Hume	4,157,606	-	4,157,606
John Dean	-	-	-
Executive Directors			
Alasdair Cooke	50,003,682	-	55,603,682
Charles Tabearnt	4,774,100	-	5,925,100
Gregory Fry	-	-	-
	61,186,813	-	67,937,913

There are no other equity interests held by Directors.

(b) Options

	Balance at 30/06/2021	Granted	Balance at 30/06/2022	Vested and exercisable at 30/06/2022
Non-executive Directors				
Valentine Chitalu	-	-	-	-
Vincent Masterton-Hume	-	-	-	-
John Dean	-	-	-	-
Executive Directors				
Alasdair Cooke	-	8,000,000	8,000,000	8,000,000
Charles Tabearnt	-	8,000,000	8,000,000	8,000,000
Gregory Fry	-	-	-	-
	-	16,000,000	16,000,000	16,000,000

No options were held by KMP at the beginning, during and at the end of the year ended 30 June 2021.

Directors Report (continued)

3.9 Directors' and Executives Interests - Other related party transactions

The terms and conditions of the transactions with Directors, key executives and associates and their related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-Director related entities on an arm's length basis.

	Charges from		Charges to	
	2022	2021	2022	2021
	\$	\$	\$	\$
Mitchell River Group Pty Ltd	63,506	48,772	-	-

At 30 June 2022 the company had a payable outstanding to Mitchell River Group of \$2,697 (30 June 2021: \$1,603).

This is the end of the Audited remuneration report.

3. Principal Activities

The principal activity of the Consolidated Entity during the course of the financial year was the exploration of base metals and gold projects in Australia

4. Events Subsequent to Reporting Date

- On 4 July 2022, Frazer Tabeart was appointed the role of full-time Managing Director.
- On 21 September the Company completed a share placement and issued 125,200,000 ordinary shares at an issue price of \$0.01 per share.

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

5. Likely Developments and Expected Results

The Group will continue to pursue activities within its corporate objectives. Further information about likely developments in the operations of the Group and the expected results of those operations in the future financial years has not been included in this report because disclosure would likely result in unreasonable prejudice to the Group.

6. Significant Changes in the State of Affairs

In the opinion of the Directors, other than stated under Review of Operations, and Events Subsequent to Reporting Date, there were no significant changes in the state of affairs of the Group that occurred during the financial year under review and subsequent to the year end.

7. Environmental Regulations

The Consolidated Entity's operations are not subject to any significant environmental regulations under the legislation of countries in which it operates. However, the Board believes there are adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply.

The Company is not subject to the reporting requirements of both the Energy Efficiency Opportunities Act 2006 and the National Greenhouse and Energy Reporting Act 2007.

8. Indemnification and Insurance of Officers and Auditors

An indemnity agreement has been entered into with each of the Directors and Company Secretary of the Company named earlier in this report. Under the agreement, the Company has agreed to indemnify those officers against any claim or for any expenses or costs which may arise as a result of work performed in their respective capacities to the extent permitted by law. There is no monetary limit to the extent of this indemnity.

During the financial year, the Company has taken out an insurance policy in respect of Directors' and officers' liability and legal expenses for Directors and officers.

Directors Report (continued)

9. Corporate Structure

Alma Metals Limited is a Company limited by shares that is incorporated and domiciled in Guernsey. The Company is listed on the Australian Securities Exchange under code ALM.

10. Non-Audit Services

During the year, there were no non-Audit services provided by BDO Audit (WA) Pty Limited (2021: nil).

11. Loans to key management personnel

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

12. Lead Auditor's Independence Declaration

The lead Auditor's Independence Declaration is set out on page 25 and forms part of the Directors' report for the financial year ended 30 June 2022.



Charles Frazer Tabear

Managing Director
Perth, 30 September 2022

Directors' Declaration

Alma Metals Limited and its Controlled Entities

The Directors of the Company declare that:

- 1 The financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and accompanying notes, are in accordance with the Corporations Act 2001; and
 - (a) comply with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the Consolidated Entity.
- 2 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.
- 3 The Consolidated Entity has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
- 4 The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors by:



Charles Frazer Tabcart

Managing Director

Perth, 30 September 2022

INDEPENDENT AUDITOR'S REPORT

To the members of Alma Metals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Alma Metals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- (ii) 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 *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to 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 of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Accounting for Share Based Payments

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>During the year, the Group issued options to consultants, employees and key management personnel as disclosed in Note 8.1, which have been accounted for as share-based payments.</p> <p>Share-based payments are a complex accounting area and due to the complex and judgemental estimates used in determining the fair value of the share-based payment, we consider it to be a key audit matter.</p>	<p>Our procedures in respect of this area included but were not limited to the following:</p> <ul style="list-style-type: none"> • Reviewing relevant supporting documentation to obtain an understanding of the contractual nature and terms and conditions of the share-based payment arrangements; • Holding discussions with management to understand the share-based payment transactions in place; • Reviewing management's determination of the fair value of the share-based payments granted, considering the appropriateness of the valuation models used and assessing the valuation inputs; • Involving our valuation specialists, to assess the reasonableness of management's valuation inputs in respect of volatility; • Assessing the allocation of the share-based payment expense over the relevant vesting period; and • Assessing the adequacy of the related disclosures in Note 1.6 and Note 8.1 to the Financial Statements.

Other information

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

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

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

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

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 20 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Alma Metals Limited, for the year ended 30 June 2022, 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.

BDO Audit (WA) Pty Ltd



Phillip Murdoch

Director

Perth

30 September 2022

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF ALMA METALS LIMITED

As lead auditor of Alma Metals Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Alma Metals Limited and the entities it controlled during the period.



Phillip Murdoch
Director

BDO Audit (WA) Pty Ltd
Perth
30 September 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2022

		2022	(Restated)
	Note	\$	2021
		\$	\$
Government grants		-	21,417
Interest received	3.2	1,778	7,950
Personnel expenses	3.3	(725,633)	(264,200)
Professional & administration expense	3.3	(528,605)	(334,310)
Exploration & evaluation expensed	2.4	(1,004,017)	(247,553)
Foreign currency gain / (loss)		(77,879)	(174)
Loss before tax		(2,334,356)	(816,870)
Income tax expense	3.4	-	-
Loss from continuing operations		(2,334,356)	(816,870)
Loss from discontinued operations	2.1	(6,912,723)	(4,574,423)
Loss for the year		(9,247,079)	(5,391,293)
Other comprehensive items that will not be reclassified to profit or loss			
Changes in the fair value of financial assets at fair value through other comprehensive income (FVOCI)		(4,917,756)	6,891,859
Other comprehensive items that may be reclassified to profit or loss			
Foreign currency translation reserve		-	187,434
Total other comprehensive income / (loss) for the year		(14,164,835)	1,688,000
Total comprehensive income (loss) attributable to the ordinary equity holders of the Company:			
(Loss) / profit from continuing operations		(7,252,112)	6,262,423
(Loss) / profit from discontinued operations		(6,912,723)	(4,574,423)
Comprehensive loss attributable to the shareholders of the Company		(14,164,835)	1,688,000
Loss per share for loss attributable to the ordinary equity holders of the Company:			
Basic and diluted loss per share (cents per share)	3.5	(1.30)	(0.86)
Basic and diluted loss per share from continuing operations (cents per share)	3.5	(0.33)	(0.13)
Basic and diluted loss per share from discontinued operations (cents per share)	3.5	(0.97)	(0.73)

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

Consolidated Statement of Financial Position

As at 30 June 2022

		2022	(Restated) 2021	(Restated) 2020
	Note	\$	\$	\$
Assets				
Current assets				
Cash & cash equivalents	4.1	1,632,586	1,475,286	1,347,414
Trade & other receivables	4.3	26,296	82,243	25,576
Total current assets		1,658,882	1,557,529	1,372,990
Non-current assets				
Investment in Sese Joint Venture	2.1	-	4,627,261	9,413,744
Financial assets at FVOCI	2.2	3,124,298	7,042,054	839,635
Property, plant and equipment	2.3	23,000	-	-
Total non-current assets		3,147,298	11,669,315	10,253,379
Total assets		4,806,180	13,226,844	11,626,369
Liabilities				
Current liabilities				
Trade & other payables	4.4	105,622	107,744	195,269
Total current liabilities		105,622	107,744	195,269
Total liabilities		105,622	107,744	195,269
Net assets		4,700,558	13,119,100	11,431,100
Equity				
Contributed equity	5.1	83,729,876	85,305,933	85,305,933
Reserves	4.5	2,267,012	(137,582)	(66,657,958)
Retained earnings (Accumulated losses)		(81,296,330)	(72,049,251)	(7,216,875)
Total equity attributable to shareholders of the Company		4,700,558	13,119,100	11,431,100

The Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes.

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

For the twelve months ended 30 June 2022	Contributed equity	Accumulated losses	Foreign Currency Translation Reserve	Other Comprehensive Income Reserve (FVOCI)	Share- Based Payments Reserve	Total equity
	\$	\$	\$	\$	\$	\$
At 30 June 2021	85,305,933	(72,049,251)	(6,802,650)	6,665,068	-	13,119,100
Loss from continuing operations	-	(2,334,356)	-	-	-	(2,334,356)
Loss from discontinued operations	-	(6,912,723)	-	-	-	(6,912,723)
Net loss for the year	-	(9,247,079)	-	-	-	(9,247,079)
Other comprehensive income/(loss)						
Effect of translation of foreign operations to group presentation currency	-	-	-	-	-	-
Movement in fair value of financial assets at FVOCI	-	-	-	(4,917,756)	-	(4,917,756)
Total comprehensive income for the year	-	(9,247,079)	-	(4,917,756)	-	(14,164,835)
Issue of new shares net of cost	3,264,248	-	-	-	-	3,264,248
In specie distribution (Note 2.1)	(4,840,305)	-	6,802,650	-	-	1,962,345
Share-based payments	-	-	-	-	519,700	519,700
	(1,576,057)	-	6,802,650	-	519,700	5,746,293
At 30 June 2022	83,729,876	(81,296,330)	-	1,747,312	519,700	4,700,558
For the twelve months ended 30 June 2021 (Restated)						
At 30 June 2020	85,305,933	(66,657,958)	(6,990,084)	(226,791)	-	11,431,100
Loss from continuing operations	-	(5,260,265)	-	-	-	(5,260,265)
Loss from discontinued operations	-	(131,028)	-	-	-	(131,028)
Net loss for the year	-	(5,391,293)	-	-	-	(5,391,293)
Other comprehensive income/(loss)						
Effect of translation of foreign operations to group presentation currency	-	-	187,434	-	-	187,434
Movement in fair value of financial assets at FVOCI	-	-	-	6,891,859	-	6,891,859
Total comprehensive income for the year	-	(3,372,977)	187,434	6,891,859	-	1,668,000
Transactions with owners in their capacity as owners:						
Issue of new shares net of cost	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-
	-	-	-	-	-	-
At 30 June 2021	85,305,933	(72,049,251)	(6,802,650)	6,665,068	-	13,119,100

The Consolidated Statements of Changes in Equity are to be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows for the year ended 30 June 2022

		2022	(Restated) 2021
	Note	\$	\$
Cash flows from operating activities			
Interest received		1,816	8,151
Payment for exploration and evaluation		(1,096,434)	(176,120)
Payment to suppliers and employees		(683,382)	(626,790)
Net cash (outflow) from operating activities	4.2	(1,778,000)	(794,759)
Cash flows from investing activities			
Investment in Sese JV		(5,948)	45,757
In-specie distribution	2.1	(300,000)	-
Acquisition of listed investments	2.2	(1,000,000)	-
Acquisition of property, plant and equipment		(23,000)	-
Receipts from sale of listed investments		-	757,271
Net cash (outflow)/inflow from investing activities		(1,328,948)	803,028
Cash flows from financing activities			
Proceeds from issue of shares		3,400,000	-
Share issue costs		(135,752)	-
Net cash inflow/(outflow) from financing activities		3,264,248	-
Cash and cash equivalents at the beginning of the year	4.1	1,475,286	1,347,414
Net increase in cash and cash equivalents		157,300	8,269
Effect of exchange rate fluctuations on cash held		-	119,603
Cash and cash equivalents at the end of the year	4.1	1,632,586	1,475,286

The Consolidated Statements of Cash Flows are to be read in conjunction with the accompanying notes

Notes to the Financial Statements

1. Basis of Preparation

1.1 Statement of Compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards ('AASBs') (including Australian Interpretations) adopted by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. The financial report of the Consolidated Entity also complies with IFRSs and interpretations as issued by the International Accounting Standards Board. Alma Metals Limited is a for-profit entity for the purposes of preparing financial statements.

The financial report was authorised for issue by the Directors on 30 September 2022.

1.2 Basis of measurement

The financial report is prepared under the historical cost convention.

1.3 Functional and presentation currency

These consolidated financial statements are presented in Australian dollars ('A\$').

On 1 July 2021 the Consolidated entity changed its presentation currency of the Group and functional currency of the Parent and all non-Australian subsidiaries from US Dollars ('US\$') to Australian Dollars ('A\$' or '\$'). Refer to note 1.8 for details of change in presentational currency for the year ended 30 June 2022 and corresponding comparatives.

Functional currency

The Consolidated entity changed its operational focus from overseas to Australian assets, effectively changing the economic environment in which it operates. Consequently, the Consolidated entity and its subsidiaries are no longer exposed to US\$ as the funding and the costs of the Group's operations are denominated in A\$. The change is applied prospectively from 1 July 2021. An exchange rate of US\$/A\$1.3301 was used for conversion of functional currency.

Presentation currency

The Consolidated entity changed its presentation currency from US\$ to A\$ effective from the 1 July 2021. The change in presentation currency is a voluntary change, which is accounted for retrospectively. The comparatives have been restated to A\$ at the spot rate on 1 July 2021 of US\$/A\$1.3301.

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Australian dollars at the foreign exchange rate prevailing on that date. Foreign exchange differences arising on translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit or Loss.

1.4 Going concern

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

1.5 Reporting entity

Alma Metals Limited (referred to as the 'Parent Entity' or the 'Company') is a Guernsey registered company domiciled in Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2022 comprise the Company and its subsidiaries (together referred to as the 'Consolidated Entity' or the 'Group').

Notes to the Financial Statements (continued)

1.6 Use of estimates and judgments

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the Consolidated Entity.

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. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Share-based payments arrangements (Note 8) - The Group values options issued at fair value at the grant date using the binomial option pricing model taking into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, the expected volatility of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option. Performance rights are valued at face value of the share on the date of issue. At each reporting period management assess the probability of the vesting of options and performance rights where applicable in accordance with AASB 2 – Share based payments (non-market conditions). The probability is assessed to either be less likely or more likely (0% or 100%) and a vesting expense is recorded accordingly.
- In-specie distribution (Note 2.1) - On 1 November the Company completed the in-specie distribution of subsidiary entity African Energy Limited under a Restructure Agreement. Consequently, the Group was required to determine the fair value of assets as at the date of distribution. The fair value of the distributed assets was assessed at \$4,840,305 and it comprised the carrying value of the Group's investments in the assets-holding subsidiaries on the date of the distribution being \$4,540,305 and a cash contribution of \$300,000.

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

1.7 In-specie distribution

The share capital of the company is reduced by the fair value of the financial assets that were spun out during the period into the unlisted public entity, African Energy Limited (details disclosed in note 2.1 and note 1.6 for estimates and judgements applied).

1.8 Changes to Accounting Policies

As previously disclosed, on 1 July 2021 the Group changed its functional and presentation currency to Australian Dollars.

Following the Group's shift in focus to copper and gold exploration within Australia, the Group assessed the appropriateness of its functional and reporting currency. The following factors indicating the currency change were identified:

- Significant reduction in expenditure incurred in US dollars, funding entirely in Australian dollars.
- Operational activities primarily within Australian economic environment; after divestment of African projects no overseas operations or subsidiaries.

All financial information included in the financial report for the year ended 30 June 2022 as well as the comparatives at 30 June 2021, which were previously reported in US dollars, has been restated to Australian dollars at the exchange rate on 1 July 2021 of \$/A\$1.3301.

Notes to the Financial Statements (continued)

2. Non-Current Assets

2.1 Subsidiaries and Associates

Associates are entities over which the Group has significant influence but not control or joint control. Associates are accounted for in the parent entity financial statements at cost and the consolidated financial statements using the equity method of accounting. Under the equity method of accounting, the group's share of post-acquisition profits or losses of associates is recognised in consolidated profit or loss and the group's share of post-acquisition other comprehensive income of associates is recognised in consolidated other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends received from associates are recognised in the parent entity's profit or loss, while they reduce the carrying amount of the investment in the consolidated financial statements.

Subsidiaries are all entities over which the group has control. Control is determined with reference to whether the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Where the group loses control of a subsidiary but retains significant influence, the retained interest is re-measured to fair value at the date that control is lost and the difference between fair value and the carrying amount is recognised in profit or loss. There is judgement involved in determining whether control has been lost and determining the fair value of the investment held.

(a) Investment in Associates

	2022 \$	(Restated) 2021 \$
Balance at the beginning of the year	4,627,261	9,413,744
Investment in Sese JV / (Refund of Sese JV contributions)	300,000	(212,061)
Impairment	-	(4,443,395)
Share of losses after income tax	(86,956)	(131,028)
In-specie distribution	(4,840,305)	-
Carrying amount at 30 June	-	4,627,261

During the year ended 30 June 2022, the Consolidated entity disposed of its 33.3% interest in Sese JV, as part of the in-specie distribution.

(b) In-specie distribution

On 1 November the Company completed in-specie distribution ('Distribution') of subsidiary entity African Energy Limited ('AEL') under a Restructure Agreement with the following terms:

- AEL owns 33.3% interest in the Sese Coal Project joint venture company and 100% interest in both the Mmamabula West and Mmamantswe Coal Projects
- the Company effected the Distribution by issuing all the AEL shares it holds as an in specie distribution to the shareholders of the Company, where each shareholder will receive 1 AEL share for each 1 share held in the Company; and
- The Company transferred A\$300,000 to AEL for working capital

The effect of the Distribution on the Group was as follows: \$4,840,305 reduction of the share capital of the Company and release of \$6,802,650 from reserves to the profit or loss as a result of the discontinued operations.

Notes to the Financial Statements (continued)

(c) Discontinued operation

The effect of discontinued operation on the consolidated financial statements is set out in the table below.

	2022 \$	(Restated) 2021 \$
<i>Statement of Profit or Loss and Other Comprehensive Income</i>		
Share of Loss in Sese JV	(86,956)	(131,028)
Other exploration expenses	(23,117)	(4,443,395)
	(110,073)	(4,574,423)
Releasing Foreign currency reserves to profit or loss	(6,802,650)	-
Loss from discontinued operation	(6,912,723)	(4,574,423)
<i>Statement of financial position</i>		
Net assets of divested subsidiaries	(4,540,305)	4,627,261
Cash contribution	(300,000)	-
Reduction in share capital	(4,840,305)	4,627,261

2.2 Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)

	2022 \$	(Restated) 2021 \$
Balance at the beginning of year	7,042,054	839,635
Additions	1,000,000	-
Movement in Fair Value of Financial assets at FVOCI	(4,917,756)	6,891,859
Effect of movements in foreign exchange	-	(130,576)
Disposals	-	(558,864)
Carrying amount at 30 June	3,124,298	7,042,054

At the balance date the Consolidated Entity held 15,283,872 ordinary shares in Caravel Minerals (ASX: CVV) and 8,333,333 ordinary shares in Canterbury Resources Limited (ASX: CBY).

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in the FVOCI reserve, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

Notes to the Financial Statements (continued)

2.3 Property, plant and equipment

	2022 \$	2021 \$
Computer Equipment - Cost	3,767	-
Accumulated depreciation	(3,767)	-
Net carrying amount at 30 June	-	-
Exploration Equipment - Cost	23,000	-
Accumulated depreciation	-	-
Net carrying amount at 30 June	23,000	-
Total Cost	26,767	-
Total accumulated depreciation	(3,767)	-
Net carrying amount at 30 June	23,000	-

2.4 Exploration and evaluation expenditure

Exploration and evaluation expenditure is expensed as incurred. Tenement acquisition costs are initially capitalised. Costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area, sale of the respective areas of interest or where activities in the area have not yet reached a stage, which permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

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

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

Restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are expensed as incurred and treated as exploration and evaluation expenditure.

3. Financial Performance

3.1 Segment information

AASB 8 Operating Segments requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker.

During the year ended 30 June 2022 and the comparative period, the Company's Board received financial information across two reportable segments: Power Investments and Copper Exploration. Since the disposal of its African subsidiaries in November 2021 the financial information is presented in a single segment, being the Copper Exploration.

	Power Investments \$	Copper Exploration \$	Consolidated \$
For the year ended 30 June 2022			
Total segment revenue	-	1,778	1,778
Profit (loss) before income tax	(6,912,723)	(7,252,112)	(14,164,835)
<i>Segment Assets</i>			
Investment in Sese JV	-	-	-
Financial assets at FVOCI	-	3,124,298	3,124,298
Property, plant and equipment	-	23,000	23,000
Cash and short term receivable	-	1,658,882	1,658,882
Total Segment Assets	-	4,806,180	4,806,180
<i>Segment Liabilities</i>			
Trade & other payables	-	105,622	105,622
Total Segment Liabilities	-	105,622	105,622

Notes to the Financial Statements (continued)

For the year ended 30 June 2021

Total segment revenue	-	29,367	29,367
Impairment	(4,443,395)	-	(4,443,395)
Profit (loss) before income tax	(4,821,976)	(569,317)	(5,391,293)
<i>Segment Assets</i>			
Investment in Sese JV	4,627,261	-	4,627,261
Financial assets at FVOCI	-	7,042,054	7,042,054
Cash and short term receivable	-	1,557,529	1,557,529
Total Segment Assets	4,627,261	8,599,583	13,226,844
<i>Segment Liabilities</i>			
Trade & other payables	-	107,744	107,744
Total Segment Liabilities	-	107,744	107,744

3.2 Revenue

(d) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

(e) Net financial income

Net financial income comprises interest payable on borrowings calculated using the effective interest method, interest receivable on funds invested, dividend income and foreign exchange gains and losses.

Interest income is recognised in the profit or loss as it accrues, using the effective interest method. Management fees are recognised in the profit or loss as the right to a fee accrues, in accordance with contractual rights.

	2022 \$	(Restated) 2021 \$
Interest received	1,778	7,950

3.3 Expenses

Personnel expenses

	2022 \$	2021 \$
Employee salaries	31,097	82,639
Superannuation	3,000	7,620
Directors fees	332,000	320,007
Share-based payments	405,200	-
Recharge of director fees and employee salaries	(45,664)	(146,066)
	725,633	264,200

Professional & administration expense

	2022 \$	2021 \$
Audit Tax and Accounting	262,343	130,952
Compliance & Insurance	166,976	150,553
Occupancy	24,826	28,914
Travel	3,311	3,758
Marketing	52,018	1,454
Other	19,131	18,679
	528,605	334,310

Notes to the Financial Statements (continued)

3.4 Income Taxes

(a) Income tax expense:

Current tax
Deferred tax
Overprovision in respect to prior years

2022	2021
\$	\$
-	-
-	-
-	-
-	-

(b) Reconciliation of income tax expense to prima facie tax payable:

Profit/(Loss) before income tax from continuing operations	(2,334,356)	(5,260,265)
Profit/(Loss) before income tax from discontinued operations	(6,912,723)	(131,028)
	(9,247,079)	(5,391,293)
Prima facie income tax at 25% (2021: 26%)	(2,311,770)	(1,401,736)
Tax effect of amounts not deductible in calculating taxable income:		
Sundry items	106	(5,472)
Other	95,741	44,160
	(2,215,923)	(1,363,048)
Difference in overseas tax rates	(977)	(3,557)
Impact of reduction in future corporate tax rate	-	1,204,890
Tax-effect of non-deductible loss on in-specie distribution/discontinued operations	1,728,181	-
Tax losses and other deferred tax balances not recognised	488,719	161,715
Income tax expense/(benefit)	-	-

(c) Tax losses

Unused tax losses for which no deferred tax asset has been recognised	(1,913,795)	597,968
Potential tax benefit @ 25% (2021: 25%)	(478,449)	149,492
Difference in overseas tax rates	(977)	(3,557)
Potential tax benefit	(479,425)	145,935

(d) Unrecognised deferred tax assets arising on timing differences and losses

Timing	38,560	1,117,133
Losses - Revenue	2,504,540	5,364,067
	2,543,100	6,481,200

(e) Change in future corporate tax rate

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

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

- The Consolidated Entity derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- The Consolidated Entity continues to comply with the conditions for deductibility imposed by law;
- No changes in income tax legislation adversely affect the Consolidated Entity from utilising the benefits.

Income tax on the Statement of Profit or Loss and other Comprehensive Income for the periods presented comprises current and deferred tax. Income tax is recognised in the Statement of Profit or Loss and other Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Notes to the Financial Statements (continued)

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

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised, or to the extent that the Group has deferred tax liabilities with the same taxation authority. Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

3.5 Loss per share

The calculation of basic loss per share at 30 June 2022 was based on the losses attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2022 of 709,818,785 (2021: 622,960,630) calculated as follows:

	2022 \$	(Restated) 2021 \$
Gain (Loss) attributable to ordinary shareholders	(9,247,079)	(5,391,293)
Issued number of ordinary shares at 1 July	622,960,630	622,960,630
Effect of shares issued during the year	86,858,155	-
Weighted average number of shares for year to 30 June	709,818,785	622,960,630
Basic loss per share (cents per share)	(1.30)	(0.86)
Loss from continuing operations	(2,344,356)	(816,870)
Basic loss per share from continuing operations (cents per share)	(0.33)	(0.13)
Loss from discontinued operations	(6,912,723)	(4,574,423)
Basic loss per share from discontinued operations (cents per share)	(0.97)	(0.73)

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

(a) Diluted loss per share

Potential ordinary shares are not considered dilutive, thus diluted loss per share is the same as basic loss per share.

4. Working Capital Management

4.1 Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances, short term bills and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Consolidated Entity's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Refer to Note 5.2 for risk exposure analysis.

	2022 \$	(Restated) 2021 \$
Cash at bank and in hand	1,545,679	1,388,238
Short-term deposits	86,907	87,048
	1,632,586	1,475,286

Notes to the Financial Statements (continued)

4.2 Reconciliation of loss after income tax to net cash flows from operating activities

	2022 \$	(Restated) 2021 \$
Cash flows from operating activities		
(Loss) for the year	(9,247,079)	(5,391,293)
Adjustments for:		
Equity-settled share-based payment expenses	519,700	-
Impairment	-	4,443,395
Foreign exchange losses	77,879	446
Discontinued operations	6,912,723	131,028
Change in operating assets & liabilities		
(Increase)/decrease in trade and other receivables	55,947	25,634
(Decrease)/increase in trade and other payables	(97,170)	(3,969)
Net cash used in operating activities	(1,778,000)	(794,759)

There was no non-cash investing and financing activities during the year.

4.3 Trade and other receivables

The fair value of trade and other receivables, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

	2022 \$	(Restated) 2021 \$
Trade debtors	198	64,940
Interest receivable	100	138
GST and VAT receivable	25,998	17,165
	26,296	82,243

Trade and other receivables are recorded at amounts due less any allowance for any expected credit losses.

4.4 Trade and other payables

Trade and other payables are recognised when the related goods or services are received, at the amount of cash or cash equivalent that will be required to discharge the obligation, gross of any settlement discount offered. Trade payables are non-interest bearing and are settled on normal terms and conditions.

	2022 \$	(Restated) 2021 \$
Trade creditors	96,377	79,375
Accrued expenses	7,380	26,644
Payroll liabilities	1,865	1,725
	105,622	107,744

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the Consolidated Entity expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

Notes to the Financial Statements (continued)

4.5 Reserves

	2022 \$	(Restated) 2021 \$
Foreign Currency Translation Reserve	-	(6,802,650)
Other Comprehensive Income Reserve	1,747,312	6,665,068
Share-based payments reserve	519,700	-
	<u>2,267,012</u>	<u>(137,582)</u>

The foreign currency translation reserve is used to record currency differences arising from the translation of the financial statements of foreign operations. The balance of the foreign currency translation reserve was released to profit and loss as a result of the discontinued operations and the change if the Group's functional and presentation currency.

Other Comprehensive Income Reserve is used to record gains or losses on a financial asset measured at fair value through other comprehensive income.

5. Funding and Risk Management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in the proportion to the number and amount paid on the shares held. Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, for example as a result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

5.1 Contributed equity

	30-Jun-22 Number of shares	30-Jun-21 Number of shares	30-Jun-22 \$	(Restated) 30-Jun-21 \$
Contributed equity	739,472,257	622,960,630	88,555,340	89,995,645
Cost of share issue	-	-	(4,825,464)	(4,689,712)
	<u>739,472,257</u>	<u>622,960,630</u>	<u>83,729,876</u>	<u>85,305,933</u>

Movement in share capital

	Date	Number of shares	Issue price cents	\$
Balance 30 June 2020		622,960,630		85,305,933
Balance at 30 June 2021		622,960,630		85,305,933
Share placement	18 Aug 2021	63,750,000	2.0	1,275,000
Shares issue	20 Oct 2021	5,000,000	2.0	100,000
Shares issue	20 Oct 2021	1,250,000	2.0	25,000
Share placement	30 Nov 2021	46,511,627	4.3	2,000,000
Capital reduction - In-species distribution	1 Nov 2021			(4,840,305)
<i>Less Transaction costs</i>				(135,752)
Balance at 30 June 2022		<u>739,472,257</u>		<u>83,729,876</u>

Notes to the Financial Statements (continued)

5.2 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed.

Risk management is carried out by the Audit & Risk Committee under a charter approved by the Board of Directors. The Audit & Risk Committee identifies, evaluates and hedges foreign currency risks by holding cash in the currency that it is budgeted to be spent in.

(a) Market risk

i. Price risk

The Group is exposed to equity securities price risk in respect to shares it holds in Caravel Minerals Limited and Canterbury Resources Limited.

	Carrying Amount \$	Price Risk	
		+10% Equity \$	-10% Equity \$
30 June 2022			
Financial assets at FVOCI	3,124,298	312,430	(312,430)
30 June 2021			
Financial assets at FVOCI	7,042,054	704,205	(704,205)

ii. Interest rate risk

The Group has significant interest-bearing assets; however, a change in interest rates would not have a material impact on the results.

	Carrying Amount \$	Interest Rate Risk-1% Net Loss \$	Equity \$	Interest Rate Risk +1% Net Gain \$	Equity \$
30 June 2022					
Cash and cash equivalents	1,632,586	(16,326)	(16,326)	16,326	16,326
Other current assets	26,296	(263)	(263)	263	263
30 June 2021					
Cash and cash equivalents	1,475,286	(14,753)	(14,753)	14,753	14,753
Other current assets	82,243	(822)	(822)	822	822

- Interest rate volatility was chosen to reflect expected short term fluctuations in market interest rates.

iii. Credit risk

The carrying amount of cash and cash equivalents, trade and other receivables (excluding prepayments), represent the Group's maximum exposure to credit risk in relation to financial assets. Cash and short term liquid investment are placed with reputable banks, so no significant credit risk is expected. The Group does not have any material exposure to any single debtor or group of debtors, so no significant credit risk is expected. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit rates.

Notes to the Financial Statements (continued)

iv. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Due to the dynamic nature of the underlying businesses, management aims at maintaining flexibility in funding by keeping committed credit lines available with a variety of counterparties. Surplus funds are only invested in instruments that are tradeable in highly liquid markets.

The Company's trade payables are due within the next six months.

(b) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

5.3 Fair value measurement

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

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

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

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
30 June 2022				
Financial assets at FVOCI	3,124,298	-	-	3,124,298
Total assets	3,124,298	-	-	3,124,298
30 June 2021				
Financial assets at FVOCI	7,042,054	-	-	7,042,054
Total assets	7,042,054	-	-	7,042,054

There were no transfers between levels during the financial year.

Accounting policy for fair value measurement

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

Notes to the Financial Statements (continued)

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

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

Fair value in active market (Level 1)

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and listed equity securities) are based on quoted market prices at the close of trading at the end of the reporting period without any deduction for estimated future selling costs.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Fair value in an inactive or unquoted market (Level 2 and Level 3)

The fair value of financial assets that are not traded in an active market is determined using valuation techniques. These include the use of recent share price from capital raising and option pricing models that provides a reliable estimate of prices obtained in actual market transactions.

For option pricing models, inputs are based on available market data. Fair values for unquoted equity investments are estimated, using the latest share price from capital raising. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

6. Group Structure

6.1 Basis of consolidation

(a) Subsidiaries

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

Investments in subsidiaries are carried at their cost of acquisition in the Company's financial statements. The Company's ownership interest in principal subsidiaries at 30 June 2022 is set out in the table below:

	Country of incorporation	Ownership interest	
		2022	2021
Botswana Energy Solutions Limited	British Virgin Is.	0%	100%
Mmamantswe Coal (Pty) Ltd	Botswana	0%	100%
African Energy Holdings SRL 2	Barbados	0%	100%
Phokoje Power (Pty) Ltd	Botswana	0%	100%
Alma Metals Australia Pty Ltd (formerly AFR Australia Pty Ltd)	Australia	100%	100%

During the year, the Company disposed of its African subsidiaries via in-specie distribution, as disclosed in note 2.1(b).

(b) Transactions eliminated on consolidation

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

Notes to the Financial Statements (continued)

(c) Comparatives

Prior period comparative are for the year from 1 July 2020 to 30 June 2021. Comparative have been restated to Australian dollars as disclosed in note 1.3.

6.2 Parent Entity Disclosures

The parent entity within the Group is Alma Metals Limited.

	2022 \$	(Restated) 2021 \$
Current Assets	-	7,598,332
Non-Current Assets	4,700,558	5,520,768
Total Assets	4,700,558	13,119,100
Current Liabilities	-	-
Total Liabilities	-	-
Contributed equity	83,729,876	85,305,933
Reserves	1,066,370	992,018
Accumulated losses	(80,095,688)	(73,178,851)
Total Equity	4,700,558	13,119,100
Gain (loss) for the year	(6,916,837)	(4,574,423)
Other comprehensive income / (loss) for the year	-	-
Total comprehensive income / (loss) for the year	(6,916,837)	(4,574,423)

There were no commitments, contingent liabilities or contingent assets at the parent level at 30 June 2022.

7. Related parties

7.1 Key Management Personnel

	2022 \$	(Restated) 2021 \$
Short-term employee benefits	329,727	317,639
Post-employment benefits	2,273	2,368
Equity compensation benefits	369,600	-
	701,600	320,007

7.2 Other related party transactions

The terms and conditions of the transactions with Directors, key executives and associates and their related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-Director related entities on an arm's length basis.

Notes to the Financial Statements (continued)

During the year, Mitchell River Group Pty Ltd of which Mr Cooke, Mr Fry and Dr Tabcart are directors, charged the Group for provision of a service office and administrative support services.

	2022 \$	(Restated) 2021 \$
Mitchell River Group Pty Ltd		
Service charged during the year	63,506	48,772
<i>Assets and liabilities at 30 June arising from transactions with related parties</i>		
Trade and other receivables	-	-
Trade and other payables	2,697	1,603

8. Share based payments

8.1 Options

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

On 18 August 2021, the Company issued 20 million options to a consultant ('Consultant Options') and on 21 October 2021, issued 20 million options to Directors and employees (Directors and Employee Options') exercisable at \$0.05.

The Consultant Options were issued as a fee to 708 Capital for introducing the Briggs, Mannersley and Fig Tree Hill copper project to Alma. The expense for the year arising from Consultant Options of \$114,500 is recognised in the Statement of Profit or Loss and Other Comprehensive Income and is included in Administration and other corporate expenses.

The expense for the year arising from Director and Employee Options of \$405,200 is recognised in the Statement of Profit or Loss and Other Comprehensive Income and is included in Salaries and employee benefits expense.

Terms of options granted during the year ended 30 June 2022 were as follows:

	Consultant Options			Director Options		Employee Options
	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5	Tranche 6
Date of issue	4/08/2021	4/08/2021	4/08/2021	21/10/2021	21/10/2021	4/08/2021
Number of options	10,000,000	7,000,000	3,000,000	8,000,000	8,000,000	4,000,000
Dividend yield (%)	-	-	-	-	-	-
Expected volatility (%)	98.00%	98.00%	98.00%	98.00%	98.00%	98.00%
Risk free interest rate (%)	2.00%	2.00%	2.00%	2.35%	2.35%	2.00%
Expected life of the option (years)	1.33	2.04	3.04	2.78	2.78	2.99
Option exercise price (cents per option)	4.3	4.3	4.3	4.3	4.3	4.3
Vesting hurdle	nil	Stage 1 JV	Stage 2 JV	nil	nil	nil
Likely vesting date	4/08/2021	31/12/2021	30/06/2022	21/10/2021	21/10/2021	4/08/2021
Share price at grant date (cents per share)	2.10	2.10	2.10	4.20	4.20	2.10
Fair value per option (cents per option)	0.420	0.650	0.900	2.310	2.310	0.890
Total value at grant date (\$)	42,000	45,500	27,000	184,800	184,800	35,600
Vested during the period	10,000,000	7,000,000	1,354,555	8,000,000	8,000,000	4,000,000

Director Options were granted to Mr Alistair Cooke (Tranche 4) and Mr Frazer Tabcart (Tranche 5). The options fully vested and were expensed during the year.

Notes to the Financial Statements (continued)

9. Other

9.1 Events occurring after the reporting period

On 4 July 2022, Frazer Tabeart was appointed the role of full-time Managing Director.

On 21 September the Company completed a share placement and issued 125,200,000 ordinary shares at an issue price of \$0.01 per share.

No other matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations, results or state of affairs of the Group in future financial years which have not been disclosed publicly at the date of this report.

9.2 Contingencies and Commitments

There were no contingent assets or liabilities in the Group at 30 June 2022. There were no commitments at 30 June 2022.

9.3 Remuneration of Auditors

	2022 \$	(Restated) 2021 \$
BDO Audit (WA) Pty Ltd: Audit and review of financial reports	31,071	30,848
	31,071	30,848

9.4 New standards and interpretations not yet adopted

Early adoption of accounting standards

The Group has not elected to apply any pronouncements before their operative date in the annual reporting year beginning 1 July 2020.

New or amended Accounting Standards and Interpretations adopted

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

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Standards and Interpretations in use not yet adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2020. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the Group has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the Group may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the Group's financial statements.

Additional Shareholder Information

The following additional information required by the ASX Listing Rules is current as at 27 September 2022.

Alma Metals Limited shares are listed on the Australian Securities Exchange (ASX:ALM).

Distribution of Shareholders

Range	Securities	%	No. of holders	%
100,001 and Over	835,168,713	96.59	462	20.01
10,001 to 100,000	25,965,106	3.00	666	28.84
5,001 to 10,000	2,025,385	0.23	264	11.43
1,001 to 5,000	1,409,506	0.16	474	20.53
1 to 1,000	103,543	0.01	443	19.19
Total	864,672,253	100.00	2,309	100.00
Unmarketable Parcels	12,989,440	1.50	1,608	69.64

Largest 20 shareholders

Rank	Name	Number of Shares Held	%IC
1	First Quantum Minerals (Australia) Pty Limited	86,692,308	10.0%
2	PS Consulting Pty Ltd	60,000,000	6.9%
3	Alasdair Cooke	55,603,683	6.4%
4	ACN 161 604 315 Pty Ltd	21,804,243	2.5%
5	Wimalex Pty Ltd	20,000,000	2.3%
6	Ponderosa Investments	19,558,351	2.3%
7	Clear Elm Pty Ltd	18,935,000	2.2%
8	SAF Management Pty Ltd	12,300,000	1.4%
9	JBBM Pty Ltd	12,000,000	1.4%
10	Helmet Nominees Pty Ltd	10,275,095	1.2%
11	Raejan Pty Ltd	9,700,000	1.1%
12	Stl Super Pty Ltd	9,693,148	1.1%
13	Hammerhead Holdings	8,900,000	1.0%
14	Mirosław Jan Marzec & Barbara Anne Wiszniewski	8,800,000	1.0%
15	Aralad Management	8,353,138	1.0%
16	Troca Enterprises	8,262,000	1.0%
17	Mark Bahen and Margaret Bahen	7,500,000	0.9%
18	BNP Paribas	7,312,500	0.8%
19	Swancave Pty Ltd	6,750,000	0.8%
20	Peterlyn Pty Ltd	6,537,791	0.8%
		398,977,257	46.1%

The voting rights attaching to the ordinary shares are in accordance with the Company's Memorandum & Articles of Association being that:

Class of shares and voting rights

- each shareholder entitled to vote may vote in person or by proxy, attorney or Representative;
- on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- on a poll, every person present who is a shareholder or a proxy, attorney or Representative of a shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or Representative, have one vote for the Share, but in respect of partly paid Shares, shall, have such number of votes

Additional Shareholder Information (continued)

as bears the proportion which the paid amount (not credited) is of the total amounts paid and payable (excluding amounts credited)."

Substantial Holders

As notified to the Company

Name	Number Of Shares Held	%IC
First Quantum Minerals (Australia) Pty Limited	86,692,308	10.0%
PS Consulting Pty Ltd	60,000,000	6.9%
Alasdair Cooke	55,603,683	6.4%

Other information

The company has not utilised a share buyback in the past 12 months

