



GCX Metals Limited
(proposed to be renamed 'Terra Metals Limited')
ABN 44 155 933 010

**Interim Financial Report
for the Half Year Ended
31 December 2023**

CORPORATE DIRECTORY

DIRECTORS:

Mr Ian Middlemas – Chairman
Mr Thomas Line – Managing Director and CEO
Mr Ben Cleary – Non-Executive Director
Mr Ryan de Franck – Non-Executive Director
Mr Haydn Smith – Non-Executive Director
Mr Mark Pearce – Alternate Director

COMPANY SECRETARY:

Mr Gregory Swan – Company Secretary

REGISTERED OFFICE:

Level 9, 28 The Esplanade
Perth WA 6000

WEBSITE:

www.gcxmetals.com

STOCK EXCHANGE LISTING:

Australian Securities Exchange
Fully paid ordinary shares (**ASX: GCX**)
Listed options (**ASX: GCXO**)

SHARE REGISTRY:

Computershare Investor Services Pty Ltd
Level 7, 221 St Georges Terrace
Perth WA 6000
Tel: +61 8 9323 2000

LAWYERS:

Thomson Geer Lawyers

AUDITOR:

William Buck Audit (WA) Pty Ltd

CONTENTS

	Page
Directors' Report	1
Directors' Declaration	9
Consolidated Statement of Profit or Loss and Other Comprehensive Income	10
Consolidated Statement of Financial Position	11
Consolidated Statement of Changes in Equity	12
Consolidated Statement of Cash Flows	13
Notes to the Financial Statements	14
Auditor's Independence Declaration	20
Independent Auditor's Review Report	21

DIRECTORS' REPORT

The Directors of GCX Metals Limited present their report on GCX Metals Limited ("Company" or "GCX") and the entities it controlled during the six months ended 31 December 2023 ("Consolidated Entity" or "Group").

DIRECTORS

The names and details of the Company's Directors in office at any time during or since the end of the interim period are as follows:

Mr Ian Middlemas	Chairman
Mr Thomas Line	CEO and Managing Director <i>(appointed 30 October 2023)</i>
Mr Benjamin Cleary	Non-Executive Director
Mr Ryan de Franck	Non-Executive Director
Mr Haydn Smith	Non-Executive Director
Mr Mark Pearce	Alternate Director for Mr Ian Middlemas
Mr Matthew Turner	Alternate Director for Mr Benjamin Cleary <i>(resigned 25 February 2024)</i>

Unless otherwise shown, all Directors were in office from the beginning of the interim period until the date of this report.

OPERATING AND FINANCIAL REVIEW

Introduction

During the half year, the Company completed its acquisition of the Dante Cu-PGE-Au-Ni Project located in Western Australia. The Dante Project contains large-scale magmatic Cu-PGE-Au-Ni targets and extensive outcropping PGE-Au-Cu reefs. During the half year, the Company focussed on advancing its newly acquired Dante Project in preparation for the maiden drill program which commenced in March 2024 as well as continued exploration activities at its Onslow Cu-Au Project and the Southern Cross Li-REE Project in Western Australia.



Figure 1. GCX project locations

DIRECTORS' REPORT

(continued)

OPERATING AND FINANCIAL REVIEW (continued)

Dante Project

The Dante Project contains large-scale magmatic copper-gold (and palladium-nickel) targets, as well as extensive outcropping PGE-Au-Cu reefs (refer to Figure 2) and is situated in the same geological complex and 15km from the 390Mt Nebo-Babel nickel-copper deposit and 10km from the 120Mt Succoth copper deposit.

The Musgrave block (140,000km²) in central Australia is located at the junction of three major crustal elements: the West Australian, North Australian, and South Australian cratons. It is a Mesoproterozoic, east-west trending orogenic belt and comprises a variety of high grade (amphibolite to granulite facies) basement lithologies overprinted by several major tectonic episodes.

The Dante Project is considered highly prospective for Nebo-Babel-style and Gonneville-style magmatic Cu-PGE-Au-Ni deposits, as well as Bushveld-style PGE-Au-Cu reef deposits.

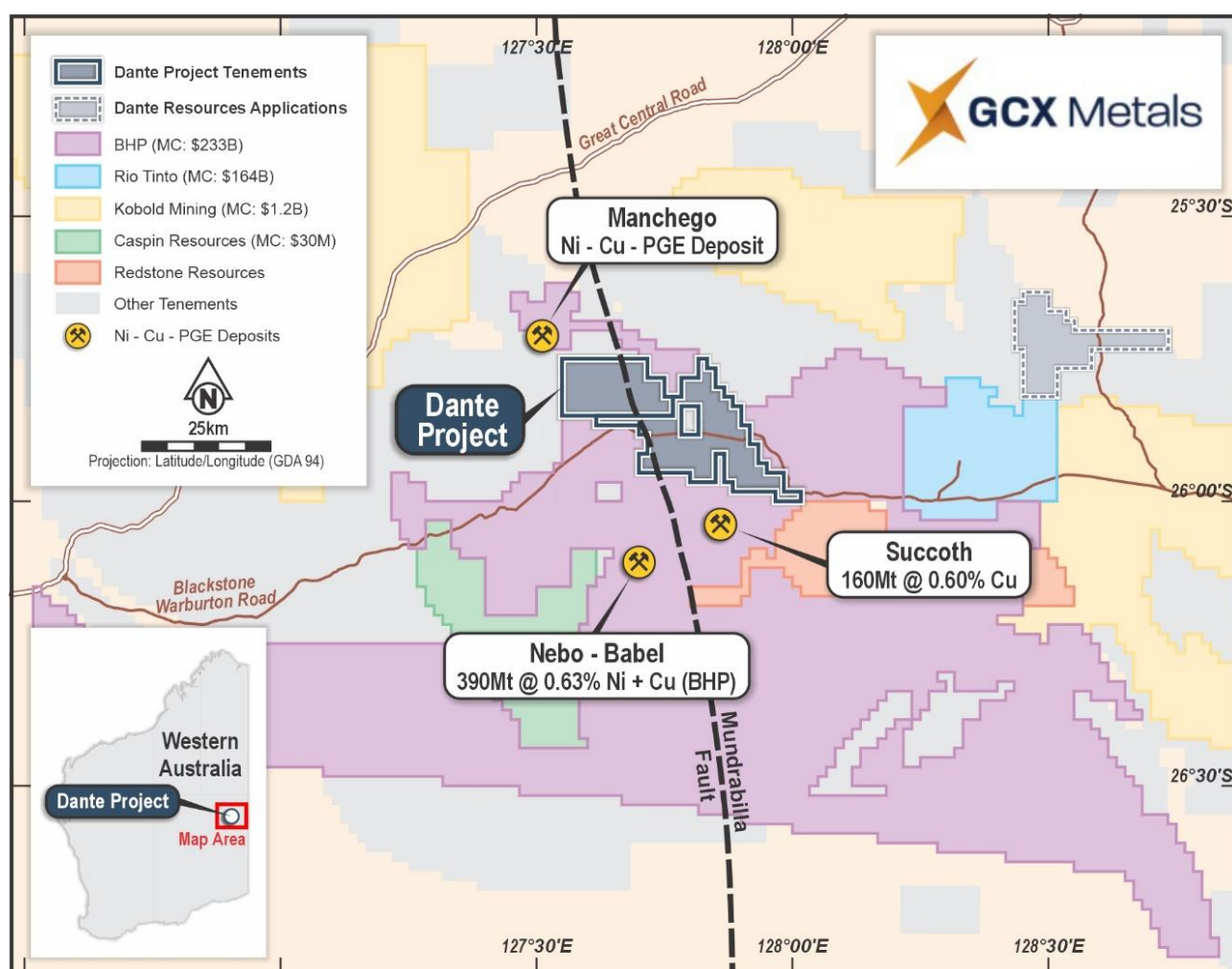


Figure 2. Dante Project location map displaying surrounding companies' tenure and major deposits, as well as the Mundrabilla Fault

DIRECTORS' REPORT

(continued)

OPERATING AND FINANCIAL REVIEW (continued)

Dante Project (continued)

Cronus Prospect

A large-scale magmatic copper-gold target (refer Figure 3) named the Cronus Prospect has been defined at the Dante Project.

The definition is a result of a detailed review of historical datasets, which includes high resolution Auger geochemistry over the intrusion, as well as reverse circulation ("RC") and diamond drilling ("DD") data. Cronus is interpreted from magnetics and geochemistry to be an isolated intrusion of approximately 7km long by 1.5km wide, within the highly prospective Giles mafic-ultramafic complex of the West Musgrave region.

Historical drilling at Cronus intersected thick disseminated copper sulphides over 310.5 meters (interpreted true thickness), within mineralised gabbro (refer ASX announcement 28 September 2023). The Babel deposit, like many magmatic Ni-Cu-PGE deposits, contains a broad zone of weakly disseminated sulphides around the high-grade semi-massive sulphides, breccia-sulphides and massive sulphides.

In relation to the disclosure of visual mineralisation, the Company cautions that visual methods of sulphide identification and estimation of mineral abundance should not be considered as a proxy or substitute for laboratory analysis. Laboratory analysis is required to determine the widths and grades of the visible mineralisation reported herein. Visual information also potentially provides no information regarding impurities or deleterious physical properties relevant to valuations. The Company will update the market once laboratory assay results are received.

Review of the auger geochemistry indicates that only a small portion of the interpreted mineralised intrusion has been drill tested.

Heritage clearances have recently been completed for planned drilling at Cronus and GCX has received an approved program of works for an initial drilling program.

The Company will undertake systematic drilling across the Cronus intrusion in March 2024, to characterise the various zones and mineralisation for further targeting. RC drilling will be employed initially to obtain geochemical profiles across the intrusion.

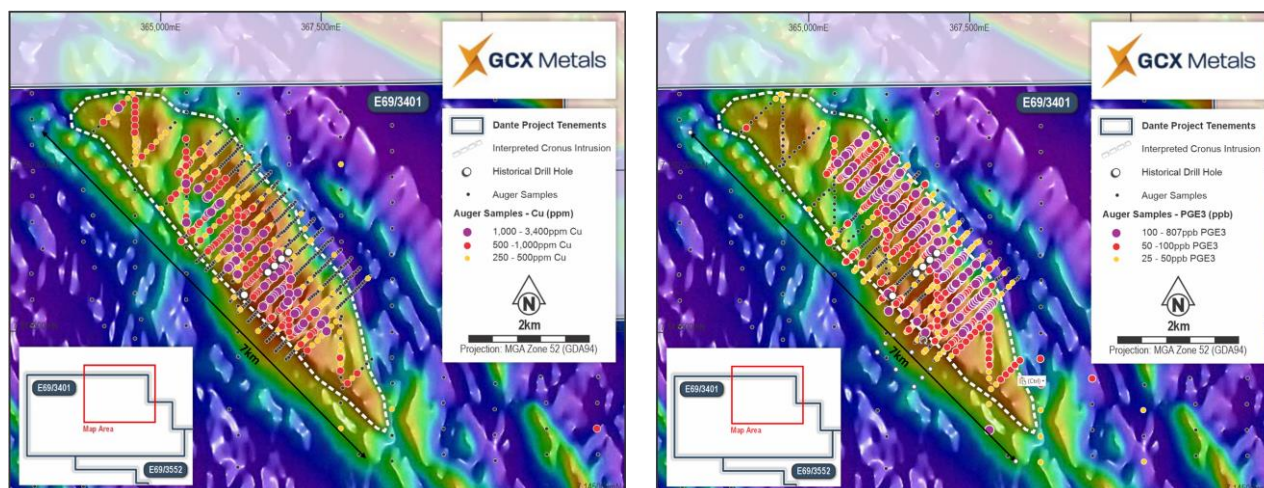


Figure 3. Cu and PGE3 geochemical anomalies over the interpreted Cronus intrusion (dashed white), with historical RC and DD drillholes on total magnetic intensity (TMI) geophysics

DIRECTORS' REPORT

(continued)

OPERATING AND FINANCIAL REVIEW (continued)

Dante Project (continued)

Rock Chip Sampling Program

During the half year, the Company completed a rock chip sampling program at the Dante Project that confirmed high-grade Cu and PGEs at the Dante Project reefs. These findings are particularly significant for the Dante Project, due to the absence of previous systematic drill testing in these areas and the substantial strike length of the outcropping reefs which exceeds 23km; these results also represent the highest-grade copper and gold samples identified at the project to date.

Samples contained consistent strong PGE mineralisation in alignment with historical sampling. The high-grade PGE rock chip results highlight the presence of valuable precious metals including platinum, palladium and gold over an extensive strike length. A subset of samples was also analysed for high value platinum group elements rhodium and iridium, returning significant concentrations of the valuable elements.

Sampling of very limited outcrop and subcrop at the Cronus prospect returned anomalous copper and PGEs (up to 0.40% Cu and 0.21 g/t PGE3). A detailed review and modelling of the auger geochemistry, downhole geochemistry, and structure at Cronus is currently in progress with an update expected soon.

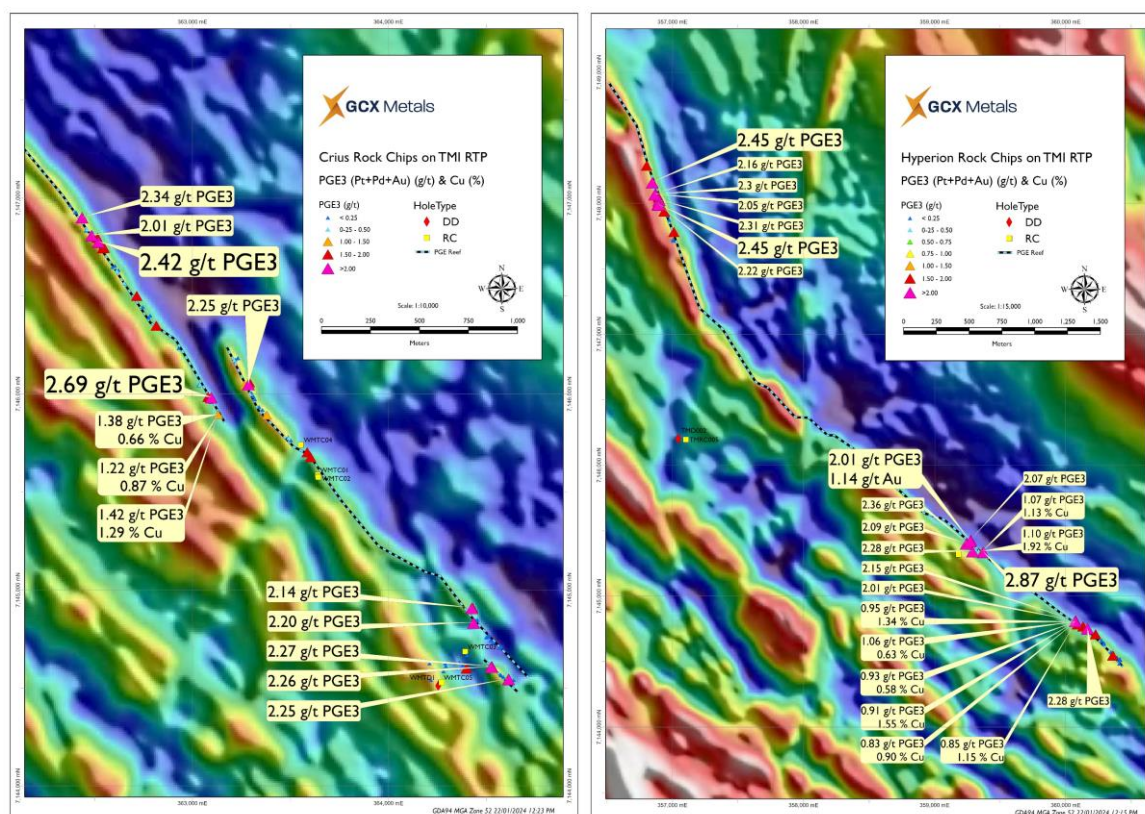


Figure 4. GCX Rock Chip sample results from Crius and Hyperion Prospects on newly acquired high resolution TMI magnetics.

DIRECTORS' REPORT

(continued)

OPERATING AND FINANCIAL REVIEW (continued)

Dante Project (continued)

Reprocessing of Airborne Electromagnetic ("AEM") Surveys

During the half year, multiple high-priority AEM (Figure 5) and ground electromagnetic ("EM") anomalies were defined through the review and reprocessing of extensive historical datasets from the Dante Project.

This review, along with ongoing review of geochemical and geological datasets, have provided strong indications for the Dante Project to potentially host low magnesium oxide ("MgO") magmatic copper-gold (and palladium-nickel) sulphide mineralisation. Low MgO magmatic sulphide deposits, such as BHP's nearby Nebo-Babel deposit (15km to the south), have favourable metallurgical and processing characteristics which can improve deposit economics. Nebo-Babel is considered one of the world's largest undeveloped nickel-copper-PGE sulphide deposits.

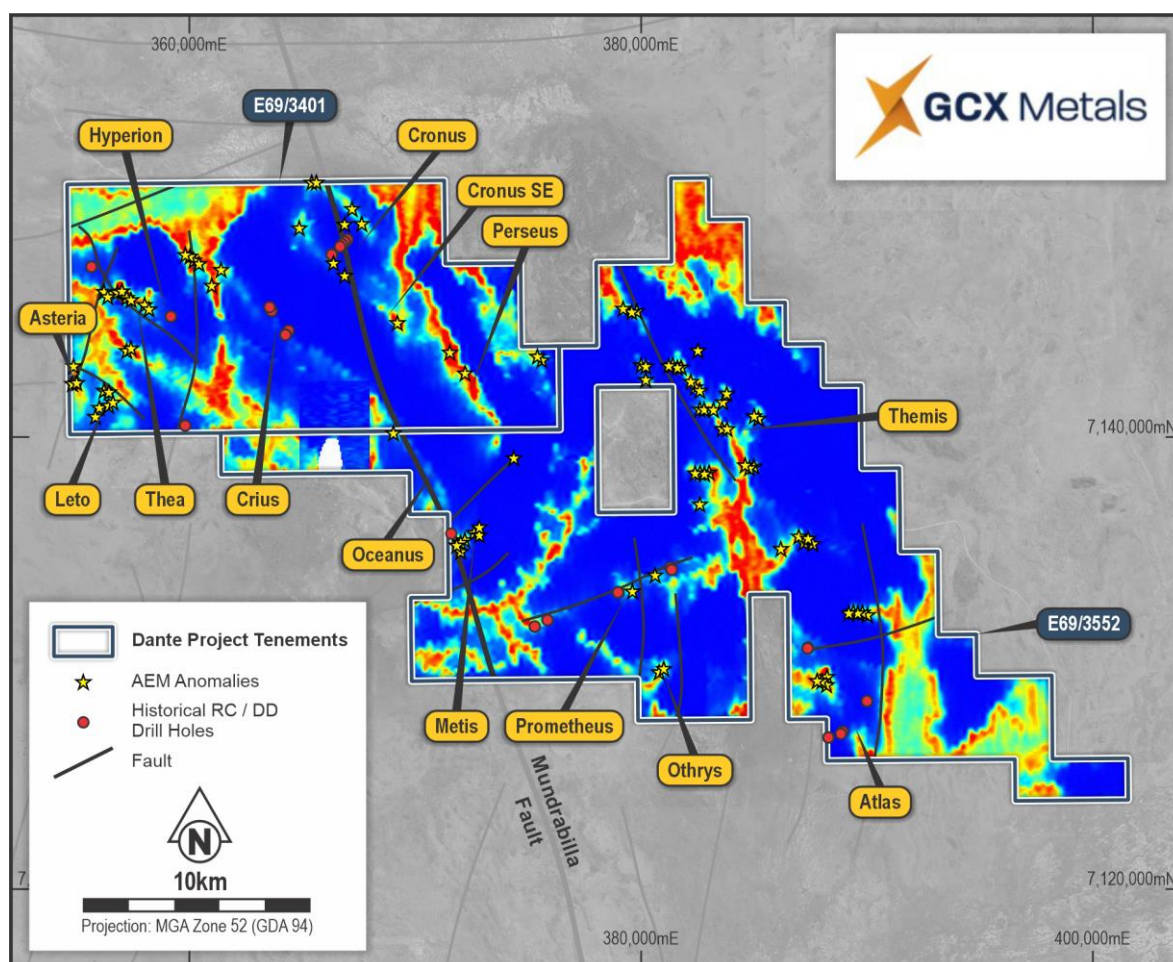


Figure 5. Airborne Electromagnetic anomaly picks at the Dante Project.

High-Resolution Airborne Magnetics ("AMAG") Survey

During the half year, the Company completed a large high-resolution AMAG dataset over the Dante Project. The AMAG survey was the largest high resolution AMAG survey to have been completed in the West Musgrave region. The data collected is of excellent quality and will allow a detailed interpretation of geology and structure as well as refinement of drill targets at the magnetic PGE-reefs and prospective magmatic intrusions.

DIRECTORS' REPORT

(continued)

OPERATING AND FINANCIAL REVIEW (continued)

Dante Project (continued)

Maiden Drill Program

The Company's maiden drill program at the Dante Project is expected commenced in March 2024. The Phase 1 drill program will be comprised of approximately 7,000m of reverse circulation ("RC") drilling over shallow or outcropping copper (Cu), gold (Au), and platinum group elements (PGE) targets over more than 17km of strike.

Four priority targets to be drill tested have been defined over more than 17km of combined strike and include: (1) the Cronus intrusion (Cu-Au-Pd + Ni), over 7km strike; (2) the Hyperion reef (PGE-Au-Cu + V-Ti), over 8km strike; (3) the Crius reef (PGE-Au-Cu + V-Ti), over 8km strike; and (4) the Oceanus reef (PGE-Au-Cu + V-Ti), over 7km strike.

Onslow Project

The Onslow Project is located in the northwestern extension of the Capricorn Orogen and is considered prospective for gold, copper, lead and zinc. Nearby historical exploration conducted by Western Mining Corporation ("WMC") in the 1990's identified the potential for banded-iron-formation hosted gold and iron-oxide-copper-gold ("IOCG") mineralisation.

The Onslow Project covers 548km² and comprises three tenements. The Company owns 100% of granted licence E08/3311 (115km²) and 80% of granted licence E08/3197 (188km²). The Company has also applied for E08/3462, comprising a further 245km² of prospective ground located adjacent to E08/3311.

Diamond Drill Program

During the half year, the Company completed a 1,300m diamond drilling program at the Onslow Project which was co-funded by the WA State Government under the Exploration Incentive Scheme ("EIS"). The EIS allows the Company to apply for a refund of approximately \$200,000 representing up to 50% of incurred direct drilling costs, including mobilisation charges.

The drill program tested three large scale magnetic, gravity and geochemistry targets with DD in the northern portion of the Onslow Project - the Hammerhead, Coral Bug and CT3 prospects. All holes intercepted thick alteration zones (Figure 6). The Company has engaged specialists to undertake a detailed review of the alteration observed in the core. Detailed logging and assay results are pending.



Figure 6. Bleached and altered zone with alteration in OND001 (Coral Bug prospect)

DIRECTORS' REPORT

(continued)

OPERATING AND FINANCIAL REVIEW (continued)

Onslow Project (continued)

The Company is not reporting any estimates of mineralisation based on visual observations from drilling at the Onslow Project and does not allude to any mineralisation based on visual observations. In relation to the geological descriptions of alteration (not mineralisation) provided above, the Company cautions that visual observations should never be considered a proxy or substitute for laboratory analyses where concentrations or grades are the factor of principal economic interest. Visual estimates also potentially provide no information regarding impurities or deleterious physical properties relevant to valuations. The Company will update the market once laboratory assay results have been received.

Southern Cross Project

The Southern Cross Project comprises four tenements covering approximately 800km² that the Company identified and pegged, and which were subsequently granted in July 2023. The Southern Cross Project covers the extensive north-west trending Koolyanobbing shear zone, a 6-15km wide high-strain zone comprising mainly mylonitic rocks.

It was hypothesized that this weakened structural setting is favourable for pegmatite emplacement as the zones could provide conduits or pathways for magmatic fluids. The Donnybrook-Bridgetown shear zone exhibits a similar structural zone of weakness which has allowed the emplacement of the Greenbushes pegmatites.

Encouragingly, several occurrences of lithium and tantalum occur along the greenstone belts to the north and south of Southern Cross, including two resources of significance: the Mt Holland project (186Mt @ 1.53% Li₂O); and the Split Rocks project (11.9Mt @ 0.72% Li₂O) both within in the southern cross domain.

During the half year, the Company commissioned a regional Phase 1 soil sampling program comprising 1,770 samples on a 500m x 500m grid utilizing UltraFine+® technology (developed by CSIRO) to uncover low level anomalies. The samples were collected over 8 weeks and then dispatched to LabWest Perth for analysis.

Assay results have revealed a large continuous ~10km x ~2km lithium anomaly coincident with the mapped northwest trending structural features (Figure 7). A maximum soil result of 171ppm Li₂O is considered highly anomalous. GCX will now accelerate a program to infill the anomaly down to 250m x 250m spacing.

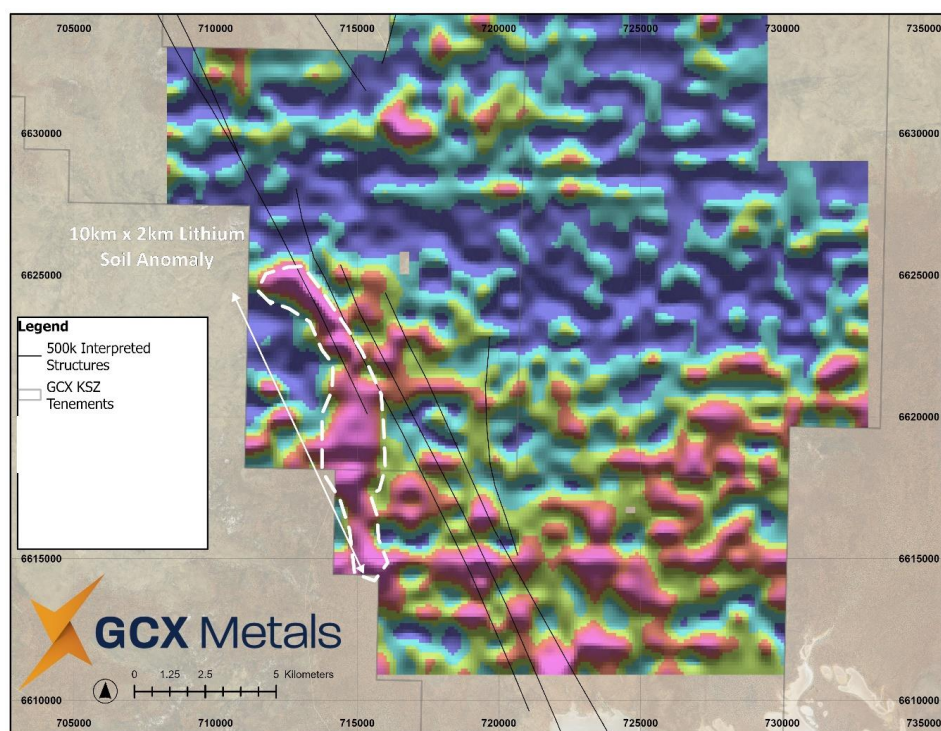


Figure 7. Lithium soil heat map revealing a large 10km anomaly along the large northwest-trending, crustal-scale, Koolyanobbing shear zone.

DIRECTORS' REPORT

(continued)

OPERATING AND FINANCIAL REVIEW (continued)

Corporate

During the half year, the Company completed its acquisition of 100% of the issued capital of Dante Resources Pty Ltd ("Dante") from the shareholders of Dante. Dante, and its 100% owned subsidiary, 97992001 Pty Ltd, together hold, or have the contractual right to acquire, a portfolio of West Australian exploration assets, including its flagship Dante Project located in the West Musgrave region.

During the half year, Mr Thomas Line was appointed as Managing Director and CEO of the Company. Mr Line is an experienced geologist and executive with over 12 years' experience in resource development and 4 years' leading ASX listed junior exploration companies in Australia. He has experience in all phases of resource project development expanding across greenfield exploration, resource definition, production, and life-of-mine supply chain management.

Results of Operations

The net loss of the Group for the half year ended 31 December 2023 was A\$1,409,752 (31 December 2022: A\$646,751). The major item contributing to this result in the current period was exploration and evaluation expenses of \$1,053,665 (31 December 2022: \$367,504) associated with the Company's Onslow and Dante Projects.

Financial Position

At 31 December 2023, the Group had cash reserves of A\$1,531,131 (30 June 2023: A\$3,302,754) and net assets of A\$6,156,652 (30 June 2023: A\$3,922,480).

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- (i) On 19 February 2024, GCX announced the placement of 60,000,000 new ordinary shares at an issue price of \$0.035 per share, to raise gross proceeds of A\$2.1 million.

Other than as outlined above, at the date of this report there are no other significant events occurring after balance date requiring disclosure.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, William Buck Audit (WA) Pty Ltd, to provide the directors of GCX Metals Limited with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is on page 20 and forms part of this Directors' Report.

Signed in accordance with a resolution of the Directors.



THOMAS LINE
CEO and Managing Director

13 March 2024

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of GCX Metals Limited, I state that:

In the opinion of the Directors:

- (a) the attached financial statements and notes thereto for the six month period ended 31 December 2023 are in accordance with the *Corporations Act 2001*, including:
 - (i) section 304 (compliance with accounting standards and Corporations Regulations 2001); and
 - (ii) section 305 (true and fair view); and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



THOMAS LINE
CEO and Managing Director

13 March 2024

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**
FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

	Note	Six Months Ended 31 December 2023 A\$	Six Months Ended 31 December 2022 A\$
Corporate and administration expenses		(270,667)	(290,632)
Exploration and evaluation expenses		(1,053,665)	(367,504)
Business development expenses		(118,226)	-
Share based payment expenses		(24,496)	(13,368)
Finance income	3	57,302	24,753
Loss before tax		(1,409,752)	(646,751)
Income tax expense		-	-
Net loss for the year		(1,409,752)	(646,751)
Net loss attributable to members of the parent		(1,409,752)	(646,751)
Other comprehensive income			
Other comprehensive income		-	-
Total other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year, net of tax		(1,409,752)	(646,751)
Total comprehensive loss attributable to members of the parent		(1,409,752)	(646,751)
Basic and diluted loss per share from continuing operations (cents per share)		(0.7)	(0.4)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	As at 31 December 2023 A\$	As at 30 June 2023 A\$
ASSETS			
Current Assets			
Cash and cash equivalents	5	1,531,131	3,302,754
Trade and other receivables		345,803	107,755
Total Current Assets		1,876,934	3,410,509
Non-Current Assets			
Exploration and evaluation assets	6	5,269,943	572,521
Property, plant and equipment		32,644	-
Total Non-Current Assets		5,302,587	572,521
TOTAL ASSETS		7,179,521	3,983,030
LIABILITIES			
Current Liabilities			
Trade and other payables		1,022,869	60,550
Total Current Liabilities		1,022,869	60,550
TOTAL LIABILITIES		1,022,869	60,550
NET ASSETS		6,156,652	3,922,480
EQUITY			
Contributed equity	7	148,705,067	145,085,639
Reserves	8	3,069,490	3,044,994
Accumulated losses		(145,617,905)	(144,208,153)
TOTAL EQUITY		6,156,652	3,922,480

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

	Note	Contributed Equity A\$	Share-based Payments Reserve A\$	Accumulated Losses A\$	Total Equity A\$
Balance at 1 July 2023		145,085,639	3,044,994	(144,208,153)	3,922,480
Net loss for the period		-	-	(1,409,752)	(1,409,752)
Total comprehensive loss for the period		-	-	(1,409,752)	(1,409,752)
Acquisition of Dante Project	7(a)	3,640,000	-	-	3,640,000
Share issue costs	7(a)	(20,572)	-	-	(20,572)
Share-based payments expense	8(a)	-	24,496	-	24,496
Balance at 31 December 2023		148,705,067	3,069,490	(145,617,905)	6,156,652
Balance at 1 July 2022		144,046,751	3,277,765	(143,398,116)	3,926,400
Net loss for the period		-	-	(646,751)	(646,751)
Total comprehensive loss for the period		-	-	(646,751)	(646,751)
Issue of shortfall offer shares	7(a)	851,498	-	-	851,498
Issue of Tribeca deferred shares	7(a)	225,000	-	-	225,000
Share issue costs	7(a)	(37,610)	-	-	(37,610)
Share-based payments expense	8(a)	-	13,368	-	13,368
Expired options	8(a)	-	(248,888)	248,888	-
Balance at 31 December 2022		145,085,639	3,042,245	(143,795,979)	4,331,905

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

	Note	Six Months Ended 31 December 2023 A\$	Six Months Ended 31 December 2022 A\$
Cash flows from operating activities			
Payments to suppliers and employees		(1,105,618)	(743,147)
Interest received		57,302	24,789
Interest paid		-	(36)
Net cash outflow from operating activities		(1,048,316)	(718,394)
Cash flows from investing activities			
Payments for property, plant and equipment		(31,896)	-
Net cash outflow on acquisition of Dante Project	9	(670,839)	-
Payments for exploration and evaluation assets		-	(12,902)
Net cash outflow from investing activities		(702,735)	(12,902)
Cash flows from financing activities			
Proceeds from issue of ordinary shares	7(a)	-	851,498
Payments for share issue costs		(20,572)	(199,954)
Repayment of borrowings		-	(400,000)
Net cash (outflow)/inflow from financing activities		(20,572)	251,544
Net decrease in cash and cash equivalents		(1,771,623)	(479,752)
Cash and cash equivalents at beginning of the period		3,302,754	4,535,363
Cash and cash equivalents at the end of the period	5	1,531,131	4,055,611

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

1. MATERIAL ACCOUNTING POLICY INFORMATION

The interim consolidated financial statements of GCX Metals Limited ("GCX" or "Company") and its consolidated entities ("Consolidated Entity" or "Group") for the six-months ended 31 December 2023 were authorised for issue in accordance with the resolution of the directors on 12 March 2024.

GCX Metals Limited is a for profit company limited by shares, incorporated and domiciled in Australia. GCX's ordinary shares are listed on the Australian Securities Exchange ("ASX") under the symbol "GCX". The Group's principal activities are the exploration and development of mineral resource projects.

(a) Basis of Preparation

This general-purpose financial report for the interim six-month reporting period ended 31 December 2023 has been prepared in accordance with *AASB 134 Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report of the Company for the year ended 30 June 2023 and any public announcements made by the Company and its controlled entities during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted in the preparation of the interim financial report are consistent with those adopted and disclosed in the Company's annual financial report for the financial year ended 30 June 2023, except as disclosed below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The financial report has been prepared on a historical cost basis and is presented in Australian dollars (A\$).

Going concern

The interim financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realization of assets and the settlement of liabilities in the normal course of business.

The Group had net cash outflows from operating and investing activities of \$1,751,051 for the six months ended 31 December 2023 (31 December 2022: \$731,296). At 31 December 2023, the Group had cash and cash equivalents of \$1,531,131 (30 June 2023: \$3,302,754).

The ongoing operation of the Group remains dependent upon raising further additional funding from shareholders or other parties. On 19 February 2024, the Company announced a placement of 60,000,000 new ordinary shares at an issue price of \$0.035 per share, to raise gross proceeds of A\$2.1 million. The Directors are confident that the Group will be able to raise additional funds as required to meet its obligations as and when they fall due and are of the opinion that the use of the going concern basis remains appropriate.

(b) Statement of Compliance

In the current period, the Group has adopted all of the new and revised standards, interpretations and amendments that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2023. The new standards have not had a material effect on the Group's financial statements.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2023 (Continued)

1. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(c) Issued standards and interpretations not early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the reporting period ended 31 December 2023. Those which may be relevant to the Group are set out in the table below, but these are not expected to have any significant impact on the Group's financial statements:

Standard/Interpretation	Application Date of Standard	Application Date for Company
<i>AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i>	1 January 2024	1 July 2024
<i>AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants</i>	1 January 2024	1 July 2024
<i>AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	1 January 2025	1 July 2025
<i>AASB 2021-7(a-c) Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections</i>	1 January 2025	1 July 2025

2. SEGMENT INFORMATION

AASB 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the Consolidated Entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

During the reporting period, the Consolidated Entity operated in one segment, being mineral exploration and development of mineral resource projects. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Consolidated Entity.

3. FINANCE INCOME AND EXPENSES

	Six Months ended 31 December 2023	Six Months ended 31 December 2022
	A\$	A\$
Interest income	57,302	24,789
Interest expense	-	(36)
	57,302	24,753

4. DIVIDENDS PAID OR PROVIDED FOR

No dividend has been paid or provided for during the six months ended 31 December 2023 (31 December 2022: nil).

5. CASH AND CASH EQUIVALENTS

	As at 31 December 2023	As at 30 June 2023
	A\$	A\$
Cash at bank and on hand	1,531,131	3,302,754
	1,531,131	3,302,754

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2023 (Continued)

6. EXPLORATION AND EVALUATION ASSETS

	Dante Project A\$	Onslow Project A\$	Total A\$
31 December 2023			
Carrying value at 1 July 2023	-	572,521	572,521
Acquisition of the Dante Project (Note 9)	4,697,422	-	4,697,422
Carrying value at 31 December 2023	4,697,422	572,521	5,269,943
30 June 2023			
Carrying value at 1 July 2022	-	572,521	572,521
Carrying value at 30 June 2023	-	572,521	572,521

7. CONTRIBUTED EQUITY

	Note	As at 31 December 2023 A\$	As at 30 June 2023 A\$
Issued capital			
235,778,694 fully paid ordinary shares (30 June 2023: 185,778,694)	7(a)	147,265,067	145,085,639
20,000,000 Class A performance shares (30 June 2023: nil)		760,000	-
20,000,000 Class B performance shares (30 June 2023: nil)		680,000	-
20,000,000 Class C performance shares (30 June 2023: nil)		-	-
		148,705,067	145,085,639

(a) Movements in issued capital

Details	No. of Ordinary Shares	No. of Performance Shares	A\$
31 December 2023			
Opening balance at 1 July 2023	185,778,694	-	145,085,639
Issued to acquire the Dante Project	50,000,000	60,000,000	3,640,000
Share issue costs	-	-	(20,572)
Closing balance at 31 December 2023	235,778,694	60,000,000	148,705,067
31 December 2022			
Opening balance at 1 July 2022	164,248,729	-	144,046,751
Issue of shortfall offer shares	17,029,965	-	851,498
Issue of Tribeca deferred shares	4,500,000	-	225,000
Share issue costs	-	-	(37,610)
Closing balance at 31 December 2022	185,778,694	-	145,085,639

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2023 (Continued)

8. RESERVES

	As at 31 December 2023 A\$	As at 30 June 2023 A\$
Share-based payments reserve	3,069,490	3,044,994
	3,069,490	3,044,994

(a) Movements in share-based payments reserves

Details	No. of Listed Options	No. of Unlisted Options	No. of Performance Rights	A\$
31 December 2023				
Opening balance at 1 July 2023	37,713,240	23,500,000	-	3,044,994
Grant of employee performance rights ⁽¹⁾	-	-	7,000,000	-
Share-based payments expense	-	-	-	24,496
Closing balance at 31 December 2023	37,713,240	23,500,000	7,000,000	3,069,490
31 December 2022				
Opening balance 1 July 2023	32,036,570	22,222,223	-	3,277,765
Grant of consultant options	-	1,500,000	-	-
Issue of shortfall listed options	5,676,670	-	-	-
Expiry of options	-	(222,223)	-	(248,888)
Share-based payments expense	-	-	-	13,368
Closing balance at 31 December 2022	37,713,240	23,500,000	-	3,042,245

Notes:

⁽¹⁾ On 30 October 2023 the Company granted the following performance rights to the Company's new CEO and Managing Director, Mr Thomas Line, following shareholder approval received at a General Meeting on 25 October 2023:

- (i) 3,500,000 Class A performance rights subject to satisfaction of the latest to occur of: (A) the announcement by GCX to ASX of cumulative drill intercepts from new drilling completed by GCX on the Tenements totalling not less than 10-gram metres of Pt equivalent at a cut-off grade of not less than 0.5g/t; and (B) GCX achieving a volume weighted average price of GCX shares of at least \$0.10 over 20 consecutive trading days; and
- (ii) 3,500,000 Class B performance rights subject to satisfaction of the latest to occur of: (A) the announcement by GCX to ASX of cumulative drill intercepts from new drilling completed by GCX on the Tenements totalling not less than 20-gram metres of Pt equivalent at a cut-off grade of not less than 0.5g/t; and (B) GCX achieving a volume weighted average price of GCX shares of at least \$0.15 over 20 consecutive trading days.

The fair value of the performance rights have been estimated using a trinomial valuation model taking into account market vesting conditions. The table below lists the inputs to the valuation model used.

	Class A performance rights	Class B performance rights
Grant date	25-Oct-23	25-Oct-23
Grant date share price	\$0.047	\$0.047
Expected life (years)	3.84	3.84
Risk-free interest rate	4.246%	4.246%
Volatility	100%	100%
Fair value at grant date	\$0.041	\$0.037

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2023 (Continued)

9. ASSET ACQUISITION

On 30 October 2023, the Company acquired 100% of Dante Resources Pty Ltd ("DRPL"), a private Australian company, and its wholly owned subsidiary, 97992001 Pty Ltd, a private Australian company, which hold a number of exploration tenements in Western Australia ("Tenements"), including the exploration tenements that comprise the Dante Project ("Dante Project").

In line with relevant accounting standards, the Company has treated the acquisition of DRPL and the Dante Project as an asset acquisition and a share-based payment transaction under *AASB 2 Share Based Payments*.

Where an acquisition does not meet the definition of a business combination the transaction is accounted for as an asset acquisition. The consideration transferred for the acquisition of an asset comprises the fair values of the assets transferred, the liabilities incurred, and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs with regards to the acquisition are capitalised. Identifiable assets acquired and liabilities assumed in the acquisition are measured at their fair value at the acquisition date.

The total cost of the asset acquisition was \$3,782,971 and comprised an issue of equity instruments and costs directly attributable to the combination, as set out below.

	A\$
Consideration	
50,000,000 ordinary fully paid shares	2,200,000
20,000,000 Class A performance shares ⁽¹⁾	760,000
20,000,000 Class B performance shares ⁽²⁾	680,000
20,000,000 Class C performance shares ⁽³⁾	-
Direct costs related to the acquisition	142,971
Total consideration	3,782,971
Identifiable net assets	
Cash at bank	13,066
Exploration and evaluation assets	4,697,422
Trade and other receivables	13,810
Trade and other payables	(276,339)
Loans payable to shareholders of DRPL	(346,906)
Loan payable to GCX	(318,082)
Net assets	3,782,971
Net cash outflow	
Net cash acquired on acquisition of DRPL	13,066
Repayment of loans to shareholders of DRPL	(346,906)
Pre-acquisition loan to DRPL	(318,082)
Direct costs relating to the acquisition – paid during the half year	(18,917)
Net consolidated cash outflow for the half year	(670,839)
Direct costs related to the acquisition – paid after end of half year	(124,054)
Total net consolidated cash outflow	(794,893)

Notes:

⁽¹⁾ The Class A Performance Shares vest after the latest to occur of: (A) the announcement by GCX to ASX of cumulative drill intercepts from new drilling completed by GCX on the Tenements totalling not less than 10-gram metres of Pt equivalent at a cut-off grade of not less than 0.5g/t (non-market vesting condition); and (B) GCX achieving a volume weighted average price of GCX shares of at least \$0.10 over 20 consecutive trading days (market vesting condition). The fair value of the Class A Performance Shares has been estimated using a trinomial valuation model taking into account the market vesting condition. Management has determined, based on currently available information, that it is probable that the non-market vesting condition will be met.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2023 (Continued)

9. ASSET ACQUISITION (continued)

Notes (continued):

- ⁽²⁾ The Class B Performance Shares vest after the latest to occur of: (A) the announcement by GCX to ASX of cumulative drill intercepts from new drilling completed by GCX on the Tenements totalling not less than 20-gram metres of Pt equivalent at a cut-off grade of not less than 0.5g/t (non-market vesting condition); and (B) GCX achieving a volume weighted average price of GCX shares of at least \$0.15 over 20 consecutive trading days (market vesting condition). The fair value of the Class B Performance Shares has been estimated using a trinomial valuation model taking into account the market vesting condition. Management has determined, based on currently available information, that it is probable that the non-market vesting condition will be met.
- ⁽³⁾ The Class C Performance Shares vest upon the announcement by GCX to ASX of an independently assessed JORC Code Mineral Resource from the Tenements of not less than 100,000 tonnes of Ni equivalent at a minimum resource grade of 0.5% Ni equivalent and a cut-off grade of not less than 0.1% Ni equivalent (non-market vesting condition). The Group has allocated a value of nil to the Class C performance shares as management is unable, based on currently available information, to determine that it is probable that the non-market vesting condition will be met.

10. COMMITMENTS

As a condition of retaining the current rights to tenure to exploration tenements, the Group is required to pay an annual rental charge and meet minimum expenditure requirements for each tenement. These obligations are not provided for in the financial statements and are at the sole discretion of the Group:

	As at 31 December 2023 A\$	As at 30 June 2023 A\$
Commitments for exploration expenditure:		
Not longer than 1 year	651,236	95,000
Longer than 1 year and shorter than 5 years	1,293,682	117,917
	1,944,918	212,917

11. CONTINGENCIES

At 31 December 2023 the Group did not have any contingent assets or liabilities.

12. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- (i) On 19 February 2024, GCX announced the placement of 60,000,000 new ordinary shares at an issue price of \$0.035 per share, to raise gross proceeds of A\$2.1 million.

Other than as outlined above, at the date of this report there are no other significant events occurring after balance date requiring disclosure.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of GCX Metals Limited and its controlled entities

As lead auditor for the review of GCX Metals Limited and its controlled entities for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

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

William Buck

William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124

CN

Conley Manifis
Director

Dated this 13th March 2024

Independent auditor's review report to the members of GCX Metals Limited

Report on the half-year financial report



Our conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of GCX Metals Limited (the Company), and the entities it controlled (the Group) does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year then ended; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

What was reviewed?

We have reviewed the accompanying half-year financial report of the Group, which comprises:

- the consolidated statement of financial position as at 31 December 2023,
- the consolidated statement of profit or loss and other comprehensive income for the half-year then ended,
- the consolidated statement of changes in equity for the half-year then ended,
- the consolidated statement of cash flows for the half-year then ended,
- notes to the financial statements, including the material accounting policy information policies and other explanatory information and
- the directors' declaration.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of Management for the Financial Report

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

Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

William Buck

William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124

CN

Conley Manifis
Director

Dated this 13th March 2024

Forward Looking Statements

This report may include forward-looking statements. These forward-looking statements are based on GCX's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of GCX, which could cause actual results to differ materially from such statements. GCX makes no undertaking to subsequently update or revise the forward-looking statements made in this report, to reflect the circumstances or events after the date of this report.

Competent Person's Statement

The information in this report that relates to Exploration Results for the Dante Project is extracted from the Company's ASX announcements dated 24 January 2024, 13 December 2023, 22 November 2023, 28 September 2023, and 28 August 2023, the information in this report that relates to Exploration Results for the Onslow Project is extracted from the Company's ASX announcements dated 22 June 2023, 20 February 2023, and 27 April 2022, and the information in this report that relates to Exploration Results for the Southern Cross Project is extracted from the Company's ASX announcement dated 30 January 2024 ("Original ASX Announcements").

These announcements are available to view at the Company's website at www.gcxmetals.com.au. The Company confirms that: a) it is not aware of any new information or data that materially affects the information included in the Original ASX Announcements; b) all material assumptions included in the Original ASX Announcements continue to apply and have not materially changed; and c) the form and context in which the relevant Competent Persons' findings are presented in this report have not been materially changed from the Original ASX Announcements.