ANAX METALS LIMITED

ACN 106 304 787

Annual Report

30 June 2022

CORPORATE DIRECTORY

DIRECTORS

Mr Phillip Jackson	Non-Executive Chairman
Mr Geoff Laing	Managing Director
Mr Peter Cordin	Non-Executive Director
Mr Philip Warren	Non-Executive Director

AUDITOR

Pitcher Partners BA&A Pty Ltd
Level 11, 12-14 The Esplanade
PERTH WA 6000

COMPANY SECRETARY

Mr Steven Wood

SHARE REGISTRY

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000
Telephone: +61 2 9698 5414
Email: hello@automic.com.au

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

Suite 1B, Ground Floor
20 Kings Park Road
WEST PERTH WA 6005
Telephone: +61 8 6143 1840
Fax: +61 8 9321 4692
Email : info@anaxmetals.com.au
Web Site : www.anaxmetals.com.au

POSTAL ADDRESS

PO Box 644
WEST PERTH WA 6872

ASX CODE

ANX

CONTENTS

CHAIRMAN'S REPORT

Dear Shareholders

The 2022 Financial Year has been one of solid work and solid achievement. The Company has focused on completing a Definitive Feasibility Study for the development and mining of its Whim Creek Project. This is nearing completion.

The expected development of the Whim Creek project will begin a new, and exciting, phase of the Company's strategy as Anax rapidly progresses toward being a near-term producer of Copper, Zinc and associated metals. Production of these vital commodities is expected to occur late next year (2023), given the very short development timeline.

Anax is expected to begin production at a time of peak demand for copper. This will occur as a consequence of increasing demand for electric vehicles. It should also be viewed against a background of falling world supply.

Anax is uniquely positioned to take advantage of producing a critical metal at a perfect time.

The Company also intends to take full advantage of its well-located production and accommodation infrastructure to become a hub for the processing of minerals from other locations. This strategy will be advanced over the coming year.

Anax has also advanced it exploration programmes across its Whim Creek tenure. Employing the latest techniques, it has identified multiple geochemical anomalies, of gold, platinum, nickel-cobalt and base metals. These discoveries culminated in a recent drilling program seeking to further unlock Whim Creek's mineral endowment. Results of this drilling are eagerly awaited.

I would like to thank Shareholders for their support over a year that has seen very volatile equity markets. I would also like to record my gratitude to Anax's executive team, employees and consultants who have worked so hard, particularly on the Definitive Feasibility Study and Exploration Programmes.

The coming year will be transformative.

Yours Sincerely,

Phillip Jackson
Chairman

OPERATIONS REPORT

For Anax Metals Limited (ASX: ANX) ("**Anax**" or "**the Group**"), the 2022 Financial Year (FY2022) was focused on the development of the Whim Creek Copper-Zinc-Lead Project ("the Project"). This was in alignment with the Anax Group Strategy - **to acquire and develop projects that are amenable to the integration of ore sorting technology to unlock their mineral potential**.

Anax has come a long way in the two years since 21 July 2020, when it executed an Earn-In and Joint Venture Agreement (the "EJVA") with the then Venturex Resources Limited (now **Develop Global Ltd, "DVP**") to secure up to 80% of the Whim Creek Project, located in the Pilbara Region of Western Australia[1].

In August 2021, Anax announced that it had exceeded the Additional Minimum Expenditure of $4,000,000, required under the EJVA, thereby securing its 80% interest in the Project (and corresponding share of the Permitted Encumbrances), as verified by DVP [8].

Also in August 2021, Anax announced the results of a Scoping Study [9], outlining a production target of 3.55M tonnes, anticipated to generate free cashflow of between $189M and $296M over five to seven years.

Subsequently, in January 2022, Anax announced the results of an **Updated Scoping Study**[17] outlining an increased production target of 3.81M tonnes, and other enhancements to the Study, generating free cashflow of between $249M and $459M, over a five-to-seven-year mine life [17].

The compilation of a **Definitive Feasibility Study** (DFS) has advanced significantly through the year and continues post year-end, including pit shell designs and development schedules for each of the four resource deposits at Whim Creek Project, along with modular processing infrastructure, designed to produce copper, lead and zinc concentrates for market. Mining studies and plant designs are nearing completion. Work continues post year-end, with a focus on metallurgical test work optimisation and finalising the DFS report.

The Whim Creek site has been subject to an Environmental Protection Notice (EPN), issued by the Department of Water and Environmental Regulation (DWER), which necessitated monitoring, rectification and significant upgrade works. These works were completed and certified to exceed the specifications of the EPN, with the intention of meeting current licencing standards which would enable future permitting applications. Monitoring and reporting are ongoing under the EPN, and these obligations will be rolled into the mining licence, currently under application.

The Mining Proposal and licencing applications for the Project have progressed through the year and the Anax team continues to work closely with both DWER and Department of Mines Industry Regulation and Safety (DMIRS) to ensure compliance that will streamline the approvals process as far as possible.

Exploration at the Whim Creek Project during the 2021 field season (April to December) consisted of extensive regional UltraFine+™ soil sampling which generated multiple geochemical anomalies, including gold, platinum, nickel-cobalt and polymetallic base metals across the project [7]. Rock chip sampling successfully confirmed **gold in situ at HLF Gold Prospect** and post 30 June 2022, Anax commenced exploration RC drilling [29]. Exploration field work continues in the 2022 field season expanding the regional UltraFine+™ coverage and verifying the new soil anomalies to pinpoint future drill targets.

Historical data compilation and the commissioning of a 3D structural model of the Whim Creek Project defined large areas prospective for near mine extensions to the known base metals mineral resources [10]. This innovative exploration tool has been used in conjunction with the UltraFine+™ geochemistry to define near-mine drill targets [23]. RC drilling of near-mine extensions was completed post year-end [29,34].

While actively progressing mine development, as well as exploration at Whim Creek, the Company remains focussed on expanding its project portfolio through acquisition, development and monetisation of other assets that are amenable to the integration of smart ore sorting and associated technology. Anax has two wholly owned exploration Projects, namely Mount Short, near Ravensthorpe, WA, and Loudens Patch, in the Pilbara, where exploration continued to generate results in FY2022 [27]. Gold in rocks and soils at Loudens Patch confirmed prime Pilbara potential and rare earths in rocks and soils at Mount Short will be investigated with a powered auger drilling programme towards the end of the 2022 calendar year.

Whim Creek Copper-Zinc-Lead Project Joint Venture

The Whim Creek Project is located approximately 120km south-west of Port Headland in the central Pilbara Region of Western Australia. **Figure 1**, below, illustrates the location of the project in relation to neighbouring tenure and local infrastructure, including Port Hedland, Karratha and the Great Northern Highway.

The Pilbara Mineral Field is a prolific region of Archean granite-greenstone terrane, fertile in an array of metals, primarily iron ore, gold, nickel-cobalt and platinum group metals, as evidenced by the extensive mining and exploration tenure. The Whim Creek Project encompasses the width of the Archean-age Whim Creek Greenstone Belt, where the four main prospects, namely Whim Creek, Mons Cupri, Salt Creek and Evelyn, have defined copper-zinc-lead resources. In addition, multiple gold, platinum and base metals prospects have been identified from Anax's rigorous exploration.

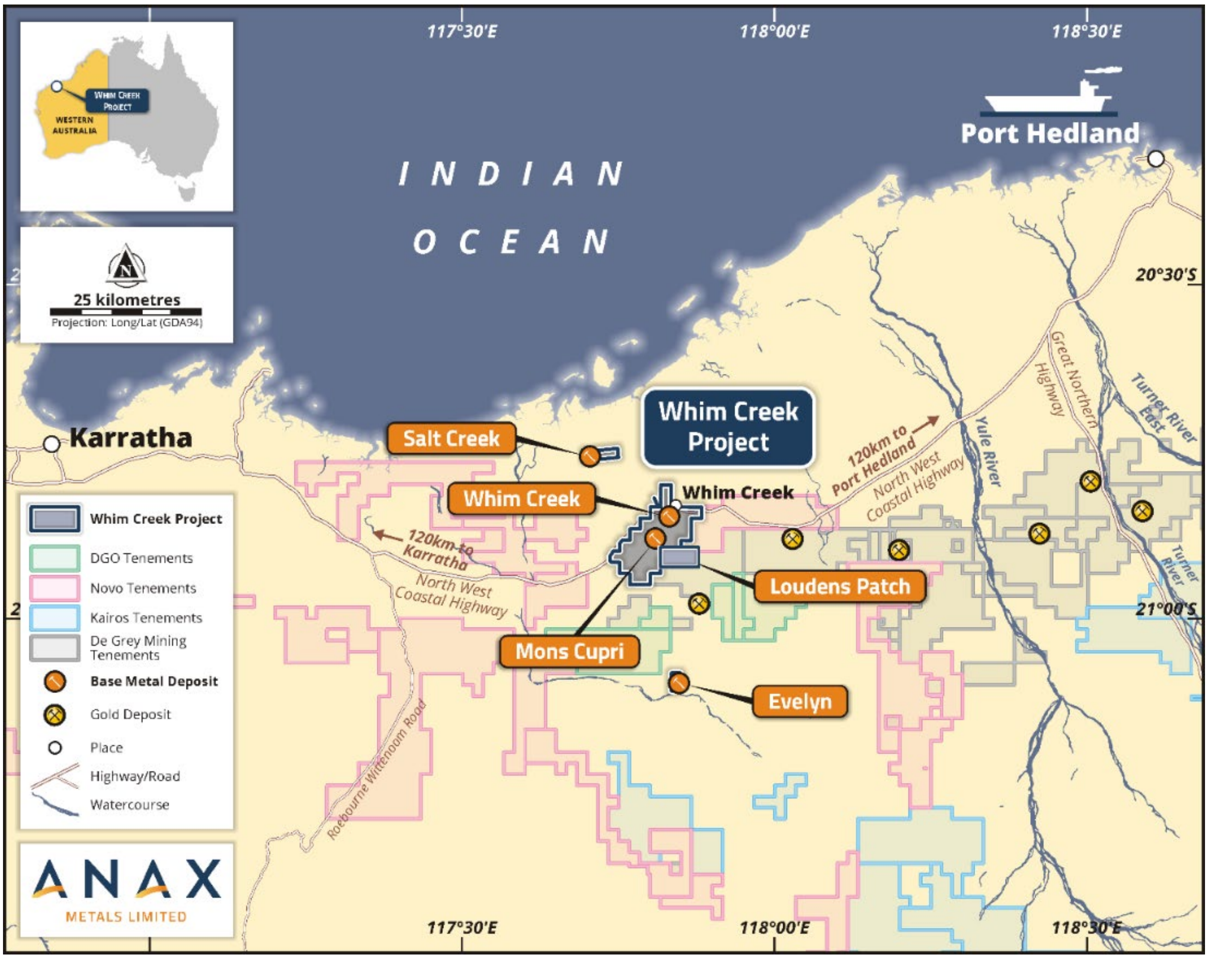

Figure 1: Whim Creek Project Location in the Pilbara region of Western Australia

Project highlights

- Four prospects with near surface, open-pit-able copper-zinc resources with lead, silver and gold credits
- Definitive Feasibility Study nearing completion defining a fast-track to production, incorporating innovative ore sorting and modular concentration
- Multiple new prospects defined from rigorous exploration, including gold, platinum group metals (PGMs), nickel-cobalt and additional polymetallic base metals prospects
- Low development capital – established haul roads, gas pipeline for power generation, accommodation and main road location for access to port and/or processing facilities
- Established heap leach and solvent extraction electrowinning (SX-EW) infrastructure refurbishment of which has been partially completed. Reactivating the heap leach will ensure that no copper or zinc ore goes to waste.

The Development Strategy for the Whim Creek copper-zinc deposits is grounded in Anax's **sustainability objectives** for the Project:

- Incorporating ore sorting and fine particle jigs into the processing flowsheet to upgrade the ore to the concentrator, thereby reducing the quantity of ore being processed. A smaller concentrator uses **less power, less water and less reagents, generating less wastes as tailings**.
- The final rejects from ore sorting will be depleted in sulphides and metals, creating a **new inert mining by-product, to be used as aggregate** to maintain roads on site, or potentially sold to meet the increasing demand from infrastructure projects nearby, meaning less waste goes into dumps or process tailings.
- The mid-to-low grade ore from sorting will be processed through the refurbished heap leach facility contributing significantly to the increased project value with very little capital cost uplift [17].

Resources

A JORC 2012 Mineral Resource estimate was compiled for the high-grade Evelyn deposit by independent resource consultancy, Trepanier Pty Ltd [17]. Post year-end, the Salt Creek Resource estimate was updated significantly by improved classification of ore zones, resulting in a **99% increase in contained copper to 35,700t** [35].

The updated global resource estimates for the Whim Creek Project, which now exceed 11 million tonnes, are shown in **Table 1**, below [35].

Table 1: Whim Creek Combined Global JORC 2012 Resource now exceeds 10M tonnes [35]

COPPER	'000 Tonnes	CU%	Zn%	Pb%	Ag ppm	AU ppm
Measured	990	1.62	1.42	0.61	38	0.28
Indicated	6,390	1.22	0.71	0.17	13	0.14
Inferred	1,820	0.86	0.32	0.07	5	0.04
TOTAL Copper Resources	9,200	1.19	0.71	0.20	14	0.13
ZINC	**'000 Tonnes**	**CU%**	**Zn%**	**Pb%**	**Ag ppm**	**AU ppm**
Measured	70	0.16	4.56	1.79	53	0.23
Indicated	1,230	0.40	7.55	2.20	58	0.27
Inferred	450	0.34	5.07	1.75	27	0.10
TOTAL Zinc Resources	1,750	0.37	6.75	2.05	50	0.22

Note: Appropriate rounding applied.

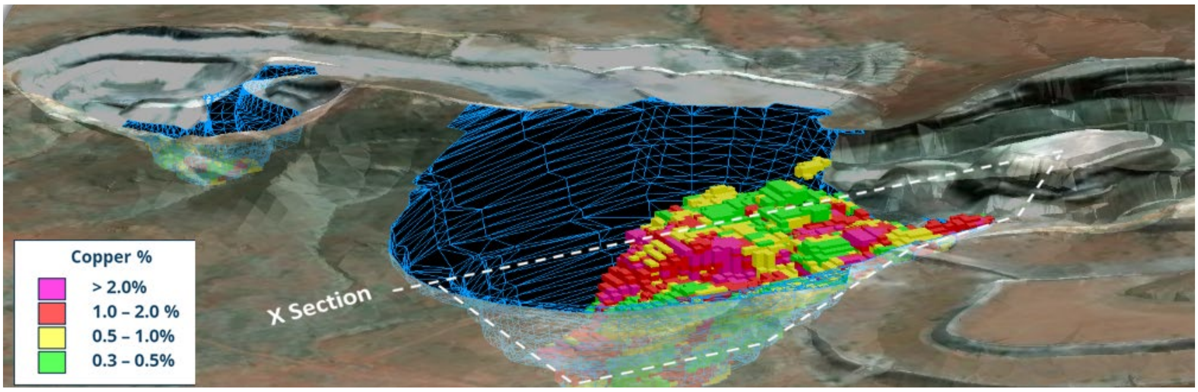

Figure 2: Mons Cupri Resources and Proposed Pit Design (looking North)

Scoping Study

Following the definition of a JORC 2012 Mineral Resource for the Whim Creek deposit in FY2021 [5], Anax completed the initial Scoping Study in August 2021 [9], defining a Production Target of 3.55Mt at an average grade of 1.20% Cu and 2.34% Zn from Measured and Indicated Resources [9]. With a mine life of 5 to 7 years, production will consist of 33,200t copper, 62,400t zinc, 17,800t lead, 1.6Moz silver and 9,900oz gold [9].

The value of the project is demonstrated by the financial metrics (reported on a 100% basis*)[9]

- Free cashflow of $196M

- Pre-production capital cost estimate of $52M

- Internal rate of return of 77% - Net present value of $163M

Updated Scoping Study

Following on from the definition of a JORC 2012 Mineral Resource estimate for the high-grade Evelyn deposit, Anax completed the Updated Scoping Study for the Whim Creek Project[17]. This presented dramatically improved project development metrics across the board, with:

- Global Resources exceeding 10 million tonnes [17]
- Free Cashflow of $291 million, up from $196 million
- Net present value increasing significantly from $163 million to $227 million
- Internal rate of return increased from 77% to 83%
- Production Target increased to 3.81Mt at an average grade of 1.33% Cu and 2.48% Zn from 92% Measured and Indicated Resources

- Mine life of 5 to 7 years, production will generate 39,000t copper, 70,000t zinc, 18,000 lead, 1.8Moz silver and 14,300oz gold
- Conservative pre-production capital cost estimate increasing marginally from $52M to $55M* demonstrates Anax's ability to leverage maximum value for the Project [17].

** Anax has an 80% interest in the project and will contribute 80% of costs and receive 80% of financial outcomes [9,17].*

Base case, medium-term price assumptions remained unchanged except for zinc, which increased from $2,300/t to $2,750/t 17. Other factors contributing to the considerable increases in project value metrics were the inclusion of revenue to be generated by heap leaching and the reduced power costs associated with installing gas-powered generators [17].

Heap leach amenability test work has confirmed the effectiveness of bacterial leaching, achieving in excess of 90% copper and zinc recovery. Column leach test work is underway at two Perth laboratories, using bacteria sourced onsite at Whim Creek, along with hybridised, commercially available bacterial cultures. For the purposes of the Scoping Study, recoveries of 60% copper and 70% zinc were conservatively calculated, with an assumed acid consumption of 30kg/t of ore [17].

Cashflow sensitivities are illustrated below [31].

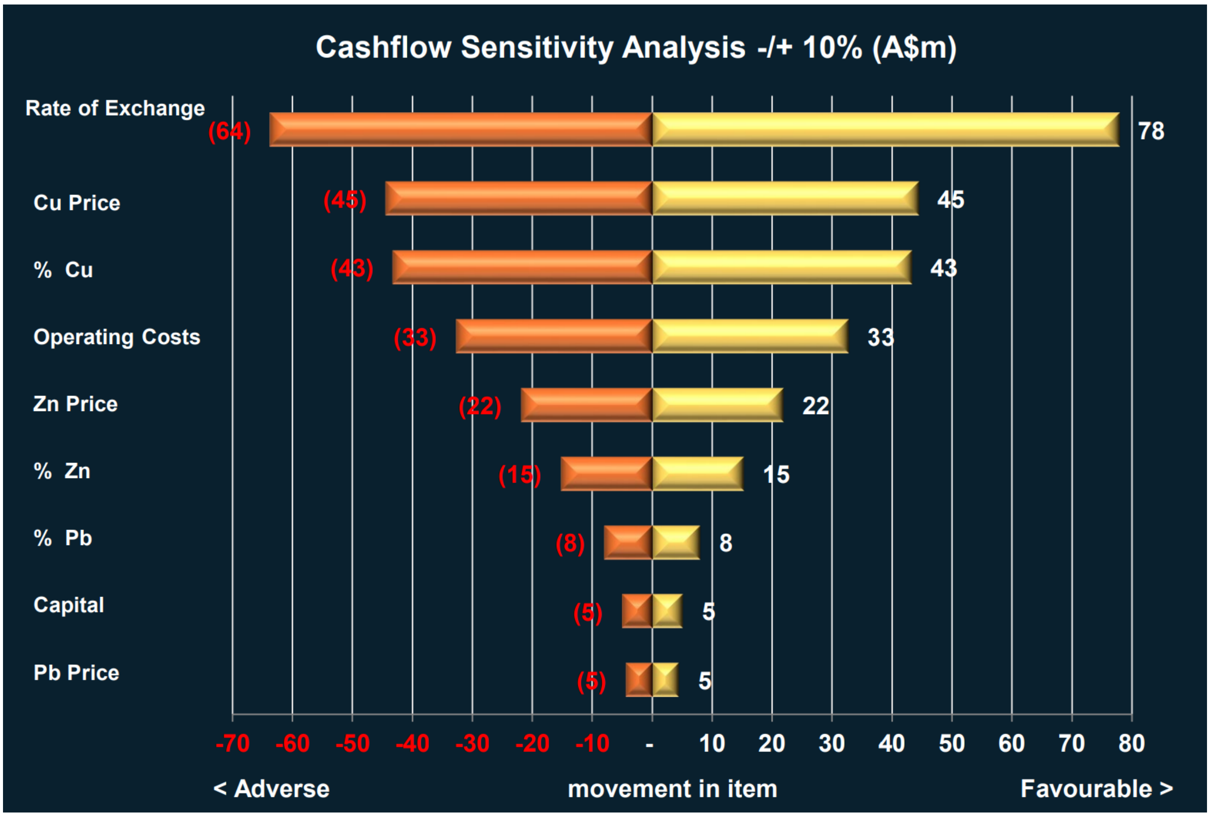

Figure 3: Cashflow Sensitivities bar chart [31]

Definitive Feasibility Study

The scoping studies have provided the basis for the Whim Creek Definitive Feasibility Study (DFS), currently underway. The DFS will justify the development of the Whim Creek open pit mines and include processing and infrastructure studies for production of copper, lead and zinc concentrates for sale. The DFS is expected to deliver sufficient engineering, financial and commercial information to enable the Group to make development and investment decisions.

Metallurgical testing is well advanced, with optimisation of Mons Cupri and Whim Creek nearing completion, and flotation test work on ore from Evelyn and Salt Creek commenced in June 2022. The diamond drilling programme completed in April 2022, generated samples from Salt Creek and Evelyn for use in metallurgical and geotechnical test work[25]. Metallurgical samples will be used in further ore sorting, and flotation tests, as well as generating flotation tailings for waste characterisation.

Mining optimisation, design and scheduling is progressing well. Four mining contractors have been approached to provide cost estimates, and Anax anticipates that it will receive indicative pricing post FY2022, following which the mining schedule will be finalised.

Significant progress has been made with geotechnical and engineering studies. The designs of the crushing and sorting circuit by Nexus Bonum **(Figure 4),** and the modular concentrator by Gekko Systems **(Figure 5)** are in their final stages.

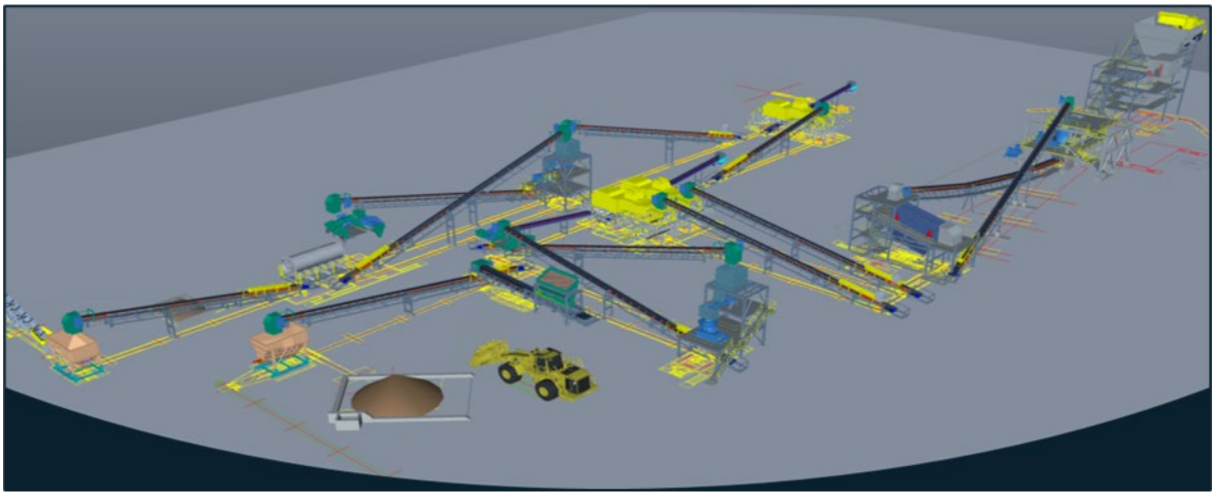

Figure 4: Crushing and Sorting Circuit Designed by Nexus Bonum

Figure 5: Modular Concentrator Designed by Gekko Systems

Anax's tailings consultants have confirmed the suitability of the existing oxide pits at Mons Cupri for tailings disposal. This will provide significant environmental benefits by reducing the mine footprint, and cost savings in terms of construction, operation and rehabilitation.

Column leach test work simulating heap leach conditions is in progress. The column tests utilise the Mons Cupri mid-to-low grade ore, derived from sorted middlings, that make up the bulk of the mineral resources intended for the heap leach.

Nexus Bonum have completed an investigation into reinstating gas power generators at Whim Creek, resulting in **power costs dropping from 27c/kWh to 15c/kWh**.[17] Further savings may be achieved in due course by scoping a supplementary energy supply, such as wind, solar and battery to maximise sustainability benefits.

Project Approvals

Project approvals are progressing and the Anax team continues to work closely with both Department of Mines Industry Regulation and Safety (DMIRS) and Department of Water and Environmental Regulation (DWER) to limit delays in the application process.

Environmental Legacy and Current Status

The Whim Creek site has been subject to an Environmental Protection Notice (EPN) which necessitated rectification and upgrade works, completed in FY2022.

The Western Australian Government Department of Water and Environmental Regulation ("DWER", or "the Department") issued an Environmental Protection Notice (EPN) in July 2019 in relation to the area of the heap leach facility, where localised groundwater contamination was suspected [1].

In parallel with scoping and feasibility work, the Company carried out essential remediation to address the environmental legacy resulting from previous heap leach processing practise, as prescribed by the EPN. Anax has completed the refurbishment of the process pond infrastructure at Whim Creek, which was certified as exceeding the standards defined by the EPN. EPN remediation works are now complete and monitoring and reporting are ongoing under the EPN.

Exploration

A regional soil sampling exploration programme was conducted between February and September 2021, which generated multiple geochemical anomalies from the UltraFine+™ analysis technique provided by LabWest. [7]

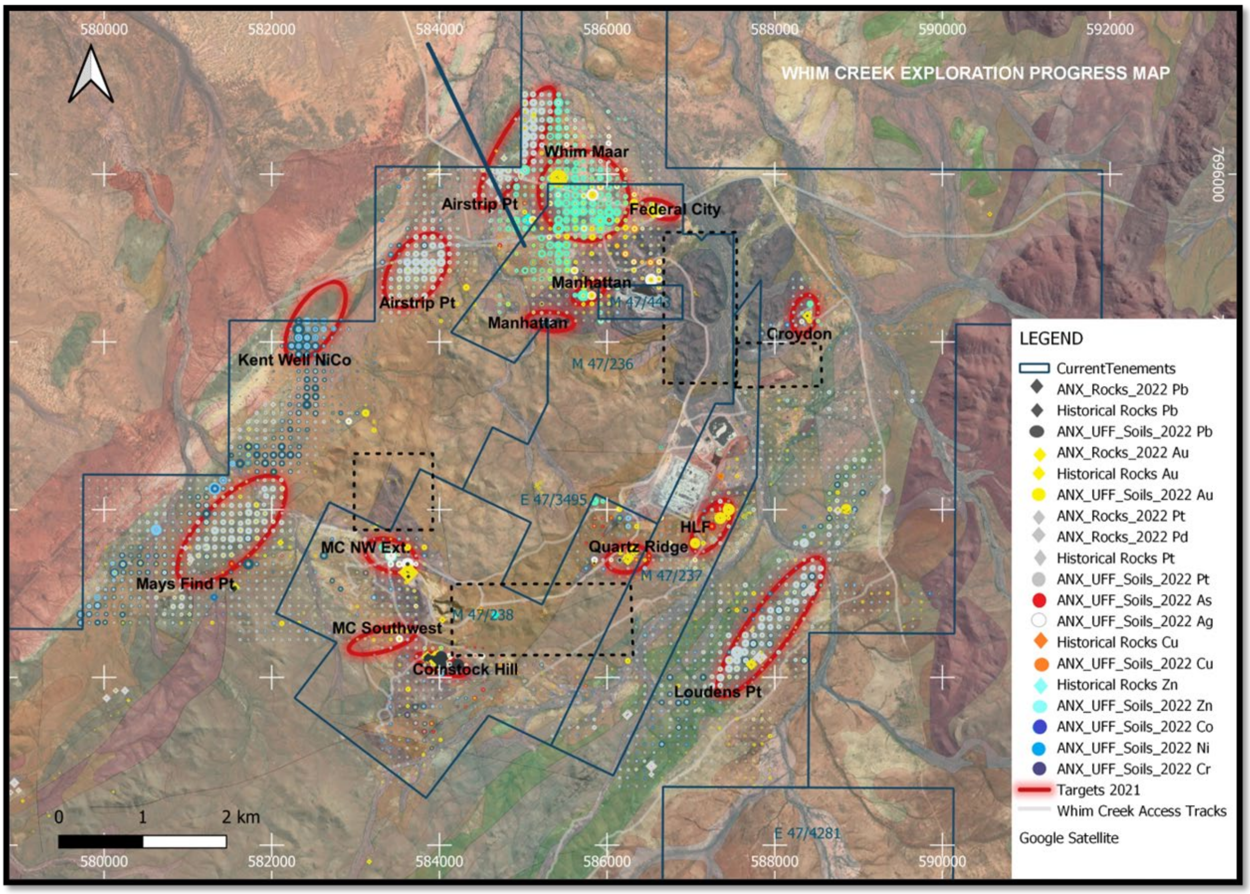

Figure 6: GSWA 2020 Geology, Major Structures and UltraFine+™ Geochemical Soil Anomalies at Whim Creek Project [23]

The UltraFine+™ method separates the clay portion of the soil, analysis of which generates a broad suite of elements. The method results in cohesive anomalies with less 'spikey' results than standard soil sample analysis techniques. The process was developed by CSIRO to detect gold mineralisation under cover and has been found to be equally effective for base metals.

The method is in use extensively across the Pilbara Region where gold exploration has boomed since De Grey's Hemi discovery. This boom has put pressure on the LabWest facility leading to unavoidable delays in sample processing. Infill analysis results reported in March 2022 confirmed and strengthened the anomalies defined in July 2021, enabling Anax to pinpoint exploration drill targets, including: [7,23]

- **HLF Gold Prospect,** which lies adjacent to the heap leach facility and consists of a coincident gold-arsenic anomaly adjacent to a northeast trending structure, bisecting felsic volcanic units that show silicification and alteration similar to that defined by De Grey at Hemi. Aeromagnetic anomalism is another marker for Hemi-style mineralisation (see **Figure 7**, below). An historical drill intercept of 0.94g/t Au at 7-8m downhole in water bore PS12 had not previously been followed up. Other historical exploration and sterilisation drilling was not analysed for gold. Rock chip sampling at HLF generated up to **4g/t Au,** confirming gold in situ. Reverse Circulation (RC) exploration drilling commenced post year-end with geochemical analysis results eagerly awaited.[34]

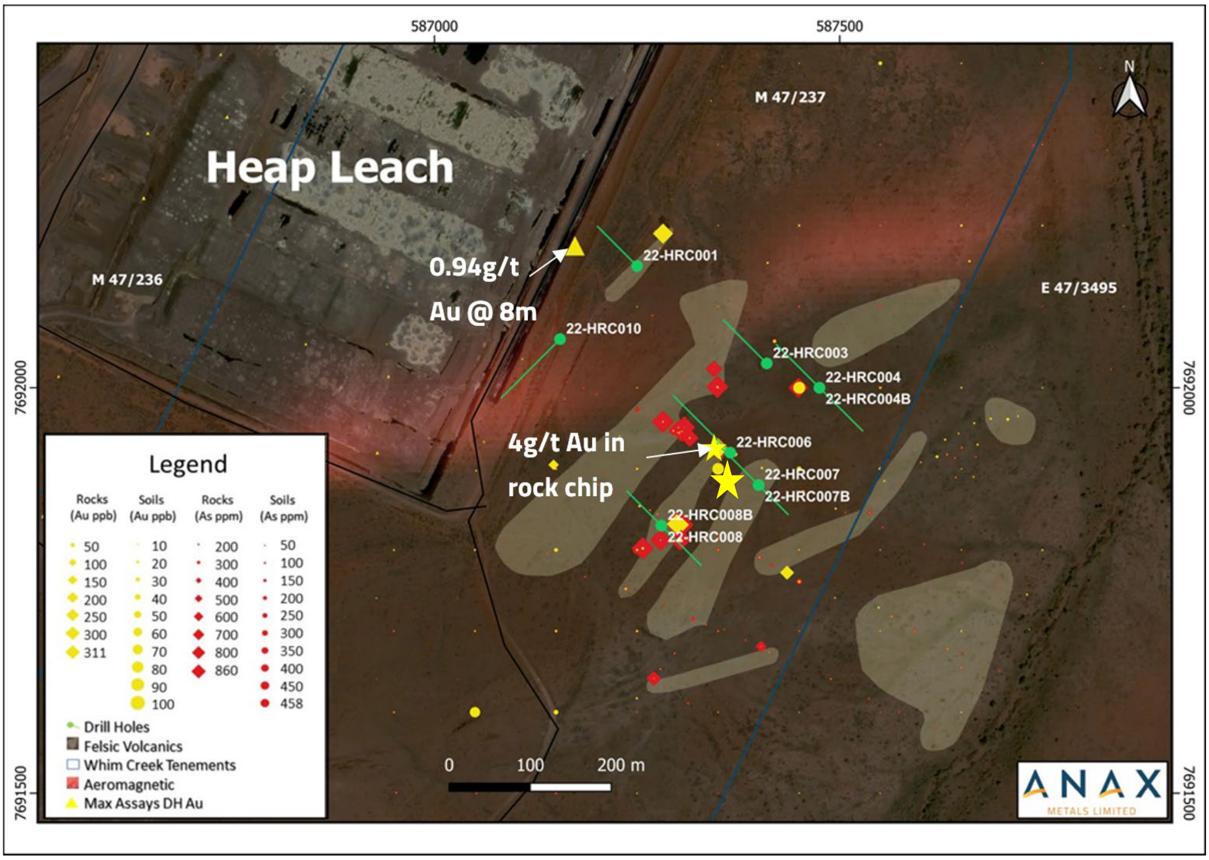

Figure 7: HLF Gold Prospect aeromagnetic and geochemical anomalies in relation to recent RC drill holes [34]

- **Quartz Ridge Gold Prospect** is interpreted to be an extension of Mons Cupri and/or related to HLF Gold Prospect. Heritage clearance is planned which will enable drilling where historical exploration was inconclusive.

- Multiple platinum anomalies coincide with layered mafic intrusives of the Archean-aged Sherlock and Opaline Well lithologies at **Airstrip, Mays Find and Rushalls Prospects**, along with nickel-cobalt anomalism at **Kent Well**. These layered mafic intrusive units mark the outer extents of the Whim Creek Greenstone Belt and are known to be mineralised elsewhere in the Pilbara. The UltraFine+™ geochemical anomalies have been prioritised for exploration drilling for which heritage surveys have been commissioned.[23] Rock chip sampling continues at these prospects to identify the specific mafic intrusive units associated with mineralisation. Nickel-cobalt and platinum group metal (PGM) mineralisation may represent disjointed sections of the same layered mafic sequence offset by faulting.
- **Comstock Hill, and Mons Cupri Southwest** – previously drilled near-mine targets in the vicinity of Mons Cupri Resource - have been verified with the 3D model as warranting further drilling. Mons Cupri has been thoroughly drill tested, though extensions to the east and west remain a possibility. **Mons Cupri Wes**t was RC drilled post year-end and assay results are awaited.
- **Manhattan** Prospect was historically identified as being a potential extension to Whim Creek, disrupted by faulting. Ultrafine+™ soils confirmed historical soil anomalism and RC drilling followed immediately post year-end.
- Extensive geochemical anomalism north of the Whim Creek Mine (see **Figure 6**, above) may be related to historical mining activity and further detailed exploration, such as rock chip sampling and geophysical surveys, will be used to confirm if there is mineralisation in situ.

During the year, Anax subscribed to the CSIRO UltraFine+™ R&D programme, which will generate further interpretive data from the UltraFine+™ soil geochemistry. However, the results of this study will remain confidential until published by CSIRO.

A **3-dimensional structural model** of the Whim Creek Project was commissioned in FY2022, which defined large areas prospective for near mine extensions to the known base metals Mineral Resources.[10] This exploration tool is being used in conjunction with the UltraFine+™ geochemistry to define drill targets.[10] The historically defined base metals geochemical targets at **Manhattan and Federal City** are supported by both the UltraFine+™ soil anomalies and the 3D structural model and, post year-end, exploration RC drilling was carried out at Manhattan. Difficult ground meant that only one hole was completed and further drilling is planned in FY2023. [34] The 3D model has also defined gaps in drilling around the **Whim Creek and Mons Cupri Resources**, and exploration RC drilling was included in the July 2022 programme.

The exploration RC drilling programme concluded post FY2022 is summarised as follows: [34]

- HLF Gold Prospect - 1,464m in 10 holes along three north west lines, perpendicular to strike, spaced 100m apart.

- Whim Creek East – 460m in 4 holes. 2 holes targeted shallow extensions to known resources. 2 holes targeted a silicified ridge highlighted with the 3D model.

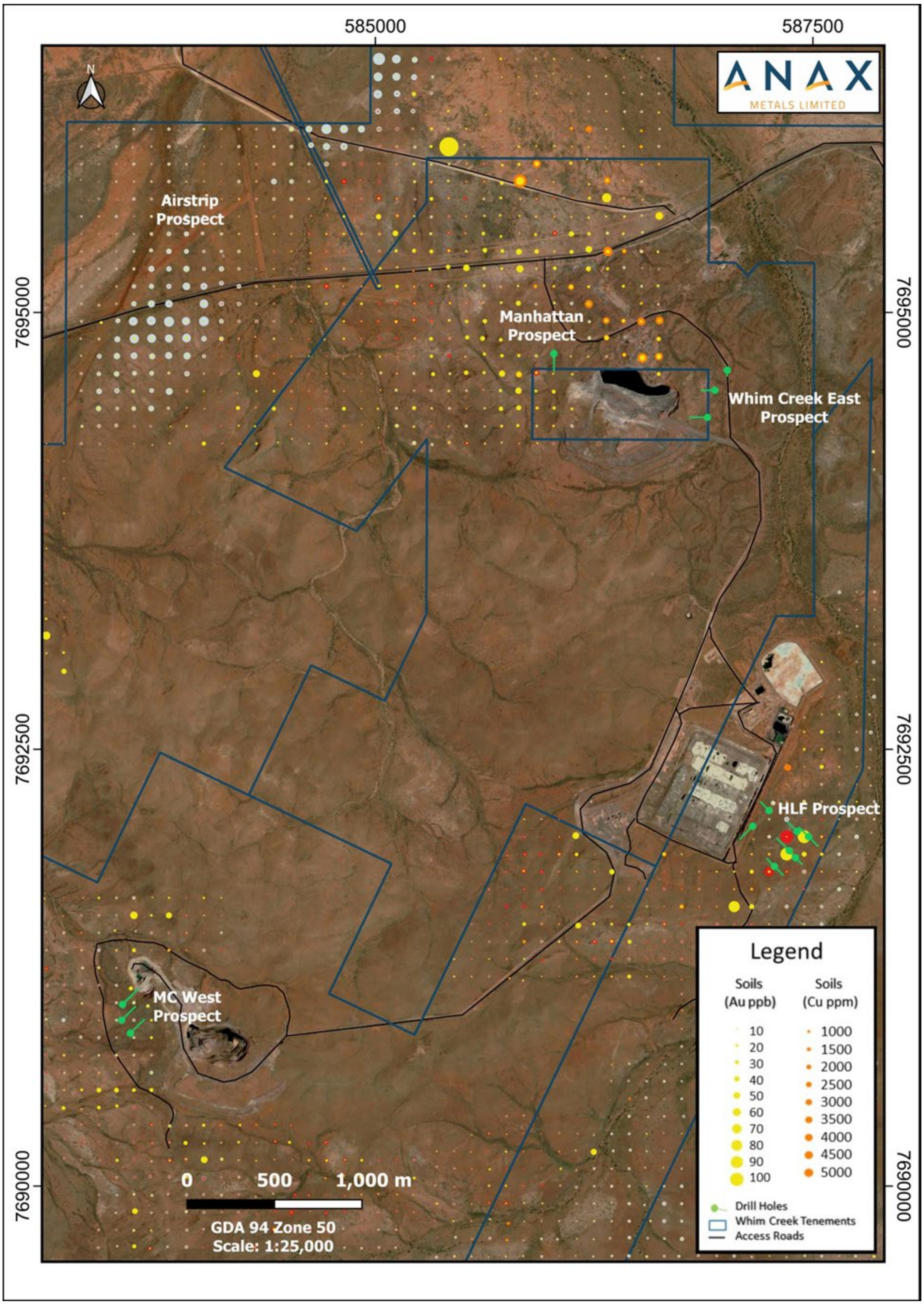

Figure 8: Exploration RC Drilling at near-mine prospects in relation to UltraFine+ ™ Au, Cu and Pt anomalism

- Mons Cupri West and Northwest - 888m in 4 holes. 2 holes at Mons Cupri Northwest targeted resource extension potential. The 3D model illustrated structural disruption of mineralised zones and gaps in historical drilling at Mons Cupri West where two further holes were drilled.
- **Evelyn** – 25km southeast of Whim Creek. 510m in 2 holes, **intersected massive sulphides down dip of newly defined JORC 2012 Resource estimates**.[17,26] Assay results awaited. [34]

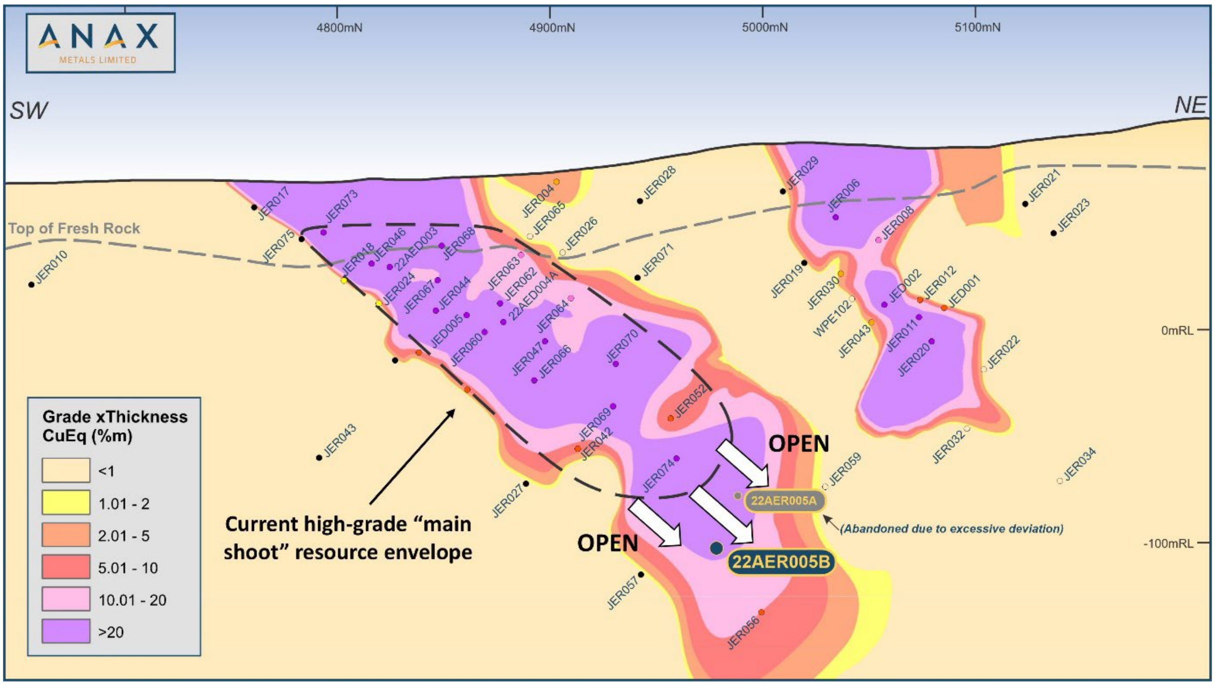

Figure 9: Evelyn Long Section (local grid) showing CuEq grade x thickness contours and drilling pierce points. View direction is to the northwest [34]

FY 2023 Exploration Next Steps[34]

Following the success of the 2021 programme,[7] further regional **UltraFine+™ soil sampling** is underway to extend prospective areas over comparable geology. The extensive Whim Creek tenement package encompasses the width of the complex Archean Whim Creek Greenstone Belt, which is highly prospective and underexplored, due to the historical focus on the known VMS copper deposits. Systematic exploration, using innovative methods, such as UltraFine+™ soil sampling, is highly likely to generate further new gold, PGM and base metals opportunities for Anax.

Rock chip sampling continues over UltraFine+™ PGM soil anomalies at **Rushalls** and **Airstrip Prospects**, and nickel- cobalt at **Kent Well Prospect** as well as copper-gold north of Whim Creek pit (see **figure 8**).

Heritage surveys are scheduled for FY2023 to enable drilling of these targets, along with **Mons Cupri South Prospect**, where UltraFine+™ geochemical and historical geophysical targets remain under-explored. Drilling at **Comstock Hill Prospect** will coincide with the proposed drilling south of Mons Cupri, either later in the 2022 field season or in early 2023, once heritage clearance is completed.

Anax Wholly Owned Tenure

New gold and lithium anomalies were defined from UltraFine+™ soil sampling at **Loudens Patch** tenement (E47/4281), located adjacent to the Whim Creek Project. Historical geochemistry over the ground formerly held by De Grey had generated low level gold anomalism, field investigation of which confirmed quartz-limonite outcrop over 100m along a ridge. Rock chip sampling confirmed gold in situ of 0.27g/t Au, warranting further exploration.[27] The UltraFine+™ soil sampling and rock chip sampling was extended across the tenement post FY2022 and results are pending.

The **Mount Short** tenement (E74/651) is located in the Phillips River Mineral Field, Great Southern Region of Western Australia. The Archean granites and greenstones are considered prospective for base metal massive sulphides and VMS style copper polymetallic deposits, as well as Archean gold and lithium-pegmatites. Field investigation in Q4, CY2021, generated **new rare earth anomalism**.[27] Anax has scheduled auger drilling to follow the wheat harvest in late CY2022.[30] Anax continues to consider potential JV partnerships to develop this project further.

Corporate

Change in Auditor

The shareholders resolved to appoint Pitcher Partners BA&A Pty Ltd as the Company's auditor at the Company's Annual General Meeting on 29 November 2021[13, 14].

Capital Raising

The Company completed a $4m placement on 16 February 2022[20] to fund its strategy, with commitments from institutional and strategic investors.

Financial Assets

Anax holds minority interests in ASX listed gold exploration assets through its holdings in **Xantippe Resources Limited**, and **Predictive Discovery Limited.** These are held with other listed investments as current assets at fair value through profit and loss on the Balance Sheet, signalling the Company's intention to use these investments to maintain liquidity in the short to medium term.

Anax Metals Group Financial Investments as at 30 June 2022

Investment	Code	Unit value	Total value
Predictive Discovery Ltd	PDI	$0.200	140,133
Xantippe Resources Ltd	XTC	$0.007	1,143,067
Desert Metals Ltd	DM1	$0.180	4,500
			$1,287,700

Cash at bank on 30 June 2022 was AUD 7.3 million. Value of cash and financial investments on 30 June 2022 was AUD 8.6million (~2.1c/share).

Summary List of all previous ASX releases referenced in this report

1. Aurora Minerals Limited to acquire up to 80% interest in Whim Creek Copper-Zinc Project from Venturex Resources Limited, 21 July 2020
2. 80% Earn-In at Whim Creek Project Complete, 15 January 2021
3. Gold Exploration Field Work Commences at Whim Creek Project, 5 March 2021
4. Sorting Tests Unlock Whim Creek Value, 28 April 2021
5. Whim Creek Project Copper Tonnes Increase by 37%, 25 May 2021
6. Anax Signs Whim Creek Royalty Agreement with Anglo American, 4 June 2021
7. Extensive Platinum, Nickel-Cobalt and Gold Anomalies Defined, 27 July 2021
8. Completion of Additional Minimum Expenditure at Whim Creek, 16 August 2021
9. Scoping Study results demonstrate Outstanding value at Whim Creek, 30 August 2021
10. Large Near Mine Base Metals Targets at Whim Creek Project, 4 October 2021
11. Quarterly Activities and Cashflow Report, 27 October 2021
12. Whim Creek Project – Advancing to Development, 22 November 2021
13. Addendum to Notice of Annual General Meeting, 25 November 2021
14. Results of Annual General Meeting, 29 November 2021
15. Excellent Results from Heap Leach Test Work, Revised –8 December 2021
16. Presentation – Developing a Sustainable Copper Project, 18 January 2022
17. Exceptional Value Added to Whim Creek Scoping Study, 17 January 2022
18. Quarterly Activities/Appendix 5B Cash Flow Report, 27 January 2022
19. $343k Research and Development rebate received, 31 January 2022
20. $4.0 Million Placement – Strong Support to Underpin Development and Growth Strategy, 9 February 2022
21. Whim Creek Drilling Commences, 21 February 2022
22. Anax Metals Presentation, 22 February 2022
23. Whim Creek Exploration Update, 8 March 2022
24. Near Mine Exploration Drilling at Whim Creek, 7 April 2022
25. Spectacular Massive Sulphides Intersected at Whim Creek, 12 April 2022
26. Quarterly Activities/Appendix 5B Cash Flow Report, 26 April 2022
27. Loudens Patch and Mount Short Exploration Update, 17 May 2022
28. Outstanding Assays Confirm Massive Sulphide in Intersections, 2 June 2022
29. High Grade Gold in Rock Chips Exploration Drilling Commences, 11 July 2022
30. Quarterly Activities / Appendix 5B Cash Flow Report, 29 July 2022
31. Updated Company Presentation, 2 August 2022
32. Anax Leading Future Battery Metals Research, 15 August 2022
33. Investor Webinar, 15 August 2022
34. Massive sulphides Intersected at Evelyn, 6 September 2022
35. Significant Increase in Salt Creek Resource, 12 September 2022
36. Re-compliance Prospectus, 18 September 2020

Competent Persons' Statement

The information in this report that relates to Exploration Results and Mineral Resource Estimates is based on and fairly represents information compiled by Ms Wendy Beets and Mr Andrew McDonald. Ms Beets and Mr McDonald are full-time employees and shareholders of Anax Metals Ltd and members of the Australian Institute of Geoscientists. Ms Beets and Mr McDonald have sufficient experience of relevance to the style of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Ms Beets and Mr McDonald consent to the inclusion in this report of the matters based on information in the form and context in which they appear.

The Company confirms that it is not aware of any new information or data that materially affects the Exploration Results information included in this report from previous Company announcements set out above.

In the case of estimates of Mineral Resources or Ore Reserves, the Company confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified.

DIRECTORS' REPORT

Anax Metals Limited ("**the Company**", "**parent entity**" or "**Anax**") is a public company incorporated and domiciled in Australia and listed on the Australian Securities Exchange. The registered office of the Company is located at Suite 1B, Ground Floor, 20 Kings Park Road, West Perth, Western Australia.

The Directors of the Company present their report on the group, which comprises Anax Metals Limited and its controlled entities (together referred to as the" Group"), for the financial year ended 30 June 2022 ("financial period").

DIRECTORS AND OFFICERS

The names of the Directors and Officers of Anax during the whole of the financial period and up to the date of this report are:

Phillip Jackson (BJuris, LLB, MBA, FAICD), Chairman & Member of the Audit Committee
Phillip Jackson, the Chairman and a Director of the Company, is a barrister and solicitor with over 25 years legal and international corporate experience, especially in the areas of commercial and contract law, mining law and corporate structuring. He has worked extensively in the Middle East, Asia and the United States of America. In Australia, he was formerly a managing legal counsel for a major international mining company, and in private practice specialised in small to medium resource companies. Phillip was managing region legal counsel: Asia-Pacific for a leading oil services company for 13 years. He was General Counsel for a major international oil and gas company. Phillip has been Chairman of Anax since it listed in June 2004 and is a non-executive Chairman of Xantippe Resources Limited. Phillip is also a non-executive director of listed company Scotgold Resources Limited.

Geoffrey Laing (BSc, MBA, MAusIMM), Managing Director
Geoff Laing is a Chemical Engineer with over 25 years' experience in the mining sector across a variety of commodities in Australia, Africa, Europe and South America. Geoff has experience in project funding and mine development through to production. Previously, as Managing Director and GM Corporate for Exco Resources, Geoff was involved in the successful development and divestment of the Cloncurry Copper Project in North Queensland and the highly successful White Dam Gold Mine in South Australia. Geoff has run a private consulting business, Nexus Bonum, and most recently managed Exterra Resources through the successful merge with Anova Metals, where he remained a director until 20 September 2019

Peter Cordin, (BE, MIEAust, FAusIMM (CP)), Non-Executive Director & Member of the Audit Committee
Peter is a civil engineer with over 40 years' experience in mining and exploration both at operational and senior management level. He has a wealth of experience in the evaluation and operation of resource projects both within Australia and overseas. He has direct experience in the construction and management of diamond and gold operations in Australia, Fenno-Scandinavia and Indonesia, and has also been involved in the development of resource projects in Kazakhstan and New Caledonia.

Philip Warren (BCom (Finance), CA), Non-Executive Director (Appointed 12 April 2021) & Member of the Audit Committee
Philip is the Managing Director of Corporate Advisory firm, Grange Consulting Group Pty Ltd, where he specialises in capital raisings, mergers and acquisitions and board governance. Phil is an experienced Company Director and has been involved in founding and advising on several successful ASX listings. He is a qualified Chartered Accountant and spent several years working overseas for major investment banks having started his career in the Perth office of Arthur Andersen in the business consulting division. Phil is currently a Non-Executive

DIRECTORS' REPORT (continued)

Director of Family Zone Cyber Safety Limited, Killi Resources Limited, Narryer Metals Limited and Rent.com.au Limited, and was a founding director of Cassini Resources Limited. In the three years immediately prior to the end of the financial year, Phil also served as a director of the following Jupiter Energy Limited (April 2018 – November 2020).

COMPANY SECRETARY

Steven Wood
Mr Steven Wood was appointed as Company Secretary, effective from 26 June 2020. He is a Chartered Accountant and Director of Corporate Advisory firm, Grange Consulting Group Pty Ltd. Steven has been involved in various private and seed capital raisings as well as successful ASX listings, whilst also providing company secretarial and financial management services to both ASX and unlisted public companies. Mr Wood started his career in the Perth office of Pitcher Partners where he spent several years in their corporate re-structuring division.

CHIEF FINANCIAL OFFICER

Jenine Owen
Mrs Jenine Owen was appointed as Chief Financial Officer, effective from 14 July 2020.

PRINCIPAL ACTIVITIES

The principal activities of the group are mineral exploration and assessing, and if appropriate, acquiring either directly or indirectly exploration and mine development projects worldwide.

OPERATING RESULTS

The operating profit after tax for the financial period was $1,484,549 (2021: profit of $241,153).

FINANCIAL POSITION

The net assets of the Group on 30 June 2022 were $18,711,571 (2021: $12,881,634). As at year end, the Group had $7,319,066 (2021: $6,701,296) in available cash.

DIVIDENDS

No dividends were paid during the year and the directors do not recommend the payment of a dividend.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than the operating results there were no other significant changes in the state of affairs of the Company.

DIRECTORS' REPORT *(continued)*

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD AND LIKELY DEVELOPMENT

There has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

REVIEW OF OPERATIONS

Refer to the Operations Report commencing on Page 5 of this Report.

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of Directors held during the financial year ended 30 June 2022 and the number of meetings attended by each Director:

	Full Board Meetings	
Director	**Number Attended**	**Number Eligible to Attend**
Phillip Jackson	6	6
Geoff Laing	6	6
Peter Cordin	6	6
Philip Warren	6	6

MEETINGS OF AUDIT AND RISK COMMITTEE

There were no separate meetings held during the year as all non-executive directors are members of the Audit and Risk Committee, and these matters were addressed as part of the Board meeting agenda.

DIRECTOR'S EQUITY HOLDINGS

The following table sets out the number of shares held by Directors and entities they control as at the date of this report:

	No of ordinary shares
G Laing	11,291,457
P Jackson	29,470,720
P Cordin	2,174,577
P Warren	215,000
	43,151,754

The following table sets out the number of Options and performance rights held by Directors and Officers, and entities they control as at the date of this report:

2022	No	Granted	Expiry	Ex Price	Vested	Vesting criteria	Fair Value Per Unit
Performance rights							
G Laing	1,000,000	18 May 22	18 May 25	-	No	2 years service; VWAP $0.14	$0.0710
	1,000,000	18 May 22	18 May 25	-	No	2 years service; VWAP $0.18	$0.0490
	1,000,000	18 May 22	18 May 25	-	No	2 years service; VWAP $0.23	$0.0330
	2,500,000	27 Oct 20	27 Oct 23	-	No	1 year service; VWAP $0.135	$0.0153
	3,000,000	27 Oct 20	27 Oct 22	-	Yes	-	$0.0206
	2,600,000	27 Oct 20	27 Oct 23	-	Yes	-	$0.0180
	11,100 ,000						
S Wood	500,000	22 Mar 22	31 Dec 24	-	No	Continuous employment to 31 Dec 23; VWAP $0.14	$0.0686
	500,000	22 Mar 22	31 Dec 24	-	No	Continuous employment to 31 Dec 23; VWAP $0.18	$0.0470
	1,000,000						
J Owen	500,000	22 Mar 22	31 Dec 24	-	No	Continuous employment to 31 Dec 23; VWAP $0.18	$0.0470
	2,000,000	22 Mar 22	31 Dec 24	-	No	Continuous employment to 31 Dec 23; Individual criteria[4]	$0.0720
	2,500,000						
Options							
G Laing	**2,700,000**	26 Nov 18	10 Dec 22	$0.069	Yes	-	$0.0190
P Jackson	**4,000,000**	27 Oct 20	27 Oct 23	$0.045	Yes	-	$0.0108
P Cordin	**2,000,000**	27 Oct 20	27 Oct 23	$0.045	Yes	-	$0.0108
P Warren	[1]2,500,000	2 Oct 20	2 Oct 23	$0.045	Yes		$0.0104
	[2]500,000	2 Oct 20	2 Oct 23	$0.045	Yes	-	$0.0104
	[1]2,000,000	26 May 21	26 May 24	$0.105	Yes	-	$0.0598
	5,000,000						
S Wood[3]	[4]750,000	27 Oct 20	27 Oct 23	$0.045	Yes	-	$0.0108
	[4]500,000	2 Oct 20	02 Oct 23	$0.045	Yes	-	$0.0104
	1,250,000						

[1]Held through Philuchna Pty Ltd, a Trust of which P Warren is a beneficiary.
[2]Held through Grange Consulting Group Pty Ltd, a company of which P Warren is a director.
[3]Held through Nardie Group Pty Ltd, a company of which S Wood is a director.
[4]Individual performance criteria aligned with share price performance, continuous employment, the successful development of the project, including but not limited to securing key agreements and project funding.

REMUNERATION REPORT (Audited)

Board policy

The objective of the Company's remuneration policy for key management personnel is to ensure reward for performance is appropriate for the results delivered. The policy is designed to ensure that the following key criteria for good governance practices are followed:

- Acceptability to shareholders
- Transparency
- Capital management

Company performance, shareholder wealth and key management personnel remuneration
The remuneration policy has been tailored to increase goal congruence between shareholders and key management personnel by the issue of options and performance rights as long term incentives to the key management personnel to encourage the alignment of personal and shareholder interests. The Company believes this policy will be effective in increasing shareholder wealth.

The constitution of the Company provides that the non-executive Directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate maximum sum per annum from time to time determined by the Company in general meeting. The Company has entered into separate Consulting or Employment Agreements with each of the Directors and accordingly the Company has resolved not to pay any Directors' fees as additional remuneration to the non-executive Directors.

A Director may be paid fees or other amounts as the Directors determine where a director performs special duties or otherwise performs services outside the scope of the ordinary duties of a director. A Director may also be reimbursed for out-of-pocket expenses incurred because of their directorship or any special duties.

Terms and Conditions of Engagement (as at the date of this report):

	Role	Date of Agreement	Date last Modified	Fee/Salary[ii]	Notice Period Required from Company	Notice Period Required from Officer	Termination Fees Payable
Directors							
Phillip Jackson	Chairman	13 Apr 2010	01 July 2021	$60,000	-	-	-
Geoff Laing	Managing Director	15 Mar 2018	01 July 2021	$300,000	3 months	3 months	3 months
Peter Cordin	Non-executive Director	20 Feb 2014	01 July 2021	$45,000	-	-	-
Philip Warren[i]	Non-executive Director	12 April 2021	01 July 2021	$45,000	-	-	-

(i) Mr Philip Warren was appointed as Non-Executive Director effective 12 April 2021.
(ii) Plus additional statutory superannuation

REMUNERATION REPORT (Audited) ***(continued)***

(a) Principles used to determine the nature and amount of remuneration

The nature and amount of remuneration paid to key management personnel has been determined by reference to the services provided, prevailing market rates and with the objective of retaining their services.

(b) Details of remuneration

The remuneration of the key management personnel, being the Directors is summarised below.

No salaries, fees, commissions, bonuses, superannuation, or other form of remuneration were paid or payable to key management personnel during the year other than fees and options paid either directly or to corporate entities associated with those persons, in terms of consulting agreements, as follows:

	Short-term incentives			Long term incentives	
Key Management Personnel	**Salary, fees and leave**	**Other**	**Superannuation**	**Options/ Performance Rights**	**Total**
	$	**$**	**$**	**$**	**$**
2022					
Mr Geoff Laing(i)	300,000	-	30,000	18,744	348,744
Mr Phillip Jackson(ii)	60,000	-	6,000	14,084	80,084
Mr Peter Cordin	45,000	-	4,500	7,042	56,542
Mr Philip Warren(iii)	45,000	-	4,500	108,117	157,617
	450,000	**-**	**45,000**	**147,987**	**642,987**
2021					
Mr Geoff Laing	236,520	23,652	-	134,275	394,447
Mr Phillip Jackson	50,000	7,700	-	29,116	86,816
Mr Peter Cordin	36,530	4,000	3,850	14,558	58,938
Mr Philip Warren(i)	8,462	4,000	1,191	11,467	25,120
	331,512	**39,352**	**5,041**	**189,416**	**565,321**

(i) Until 1 January 2022, Mr. Geoff Laing was engaged and remunerated via Nexus Bonum Pty Ltd, a company of which he is a director; since this date he is engaged and remunerated directly by the Group.

(ii) Mr. Phillip Jackson is engaged and remunerated via Holihox Pty Ltd, a company of which he is a director.

(iii) Mr. Philip Warren was appointed as Non-Executive Director of the Company effective from 12 April 2021.

REMUNERATION REPORT (Audited) ***(continued)***

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

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Mr. Geoff Laing	94%	66%	-	-	6%	34%
Mr. Phillip Jackson	82%	66%	-	-	18%	34%
Mr. Peter Cordin	88%	75%	-	-	12%	25%
Mr. Philip Warren(i)	31%	54%	-	-	69%	46%

(i) Mr. Philip Warren was appointed as Non-Executive Director of the company effective from 12 April 2021.

(c) Shares issued as remuneration

No shares were issued as remuneration to the key management personnel, including their personally related parties during the years ended 30 June 2022 and 30 June 2021.

(d) Options and Performance Rights issued as remuneration

The following options and performance rights were issued to key management, including their personally related parties during the year ended 30 June 2022.

2022	No	Grant Date	Expiry Date	Ex Price	Vested	Vesting criteria	Fair Value Per Unit
Performance rights							
G Laing	1,000,000	18 May 22	18 May 25	-	No	2 years service; VWAP $0.140	$0.071
	1,000,000	18 May 22	18 May 25	-	No	2 years service; VWAP $0.180	$0.049
	1,000,000	18 May 22	18 May 25	-	No	2 years service; VWAP $0.230	$0.033
	3,000 ,000						

The following options and performance rights were issued to key management personnel, including their personally related parties during the year ended 30 June 2021.

2021	No	Grant Date	Expiry Date	Ex Price	Vested	Vesting criteria	Fair Value Per Unit
Performance rights							
G Laing	3,000,000	27 Oct 20	27 Oct 22	-	Yes	-	$0.0206
	2,600,000	27 Oct 20	27 Oct 23	-	Yes	-	$0.0180
	2,500,000	27 Oct 20	27 Oct 23	-	No	1 year service; VWAP $0.135	$0.0153
	8,100,000						
Unlisted options							
P Jackson	**4,000,000**	27 Oct 20	27 Oct 23	$0.045	Yes	-	$0.0108
P Cordin	**2,000,000**	27 Oct 20	27 Oct 23	$0.045	Yes	-	$0.0108
P Warren	2,000,000	26 May 21	26 May 24	$0.105	Yes	-	$0.0598
	3,000,000	02 Oct 20	02 Oct 23	$0.045	Yes	-	$0.0412
	5,000,000						

REMUNERATION REPORT (Audited) *(continued)*

(e) Additional disclosures relating to key management personnel

(i) Shareholdings

The number of shares in the Company held during the financial year by each member of key management personnel of the Group, including their personally related parties, is set out below:

Ordinary shares	Opening balance	Received as remuneration	Purchased during period	Received on exercise of options	Sold during period	Net change other(vii)	Closing balance
2022							
G Laing(i)	8,591,457	-	-	2,700,000	-	-	11,291,457
P Jackson(ii)	29,470,720	-	-	-	-	-	29,470,720
P Cordin(iii)	2,174,577	-	-	-	-	-	2,174,577
P Warren(iv)(v)	215,000	-	-	-	-	-	215,000
	40,451,754	**-**	**-**	**2,700,000**	**-**	**-**	**43,151,754**
2021							
G Laing(vi)	6,546,064	-	-	2,700,000	-	(654,607)	8,591,457
P Jackson	32,745,245	-	-	-	-	(3,274,525)	29,470,720
P Cordin	2,416,197	-	-	-	-	(241,620)	2,174,577
P Warren(iv)(v)	-	-	215,000	-	-	-	215,000
	41,707,506	**-**	**215,000**	**2,700,000**	**-**	**(4,170,752)**	**40,451,754**

(i) Shares are held by The Laing Family Trust, a discretionary trust of which Mr Geoff Laing is a beneficiary. During the year ended 30 June 2022, Mr. Geoff Laing paid $121,500 to exercise 2,700,000 options with an exercise price of $0.045 and an expiry date of 10 Dec 2021. The share price was $0.095 at issue date, valuing the options at $256,500 on this date.

(ii) Shares are held by Holihox Pty Ltd, a company of which Mr Phillip Jackson is a director.

(iii) Shares are held by Cordin Pty Ltd, being an ATO approved Self-Managed Super Fund for Mr Peter Cordin.

(iv) Mr. Philip Warren was appointed as Non-Executive Director of the company effective from 12 April 2021.

(v) Shares are held by Philuchna Pty Ltd, being a Trust of which Mr Philip Warren is a beneficiary.

(vi) In the prior year, Mr. Geoff Laing paid $83,700 to exercise 2,700,000 options with an exercise price of $0.031 and an expiry date of 10 Dec 2020. The share price on issue date was $0.047, valuing the options at $126,900 on share issue. In addition, there was a 10:9 share consolidation during the year.

(vii) There was a 10:9 share consolidation in the prior year

REMUNERATION REPORT (Audited) ***(continued)***

(ii) Options holdings

The number of options held during the financial year by each director, including their personally related parties, is set out below:

Options	Opening Balance	Received as Remuneration	Expired	Exercised	Net Change Other[vi]	Closing Balance	Vested and exercisable
2022							
G Laing [i]	5,400,000	-	-	(2,700,000)	-	2,700,000	2,700,000
P Jackson[ii]	4,000,000	-	-	-	-	4,000,000	4,000,000
P Cordin [iii]	2,000,000	-	-	-	-	2,000,000	2,000,000
P Warren[iv]	5,000,000	-	-	-	-	5,000,000	5,000,000
	16,400,000	**-**	**-**	**(2,700,000)**	**-**	**13,700,000**	**13,700,000**
2021							
G Laing	9,000,000	-	-	(2,700,000)	(900,000)	5,400,000	5,400,000
P Jackson	300,000	4,000,000	(270,000)	-	(30,000)	4,000,000	4,000,000
P Cordin	200,000	2,000,000	(180,000)	-	(20,000)	2,000,000	2,000,000
P Warren	-	2,000,000	-	-	[vii]3,000,000	5,000,000	5,000,000
	9,500,000	**8,000,000**	**(450,000)**	**(2,700,000)**	**2,050,000**	**16,400,000**	**16,400,000**

(i) Options are held by The Laing Family Trust, a discretionary trust of which Mr Geoff Laing is a beneficiary.
(ii) Options are held by Holihox Pty Ltd, a company of which Mr Phillip Jackson is a director.
(iii) Options are held by Cordin Pty Ltd, being an ATO approved Self-Managed Super Fund for Mr Peter Cordin.
(iv) Options are held by Philuchna Pty Ltd, being a Trust of which Mr Philip Warren is a beneficiary.
(v) Mr Philip Warren was appointed as Non-Executive Director of the company effective from 12 April 2021.
(vi) During the year ended 30 June 2021, there was a 10:9 share consolidation.
(vii) On 28 Oct 2020 (prior to being appointed as Non-Executive Director on 12 April 2021) 3,000,000 unlisted options (exercise price of $0.045, expiring 28 Oct 2023) were issued to related parties of Mr Philip Warren in relation to corporate advisory services provided.

(iii) Performance rights holdings

The number of performance rights held during the financial year by each director, including their personally related parties, is set out below:

Performance rights	Opening Balance	Received as Remuneration	Expired	Exercised	Net Change Other	Closing Balance	Vested and exercisable
2022							
G Laing [i]	8,100,000	3,000,000	-	-	-	11,100,000	5,600,000
P Jackson	-	-	-	-	-	-	
P Cordin	-	-	-	-	-	-	
P Warren[ii]	-	-	-	-	-	-	
	8,100,000	**3,000,000**	**-**	**-**	**-**	**11,100,000**	**5,600,000**
2021							
G Laing	-	8,100,000	-	-	-	8,100,000	5,600,000
P Jackson	-	-	-	-	-	-	-
P Cordin	-	-	-	-	-	-	-
P Warren[ii]	-	-	-	-	-	-	-
	-	**8,100,000**	**-**	**-**	**-**	**8,100,000**	**5,600,000**

(i) Performance rights are held by The Laing Family Trust, a discretionary trust of which Mr Geoff Laing is a beneficiary.
(ii) Mr Philip Warren was appointed as Non-Executive Director of the company effective from 12 April 2021.

(iv) Other transactions with key management personnel and their related parties

Nexus Bonum Pty Ltd, a company of which Geoff Laing is a director, delivered engineering consulting services to the Company, for which $585,787 plus GST was paid (2021: $130,810 plus GST). At 30 June 2022 trade creditors of $77,540 plus GST related to these services (2021: Nil).

Grange Capital Partners Pty Ltd, a company associated with Philip Warren, was previously engaged as Lead Manager for capital raising, compliance and re-listing purposes. These services were not utilised in the year ended 30 June 2022 (2021: $120,000 plus GST was paid, comprising $30,000 Lead Manager fees and $90,000 in capital raising fees). There is no outstanding amount payable to Grange Capital Partners Pty Ltd at 30 June 2022 for these services (2021: $Nil).

Grange Consulting Group Pty Ltd, a company of which Philip Warren is a director, delivered corporate advisory services for which $42,000 plus GST was paid (2021: $94,467 plus GST), and Company Secretarial services for which $82,198 plus GST was paid (2021: $62,844 plus GST). There is no outstanding amount payable to Grange Consulting Group Pty Ltd at 30 June 2022 for these services (2021: $Nil).

During the year, Holihox Consulting Pty Ltd, a company of which Phillip Jackson is a director, delivered legal consulting fees, and was paid $36,000 plus GST for these services (2021: $30,000 plus GST). There is no outstanding amount payable to Holihox Pty Ltd at 30 June 2022 for these services (2021: $Nil).

Anax Metals Limited provided office facilities and overheads to Xantippe Resources Limited (a company of which P Jackson was a director until his resignation on 17 May 2022) to the value of $19,660 plus GST (2021: $53,269 plus GST) by means of a Facilities agreement. At 30 June 2022, trade debtors of $Nil related to these facilities charges (2021: $Nil).

All transactions with related parties are on commercial terms.

REMUNERATION REPORT (Audited) *(continued)*

(f) Additional information

	2022 $	2021 $	2020 $	2019 $	2018 $
Total revenue	2,139,568	2,679,993	95,076	372,397	289,582
EBITDA	1,780,331	322,729	1,977,541	(2,926,272)	(6,149,149)
EBIT	1,512,270	253,681	1,967,583	(2,936,106)	(6,179,062)
Profit / (loss) after income tax	1,484,549	241,153	1,967,583	(2,936,436)	(6,179,062)

The factors that are considered to affect total shareholders' return are summarised below:

	2022	2021	2020	2019	2018
Share price at 30 June ($)	0.077	0.076	0.020	0.011	0.029
Total dividends declared (cents per share)	-	-	-	-	-
Basic profit / (loss) per share (cents per share)	0.401	0.09	0.85	(2.51)	(4.59)

****END OF REMUNERATION REPORT (AUDITED) ****

SHARE OPTIONS

Options to take up ordinary fully paid shares in the Company at the date of this report are as follows:

Number of Options	Grant Date	Expiry Date	Exercise Price	Vested	vesting conditions
2,700,000	26 Nov 18	10 Dec 22	$0.069	Yes	None
23,250,000	02 Oct 20	02 Oct 23	$0.045	Yes	None
9,000,000	27 Oct 20	27 Oct 23	$0.045	Yes	12 months service from grant date
2,000,000	26 May 21	26 May 24	$0.105	Yes	12 months service from grant date
4,000,000	26 May 21	26 May 23	$0.136	Yes	None
40,950,000					

Performance rights to take up ordinary fully paid shares in the Company at the date of this report are as follows:

Number of Performance Rights	Grant Date	Expiry Date	Vested	Market condition[1]	Performance condition
1,000,000	18 May 22	18 May 25	No	$0.140	2 years continuous employment
1,000,000	18 May 22	18 May 25	No	$0.180	2 years continuous employment
1,000,000	18 May 22	18 May 25	No	$0.230	2 years continuous employment
6,500,000	22 Mar 22	31 Dec 24	No	N/A	Various[2]
500,000	22 Mar 22	31 Dec 24	No	$0.140	Continuous employment to 31 Dec 23
3,000,000	22 Mar 22	31 Dec 24	No	$0.180	Continuous employment to 31 Dec 23
3,000,000	27 Oct 20	27 Oct 22	Yes	$0.045	None
2,600,000	27 Oct 20	27 Oct 23	Yes	$0.090	None
4,500,000	27 Oct 20	27 Oct 23	No	$0.135	None
23,100,000					

[1]The 20-business day volume weighted average price for the Company's shares, traded on the ASX.
[2]Performance targets defined by function, and assigned to key employees as incentives.

DIRECTOR's REPORT *(continued)*

All Options and performance rights are unlisted and do not entitle their holders to participate in entitlement offers of new shares in the Company unless the holders first exercise their options or performance rights. No person entitled to exercise any option or performance right above has or had, by virtue of the option, a right to participate in any share issue of any other body corporate.

SHARES ISSUED ON THE EXERCISE OF OPTIONS

The following ordinary shares of Anax Metals Limited were issued during the year ended 30 June 2022 and up to the date of this report on the exercise of options granted:

Date options granted	Amount paid per share	Share Issue date	Number of shares issued
26 Nov 2018	$0.045	7 Dec 2021	2,700,000

SHARES ISSUED ON THE EXERCISE OF PERFORMANCE RIGHTS

The following ordinary shares of Anax Metals Limited were issued during the year ended 30 June 2022 and up to the date of this report on the exercise of performance rights granted:

Grant date	Market vesting condition	Value per right on issue date	Amount paid	Date shares issued	Number of shares issued
27 Oct 2020	$0.045	$0.095	Nil	2 Jun 22	3,000,000
27 Oct 2020	$0.090	$0.095	Nil	2 Jun 22	2,200,000
					5,200,000

ENVIRONMENTAL REGULATIONS

The mining leases, exploration licences and prospecting licences granted to the Company pursuant to the Mining Act (1978) (WA) are granted subject to various conditions which include standard environmental requirements. The Company's policy is to adhere to these conditions and the Directors are not aware of any material contraventions of these requirements.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

INDEMNITY AND INSURANCE OF OFFICERS

The Company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

DIRECTORS REPORT ***(continued)***

ROUNDING OF AMOUNTS

The Group is of a kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

INDEMNITY AND INSURANCE OF AUDITOR

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

NON-AUDIT SERVICES

During the year, the Company's external auditors, Pitcher Partners BA&A Pty Ltd, did not provide any non-assurance related services during the year.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the lead auditor's independence declaration as required by Section 307c of the Corporations Act 2001 is included within the Financial Report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

Signed in accordance with a resolution of Directors:

Geoff Laing
DIRECTOR
Perth, 27 September 2022

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2022

	Note	Consolidated 2022 $	Consolidated 2021 $
Other income	2	4,105,373	2,589,115
Foreign exchange revaluation gains		3,891	77,745
Administration expenses	3	(1,983,483)	(1,759,684)
Depreciation and amortisation	4	(111,440)	(69,048)
Finance costs		(156,621)	-
Share based compensation	20	(225,534)	(574,903)
Exploration and evaluation expenditure		(147,637)	(9,544)
Profit before tax		1,484,549	241,153
Income tax expense	6	-	-
Profit for the year after income tax		1,484,549	241,153
Other comprehensive income, net of tax		-	-
Total comprehensive profit for the year		1,484,549	241,153
Basic earnings per share (cents per share)	21	0.401	0.086
Diluted earnings per share (cents per share)	21	0.346	0.080

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	Consolidated 2022 $	2021 $
Current Assets			
Cash and cash equivalents	7	7,319,066	6,701,296
Other receivables	8	344,753	136,113
Financial assets at fair value through profit or loss	9	1,287,700	2,536,211
Total current assets		8,951,519	9,373,620
Non-Current Assets			
Right-of-use assets	10(a)	131,478	189,914
Property, plant and equipment	11	543,029	464,610
Exploration and evaluation expenditure	12	30,517,350	25,540,812
Total non-current assets		31,191,857	26,195,336
Total assets		**40,143,376**	**35,568,956**
Current Liabilities			
Trade and other payables	13	1,785,472	865,419
Employee benefits	14	124,417	81,064
Lease liabilities	10(b)	59,554	54,314
Other provisions	15	3,401,276	3,457,520
Financial liabilities	16(a)	986,586	-
Total current liabilities		6,357,305	4,458,317
Non-current Liabilities			
Employee benefits	14	-	-
Lease liabilities	10(b)	82,191	141,746
Financial liabilities	16(b)	1,820,517	2,830,241
Provision for rehabilitation	17	13,171,792	15,257,018
Total non-current liabilities		15,074,500	18,229,005
Total liabilities		**(21,431,805)**	**(22,687,322)**
NET ASSETS		**18,711,571**	**12,881,634**
Equity			
Issued capital	18	48,886,055	44,658,050
Reserves	19	6,424,571	6,307,188
Accumulated losses		(36,599,055)	(38,083,604)
TOTAL EQUITY		**18,711,571**	**12,881,634**

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

CONSOLIDATED	Issued Capital $	Options Reserve $	Accumulated Losses $	Total $
At 1 July 2020	**38,379,360**	**5,572,326**	**(38,324,757)**	**5,626,929**
Profit for the year	-	-	241,153	241,153
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	241,153	241,153
Transactions with owners in their capacity as owners:				
Share based payments	32,331	739,646	-	771,977
Issue of share capital	6,726,000	2,326	-	6,728,326
Share issue costs	(570,451)	-	-	(570,451)
Options exercised	90,810	(7,110)	-	83,700
At 30 June 2021	**44,658,050**	**6,307,188**	**(38,083,604)**	**12,881,634**
At 1 July 2021	**44,658,050**	**6,307,188**	**(38,083,604)**	**12,881,634**
Profit for the year	-	-	1,484,549	1,484,549
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	1,484,549	1,484,549
Transactions with owners in their capacity as owners:				
Share based payments expensed	263,053	225,534	-	488,587
Issue of share capital	4,000,000	-	-	4,000,000
Share issue costs	(264,699)	-	-	(264,699)
Options exercised	128,251	(6,751)	-	121,500
Performance rights exercised	101,400	(101,400)	-	-
At 30 June 2022	**48,886,055**	**6,424,571**	**(36,599,055)**	**18,711,571**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

	Note	Consolidated 2022 $	2021 $
Cash flows from operating activities			
Payments to suppliers and employees		(1,589,050)	(1,734,791)
Payments for exploration expenditure		(147,637)	-
Other revenue		24,431	2,679,423
Interest and other costs of finance paid		(27,839)	(12,529)
Interest received		118	570
Net cash (outflow) / inflow from operating activities	**7**	**(1,739,977)**	**932,673**
Cash flows from investing activities			
Proceeds from sale of plant and equipment		-	909
Payments for purchases of plant and equipment		(105,924)	(7,204)
Proceeds from sale of financial assets		5,314,753	-
Purchase of financial assets		-	(5,000)
Fee for sale of royalty		(134,500)	-
Payments for exploration and evaluation		(6,580,311)	(3,716,186)
Net cash (outflow) from investing activities		**(1,505,982)**	**(3,727,481)**
Cash flows from financing activities			
Proceeds from issue of shares		4,121,500	6,812,025
Share issue transaction costs		(260,808)	(405,708)
Repayment of lease liabilities		(54,314)	(37,680)
Proceeds from third-party borrowing		98,341	-
Repayment of third-party borrowing		(40,990)	-
Net cash inflow from financing activities		**3,863,729**	**6,368,637**
Net increase in cash		**617,770**	**3,573,829**
Cash at the beginning of the financial year		**6,701,296**	**3,127,467**
Cash at the end of the financial year	**7**	**7,319,066**	**6,701,296**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: CORPORATE INFORMATION

The financial report of Anax Metals Limited ("the Company") and its controlled entities ("the Group") for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of the Directors on 27 September 2022. Anax Metals Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and the principal activities of the Group are described in the Directors' Report.

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

(a) Statement of Accounting Policies

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards, interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. The consolidated entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Compliance with IFRS
The consolidated financial statements of the Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis of preparation

- ***Historical cost convention***

The consolidated financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation to fair value of certain financial assets and liabilities at fair value through profit or loss.

- ***Going Concern***

The consolidated financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group has incurred a net profit after tax of $1,484,549 (2021: $241,153) and had net cash outflow from operating and investing activities of $3,245,959 (2021: $2,794,808). The consolidated Statement of Financial Position shows that the Group had cash and cash equivalents of $7,319,066 (30 June 2021: $6,701,296) as well as financial assets valued at $1,287,700 (30 June 21: $2,536,211) which can be liquidated to fund the Group's planned exploration and development strategy.

The ability of the Group to continue as a going concern is dependent on it being able to successfully raise further debt or capital funding in the next 12 months, to pursue its current exploration strategy. Management will continue to explore the tenements and the Directors are confident that the Group will be able to continue as a going concern and meet its current liabilities when they fall due in the next 12 months. Specifically, the Directors' conclusion is supported by the following:

NOTE 1: CORPORATE INFORMATION *(continued)*

- The Directors have assessed the cash flow requirements for the 12-month period from the date of approval of the financial statements and its impact on the Group and believer there will be sufficient funds to meet the Group's working capital requirements;
- In the event that funding of an amount required to meet the future budgeted operational and investing activities of the Group is unavailable, the Directors have the ability to reduce or defer operational expenditures to preserve liquidity while still meeting minimum obligations pending successful capital raising; and
- The Group has successfully raised capital during the 30 June 2022 financial year totalling $4 million (before costs) which supports the Group's ability to raise capital if required.

On this basis, the financial statements do not include any adjustments relating to the recoverability or classification of recorded asset amounts, nor the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

Should the Group be unsuccessful with the initiatives detailed above, there is a material uncertainty as to whether the Group will be able to continue as a going concern and may therefore be required to realise assets and extinguish liabilities other than in the ordinary course of business, with the amount realised being different from those shown in the consolidated financial statements.

- ***Critical accounting estimates***

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1(x).

- ***Parent entity information***

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 30.

- ***Round amounts***

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in these consolidated financial statements have been rounded to the nearest dollar, or in certain cases, to the nearest one thousand dollar (where indicated).

(b) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Anax at the end of the reporting period. Subsidiaries are all those 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 can 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 de-consolidated from the date that control ceases.

Intercompany transactions, balances, and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment

NOTE 1: CORPORATE INFORMATION *(continued)*

of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

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

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

(c) Taxation

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

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

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

NOTE 1: CORPORATE INFORMATION *(continued)*

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously.

Tax consolidation

The Company and its wholly owned Australian resident entities have formed a tax-consolidated group with effect from 27 January 2006 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Anax. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

(d) Segment reporting

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

(e) Exploration, evaluation and development expenditure

All exploration and evaluation expenditure are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in the profit or loss.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

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

NOTE 1: CORPORATE INFORMATION *(continued)*

Exploration and evaluation assets are assessed for impairment if:

- sufficient data exists to determine technical feasibility and commercial viability, and
- facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision is made. If, after having capitalised expenditure under the policy, it is concluded that the expenditures are unlikely to be recovered by future exploitation or sale, then the relevant capitalised amount will be written off to the profit or loss.

Exploration, evaluation, and development costs comprise acquisition costs, direct exploration and evaluation costs and an appropriate portion of related overhead expenditure but do not include general overhead expenditure which has no direct connection with a particular area of interest.

Restoration costs arising from exploration activities are provided for at the time of the activities which give rise to the need for restoration.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences. When production commences, carried forward exploration, evaluation and development costs are amortised on a units of production basis over the life of the economically recoverable reserves.

(f) Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the relevant taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expenses.

Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

NOTE 1: CORPORATE INFORMATION *(continued)*

Cash flows are presented in the statement of cash flows on a net basis, with the GST component disclosed as operating activities.

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

(h) Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued, or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

NOTE 1: CORPORATE INFORMATION *(continued)*

(i) Revenue and other income

Interest income
Interest income is recognised on a proportional basis considering the interest rates applicable to the financial assets.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

All revenue is stated net amount of goods and services tax (GST).

(j) Comparatives

Where required by accounting standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(k) Earnings per share

Basic earnings per share
Basic earnings per share is determined by dividing the operating profit after income tax by the weighted average number of ordinary shares outstanding during the financial year.

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

(l) Interests in joint arrangements

The consolidated Group's share of the assets, liabilities, revenue and expenses of joint operations are included in the appropriate line items of the consolidated financial statements.

The consolidated Group's interests in joint ventures are brought to account using the equity method of accounting in the consolidated financial statements.

Under the equity method, the share of the profit and losses of the joint venture is recognised in the profit or loss, and the share of post-acquisition movements in reserves recognised in other comprehensive income. Unrealised gains and losses on transactions between the Group and its joint ventures are eliminated to the extent of the Group’s interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

As at 30 June 2022 and 30 June 2021, the Group did not hold any interests in joint ventures or joint operations as defined under the AASB 11 Joint Arrangements, as the Group considers it controls the Whim Creek Project, following the assessment made as set out in note 1(x). Accordingly, the Group recognises 100% of the Whim Creek Project assets, liabilities, revenue and expenses in the appropriate line items in the consolidated

NOTE 1: CORPORATE INFORMATION *(continued)*

financial statements. This includes recognising the contractual right held by Develop at fair value through profit and loss.

(m) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification. An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

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

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

(n) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

(o) Issued capital

Issued and paid-up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(p) Share-based payments

Equity incentives to directors, consultants and contractors

The Group provides benefits to its directors, consultants and contractors in the form of share-based payments, whereby directors, consultants and contractors render services in exchange for options to acquire shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions is measured by reference to the fair value to the Company of the equity instruments at the date at which they were granted. The fair value is determined using the Black-Scholes valuation model, taking into account the terms and conditions upon which the options were granted.

NOTE 1: CORPORATE INFORMATION *(continued)*

The cost of equity-settled transactions is recognised as an expense, together with a corresponding increase in equity, on a straight-line basis, over the period in which the vesting and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant directors and employees become fully entitled to the options (the vesting date).

At each subsequent reporting date until vesting, the cumulative charge to the statement of comprehensive income reflects:

- the grant date fair value of the options.
- the current best estimate of the number of options that will ultimately vest, taking into account such factors as the likelihood of personnel turnover during the vesting period and the likelihood of non-market vesting conditions being met, based on best available information at balance date; and the extent to which the vesting period has expired.

The charge to the statement of comprehensive income for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding entry to equity.

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

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

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Share-based payments as consideration for services provided

The agreement to issue Company shares as consideration for services provided to the Group is predicated on there being adequate headroom in the Company's existing approved equity placement capacity in accordance with ASX Listing rule 7.1A. In circumstances where there is existing placement capacity and the Group and key suppliers agree to share-based consideration for services rendered in preference to cash settlement, the number of Company shares issued in consideration for these services is determined with reference to the fair cash value of those services as agreed; the period over which services are provided; and the monthly volume weighted average share price for the Company's shares listed on the ASX over that period.

(q) Plant and Equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation.

Plant and equipment is measured on the cost basis.

NOTE 1: CORPORATE INFORMATION *(continued)*

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation is calculated on a straight-line basis so as to write off the net cost of each fixed asset over its effective life.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

Right of Use Assets are depreciated over their useful life, being the period of the lease including probable exercise of any rollover clause.

The depreciation /amortisation rates used for each class of depreciable assets are:

Class of Asset	**Depreciation / Amortisation Rate**
Plant and Equipment	5.0% - 33.33%
Right of Use assets	5.84%

(r) 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 principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. 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 each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

NOTE 1: CORPORATE INFORMATION *(continued)*

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

(s) Impairment of non-financial assets

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

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

(t) Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(u) Leases

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the Group recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Right-of-use assets
Lease assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the Group, and an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequent to initial recognition, lease assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss.

Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

NOTE 1: CORPORATE INFORMATION *(continued)*

Lease liabilities
Lease liabilities are initially recognised at the present value of the future lease payments (i.e., the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the Group's incremental borrowing rate.

Subsequent to initial recognition, lease liabilities are measured at the present value of the remaining lease payments (i.e., the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

Leases of 12-months or less and leases of low value assets
Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

(v) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss where transaction costs are expenses to the profit or loss account. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are either: i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit; or ii) designated as such upon initial recognition, where they are managed on a fair value basis or to eliminate or significantly reduce an accounting mismatch. Except for effective hedging instruments, derivatives are also categorised as fair value through profit or loss. Fair value movements are recognised in profit or loss.

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

NOTE 1: CORPORATE INFORMATION *(continued)*

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

(w) Trade and other receivables

Trade receivables, which generally have 30-day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

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

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

(x) Critical accounting estimates and judgments

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

Share-based payment transactions

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

NOTE 1: CORPORATE INFORMATION *(continued)*

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

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Assessment of Control / Joint Control
In determining whether the Group has control or joint control of the net assets comprising the Whim Creek Project, judgement was applied. AASB 11 Joint Arrangements requires an investor to have contractually agreed the sharing of control when making decisions about the relevant activities (in other words requiring the unanimous consent of the parties sharing control). However, what these activities are is a matter of judgement. Alternatively, if joint control does not exist, then the Group must apply the general principles from other standards in recognised the controlled assets and liabilities acquired.

Under the terms of the Joint Venture Agreement with Develop, the Group has been appointed the Manager of the Whim Creek Joint Venture with voting at the Management Committee proportional to the Participating Interest held at the date of the meeting. With an 80% interest in the Whim Creek Project, the Group can direct exploration activities through the approval of Programmes and Budgets and make the Decision to Mine. Accordingly, the Group recognises 100% of the Whim Creek Joint Venture assets and liabilities.

The option held by Develop over 20% of the Whim Creek Project, requiring Develop to fund its share of capital post a Decision to mine, and in return receive a 20% return is not reliably measurable until Develop exercises the option. Accordingly, this right has been disclosed in note 23 as a Contingent Liability.

Rehabilitation
The Group makes full provision for the future cost of rehabilitating its mine site and related historical production facilities (mine properties) on a discounted basis, recognised initially on acquisition of the Group's interest in the Whim Creek Project.

The rehabilitation provision represents the estimated present value of rehabilitation costs relating to the Group's mine properties as at balance date. Once the decision to mine is made, the estimate will be updated for rehabilitation costs, which are expected to be incurred over the life of mine, which is when the Group's mine properties are expected to cease operations. Assumptions based on the current economic environment have been made at balance date, which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to consider any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect market conditions at the relevant time. For details of the assumptions, refer to Note 15.

NOTE 1: CORPORATE INFORMATION *(continued)*

Furthermore, the timing of rehabilitation is likely to depend on when the mine commences and ultimately (if a decision to mine made) ceases to produce at economically viable rates. This, in turn, will depend upon commodity prices, which are inherently uncertain.

Financial liabilities
In accordance with accounting standards the Group recognises its financial liabilities initially at fair value and thereafter at amortised cost. This requires an assumption to be made with respect to timing of the settlement of such liabilities in some cases as well as the discount rates used in the measurement of such financial liabilities. Assumptions based on the current economic environment have been made at balance date, which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to consider any material changes to the assumptions, including the Group's credit risk, which may give rise to material changes in balances from period to period. Accordingly, this is a matter of significant judgement and estimate.

(y) Provisions

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

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation.

(z) Foreign currency transactions

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

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

NOTE 1: CORPORATE INFORMATION *(continued)*

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rate at the date of the transaction, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

(aa) Associates

Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(bb) New accounting standards and interpretations

The Group has adopted all the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. There are no new Accounting Standards or Interpretations that have been published but are not yet mandatory that are expected to have a material impact on the Group.

NOTE 2 – OTHER INCOME

	Note	2022 $	2021 $
Sale of Whim Creek net smelter royalty[1]		-	2,584,900
Interest received		118	570
Government stimulus		-	30,874
Unrealised fair value gain/(loss) on financial assets	9	1,965,687	(90,878)
Realised fair value gain on disposal of financial assets	9	2,100,555	-
Facility recharges		19,660	50,554
Other income		19,353	13,095
		4,105,373	**2,589,115**

[1]On 3 June 2021, the Group entered into a binding royalty agreement with Anglo American Marketing Limited, a subsidiary of Anglo American Plc. Under the terms of the agreement, US$2,000,000 was payable immediately to Anax in consideration of a 1% Net Smelter Return (NSR) from Anax production from the Whim Creek Joint Venture with Develop Global Limited (previously called Venturex Resources Limited).

NOTE 3 – ADMINISTRATIVE EXPENSES

	2022 $	2021 $
Loss on sale of fixed assets	-	2,557
Consulting/Labour hire	486,497	358,960
Directors' fees, corporate salaries and wages	784,198	487,310
Superannuation	58,026	47,579
Listed company expenses	70,692	211,754
Audit and taxation advice	83,682	41,950
Utilities and office outgoings	43,247	66,974
Insurance and legal	73,448	273,291
Whim Creek option fee	-	150,000
Payroll tax	30,897	-
Cost of sale of royalty	134,906	-
Other administrative expenses	217,890	119,309
	1,983,483	**1,759,684**

NOTE 4 – DEPRECIATION AND AMORTISATION

	Note	2022 $	2021 $
Depreciation of property, plant and equipment	**11**	53,004	25,222
Amortisation of Right of Use Assets		58,436	43,826
		111,440	**69,048**

NOTE 5 – AUDITOR'S REMUNERATION

	2022 $	2021 $
Payments to Group Auditors – 2022: Pitcher Partners BA&A Pty Ltd; 2021: RSM Australia Partners		
- For audit and review of Anax Consolidated financial reports	43,250	41,500
- For audit of Whim Creek Project Joint Venture financial statements for year ended 30 June 2022	3,500	2,500
	46,750	**44,000**

NOTE 6 – INCOME TAX

	2022 $	2021 $
(a) Income tax expense/(benefit)		
The components of income tax expense/(benefit) comprise:		
Current tax	-	-
Deferred tax	-	-
	-	-
(b) Reconciliation of income tax expense/(benefit) to prima facie tax payable on accounting profit/(loss)		
Operating profit before income tax	**1,484,549**	**241,153**
Prima facie tax (expense) at Australian rate of 26% (2020: 27.5%)	(371,137)	(62,700)
Adjusted for tax effect of the following amounts:		
Taxable/non-deductible items	(59,022)	(149,475)
Non-taxable/deductible items	122,615	28,879
Adjustment for change in tax rate	-	(802,168)
Under-provision in prior year	(196,976)	-
Income tax expense not brought to account	504,520	985,464
Income tax (expense)/benefit	**-**	**-**

(c) Deferred tax assets and liabilities not brought to account

The directors estimate that the potential deferred tax assets and liabilities carried forward but not brought to account at year end at a tax rate of 25% (2020: 27.5%) are made up as follows:

	2022	2021
On income tax account:		
Carried forward tax losses	10,803,255	9,439,268
Deductible temporary differences	456,806	698,763
Deductible temporary differences relating to amounts put to equity	2,235	86,804
Taxable temporary differences	(3,850,897)	(2,308,918)
Unrecognised net deferred tax assets	**7,411,399**	**7,915,917**

These benefits will only be obtained if:

(i) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefits from the deductions for losses to be realised;

(ii) the Group continues to comply with conditions for deductibility imposed by tax legislation; and

(iii) no changes in tax legislation adversely affect the Group in realising the benefit from the deduction of losses.

Anax Metals Limited currently satisfies the conditions to be a small business entity.

NOTE 7 – CASH AND CASH EQUIVALENTS

	2022 $	2021 $
a) Cash at bank	7,319,066	6,701,296
	7,319,066	**6,701,296**

	2022 $	2021 $
b) Reconciliation of profit after income tax to net cash flow from operating activities		
Profit after income tax	1,484,549	241,153
Add back non-cash items:		
Profit on sale of listed investments	(2,100,555)	-
Loss on disposal of plant and equipment	-	2,557
Share-based payment expense	225,534	574,903
Amortisation of right-of-use assets	58,435	43,826
Amortisation of deferred consideration	156,621	-
Depreciation of property, plant and equipment	53,005	25,222
Unrealised fair value (gain)/loss on financial assets	(1,965,987)	90,878
Sale of royalty (investing)	134,500	
Other non-cash movements	59,462	70,739
Change in operating assets and liabilities:		
(Increase)/Decrease in other receivables	(208,640)	(51,698)
(Decrease)/Increase in payables, accruals and provisions	363,099	(64,907)
Net cash inflow/(outflow) from operating activities	**(1,739,977)**	**932,673**

There were no significant non-cash financing and investing activities.

NOTE 8 – OTHER RECEIVABLES

	Consolidated	
	2022 $	2021 $
Security deposits and bonds	66,418	2,500
GST receivable	199,174	133,240
Prepaid insurance	67,608	-
Other	11,553	373
	344,753	**136,113**

NOTE 9 – FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Current assets		
Shares in Xantippe Resources Limited	1,143,067	342,591
Shares in Predictive Discovery Limited	140,133	2,177,370
Shares in Desert Metals Limited	4,500	16,250
	1,287,700	**2,536,211**

NOTE 9 – FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS *(continued)*

"Fair value" is based on quoted prices in an active market for the identical asset that the Group can access at measurement date. A reconciliation of the fair values at the beginning and end of the financial year is set out below:

Opening fair value	2,536,211	2,622,089
Purchases	-	5,000
Disposals [1]	(5,314,753)	-
Realised fair value gain on sale of financial assets	2,100,555	
Unrealised fair value gain/(loss) on financial assets	1,965,687	(90,878)
Closing fair value	**1,287,700**	**2,536,211**

(1) During the prior year, the Group disposed of 26,516,461 shares in Predictive Discovery Ltd and 8,000,000 shares in Xantippe Resources Ltd.

NOTE 10 – LEASES

On 1 October 2020, the Group entered a 2-year lease of office premises in Perth, Australia. The lease expires on 30 September 2022 with an option to renew for a further 2-year period after that date subject to a market rate review. Effective from this date, a portion of this leased property was sub-let to offset monthly lease costs. The sub-lease expired on 30 September 2021 and was continued on a monthly rolling basis until 30 November 2021.

On 11 November 2020, the Group entered a 3-year lease for IT equipment. This lease is considered a low-value item and, as such the Group has elected not to recognise this lease as a right-of-use asset with corresponding lease liability for this lease on the balance sheet.

Information about leases for which the Group is a lessee is presented below:

a) Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment Property. They are presented as non-current assets.

	2022 **$**	**2021** **$**
Land and buildings - right-of-use	233,740	233,740
Less: Accumulated depreciation	(102,261)	(43,826)
	131,478	**189,914**

There were no additions to the right-of-use assets during the 2022 financial year (2021: $233,740).

NOTE 10 – LEASES (*continued*)

b) Lease liabilities

Lease liabilities relate to the obligation to pay lease costs for leased properties that do not meet the definition of investment. They are presented as current liabilities and non-current liabilities, dependent on the lease payment due dates.

	2022 $	2021 $
Capital element of lease payment due within 12 months	59,554	54,314
Capital element of lease payment due after 12 months	82,191	141,746
	141,746	**196,060**

NOTE 11 – PROPERTY, PLANT AND EQUIPMENT	**2022** **$**	**2021** **$**
Land – at cost	18,613	18,613
Accumulated depreciation	-	-
	18,613	**18,613**
Motor vehicles – at cost	25,500	-
Accumulated depreciation	(35)	-
	25,465	**-**
Furniture and fittings – at cost	11,306	10,526
Accumulated depreciation	(9,792)	(9,533)
	1,514	**993**
Field and mobile equipment – at cost	223,022	213,796
Accumulated depreciation	(214,510)	(213,162)
	8,510	**634**
Plant and equipment – at cost	772,928	465,562
Accumulated depreciation	(284,001)	(21,192)
	488,927	**444,370**
	543,029	**464,610**

Movements in carrying amounts:

Movement in carrying amounts of plant and equipment at the beginning and end of the current financial period is set out below.

NOTE 11 – PROPERTY, PLANT AND EQUIPMENT (*continued*)

	Furniture and fittings $	Field and mobile equipment $	Plant and equipment $	Land $	Motor vehicles	Total $
Balance at 1 Jul 2021	992	635	444,370	18,613	-	464,610
Acquisition	781	9,226		-	-	483,901
Additions	-	-	95,917	-	25.500	7,204
Disposals	-	-	-	-	-	(3,466)
Depreciation	(259)	(1,351)	(51,360)	-	(35)	(53,005)
Balance at 30 Jun 2022	**1,514**	**8,510**	**488,927**	**18,613**	**25,465**	**543,029**
Balance at 1 Jul 2020	737	1,456	-	-	-	2,193
Acquisition	1,117	5,813	458,358	18,613	-	483,901
Additions	-	-	7,204	-	-	7,204
Disposals	-	(3,466)	-	-	-	(3,466)
Depreciation	(862)	(3,168)	(21,192)	-	-	(25,222)
Balance at 30 Jun 2021	**992**	**635**	**444,370**	**18,613**	**-**	**464,610**

NOTE 12 – EXPLORATION AND EVALUATION EXPENDITURE

	2022 **$**	**2021** **$**
Balance at beginning of period	25,540,812	-
Exploration asset acquired	-	21,990,135
Exploration and evaluation costs incurred	4,976,538	3,550,677
Balance at end of period	**30,517,350**	**25,540,812**

The asset comprises the Whim Creek project. The ultimate recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and commercial exploitation of this area of interest.

NOTE 13 – TRADE AND OTHER PAYABLES

	2022 **$**	**2021** **$**
Trade payables	866,059	260,571
Accrued expenses	919,913	604,848
	1,785,472	**865,419**

NOTE 14 – EMPLOYEE BENEFITS	2022 $	2021 $
Annual Leave provision	124,417	81,064
	124,417	**81,064**

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the Group does not have an unconditional right to defer settlement. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

NOTE 15 – OTHER PROVISIONS	2022 $	2021 $
Provision for Aeris liability	3,401,276	3,457,520
	3,401,276	**3,457,520**

In accordance with the terms of the agreement with Develop Global Limited, upon Anax Metals Limited (the Company) earning more than 70% interest in the project through its subsidiary, Whim Creek Metals Pty Ltd, the Company assumes all of the liabilities arising out of, or in connection with, the Aeris Contract previously held by Develop. Under this contract as varied, an amount of $3,500,000 is payable to Aeris upon an announcement of the Company's intention to commence mining operations on any of the tenements held by the Company or its related bodies corporate, within 100km of Whim Creek. As this announcement is expected to be made within the next twelve months, the liability has been recognised as current.

During the period, the following changes in assumptions were made, which resulted in a net decrease in the fair value of the provision on 30 June 2022:

- The estimated date of the announcement to commence mining operations was moved back to December 2022 (previously March 2022)
- A discount factor of 5.84% was applied to this provisional future cash outflow (previously 1.61%), being the Group’s estimated cost of borrowing for the year.

NOTE 16 – FINANCIAL LIABILITIES	2022 $	2021 $
a) Current liabilities		
- Deferred consideration	986,586	-
	986,586	**-**
b) Non-current financial liabilities		
- Deferred consideration	1,820,517	2,830,241
	1,820,517	**2,830,241**

Under the terms of the agreement with Develop, cash payments on $1,000,000 are payable by the Company to Develop on each of the 2nd, 3rd and 4th anniversary of the Joint Venture Effective date of 2 October 2020.

NOTE 16 – FINANCIAL LIABILITIES *(continued)*

As such, the first $1m of this liability is held as a current liability and the following two payments as non-current liability on the Balance Sheet, discounted to fair value at initial recognition, and then at amortised cost thereafter.

NOTE 17 – PROVISION FOR REHABILITATION	**2022 $**	**2021 $**
Rehabilitation of existing Whim Creek Mine site	13,171,792	15,257,018

The Group is liable for the costs to rehabilitate the existing Whim Creek mine site in accordance with the Mine Closure Plan beginning in 2030. The monthly costs for rehabilitation have been estimated and held on the Balance Sheet as a non-current liability, at present value. The Group's rehabilitation provision represents the full 100% liability to rectify the Whim Creek mine site as the Group controls the Project under Accounting Standards (refer note 1(x)).

There has been no material disturbance to the site since the Group acquired the Project.

During the period, the following changes in assumptions were made, which resulted in a net increase in the fair value of the provision on 30 June 2022:

- The estimated Mine Closure date was moved back to Q1 2030, assuming commencement of mining in early 2023 and a seven-year mine life, as per the ASX announcement on 17th January 2022 (Updated Scoping Study).
- Future cashflows were estimated based on CPI of 2.30% (previously 2.04%), being the RBA quarterly break-even 10 year inflation rate.
- A discount factor of 3.49% was applied (previously 1.61%), being the published Australian 7-year bond rate.

NOTE 18 – ISSUED CAPITAL	**2022 $**	**2021 $**
405,628,160 (2020: 350,183,890) fully paid ordinary shares	48,886,055	44,658,050

Ordinary shares

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

All meeting results are decided by a poll. At a shareholder meeting upon a poll, each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

NOTE 18 – ISSUED CAPITAL *(continued)*

Capital risk management

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

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

NOTE 18 – ISSUED CAPITAL *(continued)*

(a) Movements in ordinary share capital

2022 Fully Paid Shares	Number 2022	Issue Date	Issue Price $	Share Capital $
At the beginning of the period	350,183,890			44,658,050
Site management fees settled in shares	768,726	7 Dec 2021	0.078	63,053
Consultancy fees settled in shares	2,819,500	7 Dec 2021	0.071	200,000
Cost associated with share-based payments				(3,398)
Options exercised[ii]	2,700,000	7 Dec 2021	0.045	128,251
Share Placement	43,956,044	16 Feb 2022	0.910	4,000,000
Cost of share issue				(261,302)
Exercise of performance rights	5,200,000	5 Jun 2022	0.000	101,400
At reporting date	**405,628,160**			**48,886,054**

2021 Fully Paid Shares	Number 2021	Issue Date	Issue Price $	Share Capital $
At the beginning of the period	234,266,568			38,379,360
Share consolidation [i]	(23,426,809)	5 Oct 2020	-	-
Share Placement	66,666,667	5 Nov 2020	$0.030	2,000,000
Options exercised[ii]	2,700,000	21 Dec 2020	$0.0310	90,810
Share Placement	69,500,000	2 Mar 2021	$0.0680	4,726,000
Share based consulting fees	477,464	2 Mar 2021	$0.0680	32,331
Cost of share issue	-	-	-	(570,451)
At reporting date	**350,183,890**	**-**	**-**	**44,658,050**

[i] During the prior year, on 5 October 2020, there was a 10:9 share consolidation.

[ii]$128,251 includes exercise price of $121,500 and value of options transferred from the share-based payment reserve of $6,751.

[iii] $90,810 includes exercise price of $83,700 and value of options transferred from the share-based payment reserve of $7,110.

NOTE 19 – RESERVES

	2022 $	2021 $
Share based payment reserve [(a)]	6,424,571	6,307,188
	6,424,571	6,307,188

(a) The Share based payment reserve records items recognised as expenses or cost of share issue on valuation of share options and performance rights.

	Number	$
2022		
Balance at 1 July 2021	58,950,000	6,307,188
Options vested / expensed – Employees and Directors	-	162,532
Options exercised 7 Dec 2021 - Directors	(2,700,000)	(6,751)
Performance rights granted during the period – Employees	10,000,000	56,834
Performance rights granted during the period – Directors	3,000,000	6,169
Performance rights exercised June 2022 - Employees	(5,200,000)	(101,400)
Balance at 30 June 2022	**64,050,000**	**6,424,571**
2021		
Balance at 1 July 2020	11,100,000	5,572,326
Consolidated	(1,110,000)	-
Expired/Forfeited/Cancelled during the year	(1,890,000)	-
Exercised	(2,700,000)	(7,110)
Granted during the period – Placement	23,250,000	2,325
Granted during the period – Cost of Placement	4,000,000	164,744
Granted during the period – Employees and consultants	26,300,000	574,903
Balance at 30 June 2021	**58,950,000**	**6,307,188**

NOTE 20 – SHARE-BASED PAYMENTS

(a) Options

Each option entitles the holder to take up one fully paid ordinary share in the Company at any time up to and including the expiry date. Upon exercise of an option, the resulting ordinary share has the same rights as other ordinary shares. Options do not entitle their holders to receive dividends, participate in entitlement issues or vote at general meetings of shareholders.

	Weighted average exercise price 2022	Number of options 2022	Weighted average exercise price 2021	Number of options 2021
Outstanding at 1 July	**$0.0664**	**43,650,000**	**$0.0415**	**11,100,000**
Consolidated during the year	-	-	$0.0831	(1,110,000)
Expired/forfeited/cancelled during the year	-	-	$0.2320	(1,890,000)
Exercised	$0.0450	(2,700,000)[2]	$0.0310	(2,700,000)[3]
Granted during the year	-	-	$0.0677	38,250,000
Outstanding at 30 June [(1)]	**$0.0678**	**40,950,000**	**$0.0664**	**43,650,000**
Exercisable at 30 June	$0.0678	40,950,000	$0.0664	43,650,000

NOTE 20 – SHARE-BASED PAYMENTS *(continued)*

(1) The weighted average life of the outstanding options is 480 days or 1.31 years with exercise prices ranging from $0.045 to $0.135 per share (2021: 762 days or 2.09 years, exercise prices ranging from $0.045 to $0.135 per share).
(2) The share price at date shares were issued was $0.095 per share.
(3) The share price at date shares were issued was $0.047 per share

Terms and conditions, and fair value of options

Grant date	26 Nov 18	26 Nov 18	27 Oct 20	2 Oct 20	26 May 21	26 May 21
Expiry date	10 Dec 21	10 Dec 22	27 Oct 23	2 Oct 23	26 May 24	10 Mar 23
Vesting date	Immediately	Immediately	27 Oct 21	Immediately	26 May 22	Immediately
No of options						
Outstanding at 1 July	2,700,000	2,700,000	9,000,000	23,250,000	2,000,000	4,000,000
Exercised	(2,700,000)	-	-	-	-	-
Outstanding at 30 Jun	**-**	**2,700,000**	**9,000,000**	**23,250,000**	**2,000,000**	**4,000,000**
Vested & exercisable		2,700,000	3,000,000	23,250,000	2,000,000	4,000,000
Vested & escrowed	N/A	-	6,000,000	-	-	-
Dividend yield (%)	Nil	Nil	Nil	Nil	Nil	Nil
Expected volatility (%)	53	53	100	100	99	99
Risk free interest rate (%)	2.09	2.09	0.13	0.18	0.14	0.04
Exercise price ($)	0.045	0.069	0.045	0.045	0.105	0.136
Expected life of options (years)	3	4	3	3	3	2
Share price at grant date ($)	0.0210	0.0210	0.0244	0.0244	0.100	0.100
Value per option ($)	0.0022	0.0019	0.0108	0.0104	0.0598	0.0412
Total value ($)	6,670	5,760	97,200	241,800	119,584	164,744
Vesting conditions note	N/A	N/A	1	N/A	1	N/A

[1] Holder providing continued service to the Company for 12 months from grant date.

NOTE 20 – SHARE-BASED PAYMENTS *(continued)*

(b) Performance rights

Each performance right entitles the holder to take up one fully paid ordinary share in the Company at any time up to and including the expiry date. Upon exercise of a performance right, the resulting ordinary share has the same rights as other ordinary shares. Performance rights do not entitle their holders to receive dividends, participate in entitlement issues or vote at general meetings of shareholders.

	Weighted average exercise price 2022	Number of performance rights 2022	Weighted average exercise price 2021	Number of performance rights 2021
Outstanding at 1 July	**-**	**15,300,000**	**-**	**-**
Granted during the year	-	13,000,000	-	15,300,000
Exercised during the year		(5,200,000)[2)]		
Outstanding at 30 June [(1)]	**-**	**23,100,000**	**-**	**15,300,000**
Exercisable at 30 June	-	5,600,000	-	10,800,000

(1) The weighted average life of the outstanding performance rights is 706 days or 1.93 years (2020: nil).
(2) The share price at date shares were issued was $0.095 per share.

Terms and conditions, and fair value of performance rights

Details of performance rights:

Performance right details	2020 rights A	2020 rights B	2020 rights C	2022 Employee rights PERF3	2022 Employee rights PERF3	2022 Employee rights PERF3	2022 Director rights ANXPRA	2022 Director rights ANXPRB	2022 Director rights ANXPRC
Grant date	27 Oct 20	27 Oct 20	27 Oct 20	22 Mar 22	22 Mar 22	22 Mar 22	18 May 22	18 May 22	18 May 22
Expiry date	27 Oct 22	27 Oct 23	27 Oct 23	31 Dec 24	31 Dec 24	31 Dec 24	18 May 25	18 May 25	18 May 25
Outstanding at 1 July	6,000,000	4,800,000	4,500,000	-	-	-	-	-	-
Granted	-	-	-	500,000	3,000,000	6,500,000	1,000,000	1,000,000	1,000,000
Exercised	(3,000,000)	(2,200,000)	-	-	-	-	-	-	-
No. at 30 June 2022	**3,000,000**	**2,600,000**	**4,500,000**	**500,000**	**3,000,000**	**6,500,000**	**1,000,000**	**1,000,000**	**1,000,000**

Performance right details	2020 rights A	2020 rights B	2020 rights C	2022 Employee rights PERF3	2022 Employee rights PERF3	2022 Employee rights PERF3	2022 Director rights ANXPRA	2022 Director rights ANXPRB	2022 Director rights ANXPRC
Vested & exercisable	-	-	-	-	-	-	-	-	-
Vested in escrow	3,000,000	2,600,000	-	-	-	-	-	-	-
Dividend yield (%)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expected volatility (%)	100	100	100	90	90	90	90	90	90
Risk free interest rate (%)	0.11	0.13	0.13	1.5164	1.5164	1.5164	2.6598	2.6598	2.6598
Exercise price ($)	Nil	Nil	Nil	0.14	0.18	N/A	0.14	0.18	0.23
Vesting date	22 Jan 21	15 June 21	27 Oct 21	31 Dec 23	31 Dec 23	31 Dec 23	18 May 24	18 May 24	18 May 24
Expected life of right (years)	2	3	3	1.75	1.75	1.75	3	3	3
Share price at grant date ($)	0.0244	0.0244	0.0244	0.088	0.088	0.088	0.088	0.088	0.088
Value per option ($)	0.0206	0.0180	0.0153	0.0686	0.0470	0.072	0.0709	0.0495	0.0332
Total value ($)	123,600	86,400	68,850	34,319	140,868	466,400	70,900	49,500	33,200
Vesting conditions note	1, 2	1, 3	1, 4	5	5	6	7	7	7

Vesting conditions:

1. Holder providing continued service with the Company for 12 months from grant date.
2. The 20-business day volume weighted average price of the Company’s shares, as traded on the ASX, reaching 4.5 cents prior to the expiry date, and the holder providing continued service with the Company for 12 months from grant date. (Vested on 22 January 2021.)
3. The 20-business day volume weighted average price of the Company’s shares, as traded on the ASX, reaching 9 cents prior to the expiry date, and the holder providing continued service with the Company for 12 months from grant date. (Vested on 15 June 2021.)
4. The 20-business day volume weighted average price of the Company’s shares, as traded on the ASX, reaching 13.5 cents prior to the expiry date, and the holder providing continued service with the Company for 12 months from grant date. (VWAP condition unvested at 30 June 2022).
5. Holder providing continuous employment until 31 December 2023
6. Holder providing continuous employment until 31 December 2023 and Individual performance criteria aligned with the individual’s role and the successful development of the project, including but not limited to securing key agreements, approvals and project funding.
7. Holder providing continuous employment for 2 years from grant date (18 May 2024)

NOTE 20 – SHARE-BASED PAYMENTS *(continued)*

(c) Shares issued as consideration

During the year ended 30 June 2022, the Company issued 3,588,226 shares to suppliers in lieu of payment for services provided.

2022	Number granted	Expense	Grant Date	Assigned value of share at grant date	Share price at date of grant
Others					
Conrad Partners	768,726	63,053	7 Dec 21	0.078	0.095
PPM Global Pty Ltd	2,819,500	200,000	8 Dec 21	0.071	0.095
	3,588,226	263,053			

During the year ended 30 June 2021, the Company issued 477,434 shares to suppliers in lieu of payment for services provided. (2020: Nil).

2021	Number granted	Expense	Grant Date	Assigned value of share at grant date	Share price at date of grant
Others					
Conrad Partners	477,434	$32,331	2 Mar 21	0.068	0.071
	477,434	$32,331			

NOTE 21 – EARNINGS PER SHARE

	Consolidated 2022 $	2021 $
Profit used in calculating earnings per share – basic and diluted	1,484,549	241,153
Net profit for the reporting period	1,484,549	241,153
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	370,251,825	278,928,361
Weighted average number of ordinary shares outstanding during the year plus options and performance rights used in the calculation of diluted earnings per share	428,859,085	300,374,663
Basic earnings per share (cents per share)	0.401	0.086
Diluted earnings per share (cents per share)	0.346	0.080

NOTE 22 – KEY MANAGEMENT PERSONNEL COMPENSATION

(a) Names and positions of key management personnel

The names and positions of persons who were key management personnel of Anax Metals Limited and/or its controlled entities at any time during the financial year are as follows:

Key management personnel

P Jackson	Non-Executive Chairman
P Cordin	Non-Executive Director
P Warren	Non-Executive Director
Geoff Laing	Managing Director/CEO

NOTE 22 – KEY MANAGEMENT PERSONNEL COMPENSATION *(continued)*

(b) Key management personnel remuneration

	Consolidated	
	2022	**2021**
	$	**$**
Short-term personnel benefits	450,000	370,864
Post-employment benefits	45,000	5,041
Share-based payments	147,987	189,416
	642,987	**565,321**

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2022.

NOTE 23 – CONTINGENCIES

Contingent liabilities

In accordance with the terms of the Joint Venture Agreement between Anax Metals Limited and Develop Global Limited (previously Venturex Resources Limited) signed on 21 July 2021, Develop Global Limited ("Develop") holds a contractual right to a percentage of operating profit from Whim Creek Project equivalent to their participating interest at the date of decision to mine. Develop's participating interest as at 30 June 2022 is 20%.

Under the Agreement, Develop Global Limited must provide the Group with a Funding Notice indicating their intention to contribute equivalent to their participating interest, within 20 days of the Decision to Mine. Upon receipt, both parties will meet to negotiate and execute a loan agreement within a further 20 days, with the loan to be repaid by way of profits generated from Project. Further terms of the loan, including any rights over Project assets or decision making, will be determined at the time of negotiation.

In the event that Develop Global Limited does not exercise its right to fund the Project then the Group will assume 100% ownership of the Project.

As the contractual right is dependent on future decision, the value of this potential liability cannot be estimated reliably at the current reporting date.

NOTE 24 – COMMITMENTS FOR EXPENDITURE

Commitments for ongoing exploration and development activities

At 30 June 2022, the Group had open commitments to suppliers amounting $894,958 relating to continuing exploration, development and permitting activities (2021: $Nil).

Mineral tenements

In order to maintain the mineral tenements in which the Group and other parties are involved, the Group is committed to fulfil the minimum annual expenditure conditions under which the tenements are granted. The

NOTE 24 – COMMITMENTS FOR EXPENDITURE *(continued)*

minimum estimated expenditure requirements in accordance with the requirements of the Western Australian Department of Mines and Petroleum for the next financial year are:

	Consolidated	
	2022	**2021**
	$	**$**
Minimum estimated expenditure requirements		
Within the next twelve months	466,900	466,900
Within 1 to 5 years	1,629,600	1,720,100
Beyond 5 years	2,748,800	2,874,600
	4,845,300	5,061,600

These requirements are expected to be fulfilled in the normal course of operations and may be varied from time to time subject to approval by the grantor of titles. The estimated expenditure represents potential expenditure which may be avoided by relinquishment of tenure.

NOTE 25 – RELATED PARTIES

(a) Remuneration and retirement benefits

Information on remuneration of Directors during the financial period is disclosed in Note 22 and in the remuneration, report included with in the directors' report.

(b) Other transactions with Directors and Director-related entities

Nexus Bonum Pty Ltd, a company of which Geoff Laing is a director, delivered engineering consulting services to the Group, for which $585,787 plus GST was paid (2021: $130,810 plus GST). At 30 June 2022 trade creditors of $77,540 plus GST related to these services (2021: Nil).

Grange Capital Partners Pty Ltd, a company associated with Philip Warren, was previously engaged as Lead Manager for capital raising, Compliance and re-listing purposes. These services were not utilised in the year ended 30 June 2022 (2021: $120,000 plus GST was paid, comprising $30,000 Lead Manager fees and $90,000 in capital raising fees). There is no outstanding amount payable to Grange Capital Partners Pty Ltd at 30 June 2022 for these services (2021: $Nil).

Grange Consulting Group Pty Ltd, a company of which Philip Warren is a director, delivered corporate advisory services for which $42,000 plus GST was paid (2021: $94,467 plus GST), and Company Secretarial services for which $82,198 plus GST was paid (2021: $62,844 plus GST). There is no outstanding amount payable to Grange Consulting Group Pty Ltd at 30 June 2022 for these services (2021: $Nil).

During the year, Holihox Consulting Pty Ltd, a company of which Phillip Jackson is a director, delivered legal consulting fees, and was paid $36,000 plus GST for these services (2021: $30,000 plus GST). There is no outstanding amount payable to Holihox Pty Ltd at 30 June 2022 for these services (2021: $Nil).

Anax Metals Limited provided office facilities and overheads to Xantippe Resources Limited (a company of which P Jackson was a director until his resignation on 17 May 2022) to the value of $19,660 plus GST (2021: $53,269 plus GST) by means of a Facilities agreement. At 30 June 2022, trade debtors of $Nil related to these facilities charges (2021: $Nil).

NOTE 25 – RELATED PARTIES *(continued)*

All transactions with related parties are on commercial terms.

(c) Transactions of Directors and Director-related entities concerning shares and share options

Details of transactions of Directors and Director-related entities concerning shares and share options are set out in the remuneration report included within the directors' report.

NOTE 26 – EVENTS OCCURRING AFTER BALANCE DATE

There has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

NOTE 27 – SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group operates as one segment in the current year, which is mineral exploration and evaluation within Australia.

NOTE 28 – FINANCIAL RISK MANAGEMENT

The Group, in its normal course of business, is exposed to financial risks comprising liquidity risk, equity risk, credit risk and interest rate risk.

The directors have overall responsibility for the Group's management of these risks and seek to minimise these risks through on-going monitoring and review of the adequacy of the risk management framework in relation to the risks encountered by the Group.

Liquidity risk
Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable. The Group's main debt is that associated with trade creditors in respect of which the Group's policy is to ensure payment within 30 days. The Group manages its liquidity by maintaining adequate cash reserves and monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

NOTE 28 – FINANCIAL RISK MANAGEMENT *(continued)*

Consolidated – 2022

	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Remaining contractual $
Non-derivatives					
Non-interest bearing					
Trade payables	Nil	866,059	-	-	866,059
Deferred consideration	Nil	1,000,000	1,000,000	1,000,000	3,000,000
Interest bearing – fixed rate					
Lease liability	5.80%	59,554	65,169	17,023	141,746
		1,925,613	**1,065,169**	**1,017,023**	**4,007,805**

Consolidated – 2021

	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Remaining contractual $
Non-derivatives					
Non-interest bearing					
Trade payables	Nil	260,571	-	-	260,571
Deferred consideration	Nil	-	1,000,000	2,000,000	3,000,000
Interest bearing – fixed rate					
Lease liability	5.80%	54,314	59,554	82,192	196,060
Other		10,215	24,410	33,303	67,928
		325,100	**1,083,964**	**2,115,495**	**3,524,559**

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

Equity risk

Equity risk refers to the financial risk in holding equity in a particular investment, the risk being that the value of equity investments held in companies changes significantly resulting in a realised financial loss to the Group in the event of sale of these assets.

The Group's main exposure to equity risk arises from its investments in the following ASX listed companies:

NOTE 28 – FINANCIAL RISK MANAGEMENT *(continued)*

	Consolidated			
	2022		2021	
	Number	$	Number	$
Predictive Discovery Limited (PDI	700,664	140,133	27,217,125	2,177,370
Xantippe Resources Limited (XTC)	163,295,270	1,143,067	171,295,270	342,591
Desert Metals Limited (DM1)	25,000	4,500	25,000	16,250
		1,287,700		**2,536,211**

Financial Assets	**Effect of decrease or increase of share price on profit or loss and equity**			
	30% decrease		**30% increase**	
	Profit or loss	**Equity**	**Profit or loss**	**Equity**
	$	**$**	**$**	**$**
30 June 2022				
Total increase/(decrease)	(386,309)	(386,309)	386,309	386,309
30 June 2021				
Total increase/(decrease)	(760,863)	(760,863)	760,863	760,863

The Group manages this exposure by maintaining its liquidity primarily through equity raisings, while monitoring markets for the opportunistic sale of these assets to maximise value for the Group.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The Group's main exposure to credit risk arises from its cash deposits at the bank. The consolidated Group manages this minimal exposure by ensuring its funds are deposited only with major Australian banks with minimum Moody's credit ratings of AA2 or equivalent. The Group currently banks with Commonwealth Bank of Australia, which has a credit rating of Aa2.

	Consolidated	
	2022	2021
	$	$
Financial receivables – bank guarantees	63,918	-
Cash and cash equivalents	7,319,066	6,701,296

Interest rate risk

The Group's market risk exposure is predominantly to the Australian money market interest rates in respect of its cash assets and lease liabilities. Short term receivables and payables are not significantly exposed to interest rate risk. The risk is managed by monitoring the interest rate yield curve out to 90 days to ensure a balance is maintained between the liquidity of its cash assets and interest rate return. The weighted average rate of interest earned by the Group on its cash assets during the year was 0.0% (2021: 0.017%).

NOTE 28 – FINANCIAL RISK MANAGEMENT *(continued)*

The interest rate profile of the Group's interest-bearing financial instruments, based on the carrying amounts as at end of the reporting period was:

	2022 $	2021 $
Fixed rate instruments		
Lease liabilities	(141,746)	(196,060)
Floating rate instruments		
Cash and cash equivalent	7,319,066	6,701,296
	7,177,320	**6,505,236**

The table below summarises the sensitivity of the consolidated Group's variable rate instruments to interest rate risk. A change of 100 basis points (bp) in interest rates at the end of the reporting period would have increased/(decreased) profit or low after tax by the amounts shown below.

Financial Assets	**Effect of decrease or increase of interest rate on profit or loss and equity**			
	100 bp decrease		**100 bp increase**	
	Profit or loss **$**	**Equity** **$**	**Profit or loss** **$**	**Equity** **$**
30 June 2022				
Total increase/(decrease)	Unlikely in current market		71,773	71,773
30 June 2021				
Total increase/(decrease)	(46,909)	(46,909)	46,909	46,909

Fair value hierarchy

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

NOTE 28 – FINANCIAL RISK MANAGEMENT (*continued*)

Consolidated – 2022	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Financial assets at fair value through profit or loss	1,287,700	-	-	1,287,700
Total assets	1,287,700	-	-	1,287,700
Consolidated – 2021				
Assets				
Financial assets at fair value through profit or loss	2,536,211	-	-	2,536,211
Total assets	2,536,211	-	-	2,536,211

There were no transfers between levels during the year.

Fair value estimates

The carrying amount of the Group's financial assets and liabilities approximates fair value due to their short-term maturity.

The carrying value of trade and other receivables, trade and other payables, and other financial liabilities are assumed to approximate their fair value due to their short-term nature.

Capital management risk

The Group's objective in managing capital is to safeguard its ability to continue as a going concern, so that it can continue to explore for minerals and seek suitable projects, with the ultimate objective of providing returns for shareholders whilst maintaining an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may issue new shares, sell assets, or farm out joint venture interests in its projects.

NOTE 29 – CONTROLLED ENTITIES

	Country of Incorporation	Percentage Owned	
		2022	**2021**
Parent Entity:			
Anax Metals Limited	Australia		
Subsidiaries of Anax Metals Limited:			
Aurora Resources Pty Ltd	Australia	100%	100%
Mainland Minerals Pty Ltd	Australia	100%	100%
Whim Creek Metals Pty Ltd	Australia	100%	100%

At balance date the Group's registered office was located at Suite1B, Ground Floor, 20 Kings Park Road, West Perth, 6005.

NOTE 30 - PARENT ENTITY DISCLOSURES

Financial Position

	2022 $	2021 $
Assets		
Current assets	7,641,630	8,779,260
Non-current assets	7,540,092	7,799,814
Intercompany loan – Whim Creek	11,783,159	3,855,470
	26,964,881	**20,434,544**
Liabilities		
Current liabilities	5,205,474	836,367
Non-current liabilities	1,902,708	6,429,507
	7,108,182	**7,265,874**
Net Assets	**19,856,699**	**13,168,670**
Equity		
Issued capital	48,886,055	44,658,050
Reserves – option reserves	6,424,571	6,307,188
Accumulated loss	(34,453,927)	(37,796,568)
	19,856,699	**13,168,670**

Financial Performance

	2022 $	2021 $
Profit for the year	2,432,641	528,189
Other comprehensive income	-	-
Total comprehensive loss for the year	**2,432,641**	**528,189**

Guarantees entered into by the parent entity in relation to the debts of its subsidiary

Anax Metals Limited (as parent of Whim Creek Metals Pty Ltd) and Develop Global Limited (as parent to all Venturex parties to the Earnin and Joint Venture Agreement) both provided reciprocal parent company guarantees whereby they each irrevocably and unconditionally guarantees in favour of Whim Creek Metals Pty Ltd, performance of all obligations and the payment of all liabilities of Whim Creek Metals Pty Ltd according to their relative interests under the Earnin and Joint Venture Agreement and must perform the relevant obligations or pay the relevant liability Whim Creek Metals Pty Ltd fails to do so on a due date.

Other than this, Anax Metals Limited has not entered into any guarantees in relation to the debts of its subsidiaries.

Contingent liabilities of the parent

The parent entity has the following contingent liabilities as at 30 June 2022 and 30 June 2021.

In accordance with the terms of the Joint Venture Agreement between Anax Metals Limited and Develop Global Limited signed on 21 July 2020, Develop Global Limited holds a contractual right to an interest in the Whim Creek Project equivalent to their participating interest at the date of the decision to mine.

NOTE 30 - PARENT ENTITY DISCLOSURES *(continued)*

As set out in Note 23 Contingent Liabilities, as the contractual right is dependent on future decision, the value of this potential liability cannot be estimated reliably at the current reporting date.

On 3 June 2021 the Anax Metals Limited signed a binding agreement with Anglo American Markets Limited, a subsidiary of Anglo American Plc for the payment of a 1% Net Smelter Royalty on Anax Metals Limited production from the Whim Creek Joint Venture with Develop Global Limited.

Contractual commitments for the acquisition of property, plant or equipment

As at 30 June 2022 the parent entity did not have any contractual commitments for the acquisition of property, plant or equipment. (30 June 2021: nil).

DIRECTORS' DECLARATION

The directors of the Group declare that, in the opinion of the directors:

(a) the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

(b) the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards as described in note 1 to the financial statements;

(c) the attached financial statements and notes give a true and fair view of the Group's financial positions as at 30 June 2022 and of its performance for the financial year ended on that date; and

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

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of the directors made pursuant to s295(5) (a) of the Corporations Act 2001.

On behalf of the Directors:

Geoff Laing
DIRECTOR

Perth, 27 September 2022

ANAX METALS LIMITED

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE
ANAX METALS LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of ANAX Metals Limited (the "Company") and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

(a) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional 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.

Material Uncertainty Related to Going Concern

We draw attention to the Statement of Cash Flows in the financial report for the year ended 30 June 2022 which indicates that the Group had net cash outflow from operating and investing activities of $3,245,959 (2021: $2,794,808). The Consolidated Statement of Financial Position shows that the Group had cash and cash equivalents of $7,319,066 (30 June 2021: $6,701,296) as well as financial assets valued at $1,287,700 (30 June 2021: $2,536,211).

These conditions, along with other matters as set forth in Note 1(a) indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Key Audit Matter	How our audit addressed the key audit matter
Capitalisation of exploration and evaluation expenditure Refer to Note 1(e) and 12 to the financial report.	
As at 30 June 2022, the Group held capitalised exploration and evaluation expenditure of $30,517,350 (30 June 2021: $25,540,812). The carrying value of exploration and evaluation expenditure is assessed for impairment by the Group when facts and circumstances indicate that the capitalised exploration and evaluation expenditure may exceed its recoverable amount. The determination as to whether there are any indicators to require the capitalised exploration and evaluation expenditure to be assessed for impairment involves a number of judgments including but not limited to: •Whether the Group has tenure of the relevant area of interest; •Whether the Group has sufficient funds to meet the relevant area of interest minimum expenditure requirements; and •Whether there is sufficient information for a decision to be made that the relevant area of interest is not commercially viable. Given the size of the balance and the judgemental nature of the impairment indicator assessments associated with exploration and evaluation assets, we consider this is a key audit matter.	Our procedures included, amongst others: Obtaining an understating of and evaluating the design and implementation of the processes and controls associated with the capitalisation of exploration and evaluation expenditure, and those associated with the assessment of impairment indicators. Examining the Group's right to explore in the relevant area of interest, which included obtaining and assessing supporting documentation. We also considered the status of the exploration licences as it related to tenure. Considering the Group's intention to carry out significant exploration and evaluation activity in the relevant area of interest, including an assessment of the Group's cash-flow forecast models, assessing the sufficiency of funding and discussions with senior management and Directors as to the intentions and strategy of the Group. Reviewing management's evaluation and judgement as to whether the exploration activities within each relevant area of interest have reached a stage where the commercial viability of extracting the resource could be determined. Assessing the adequacy of the disclosures included within the financial report.

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>Share-based payments
Refer to Note 1(p) and 20 to the financial report.</td><td></td></tr>
<tr><td>For the financial year ended 30 June 2022, the Group recognised a share-based payment expense of $488,587 (of which $263,053 was capitalised to Exploration and Evaluation with the reminder of $225,534 recognised as a share-based payments expense in the profit and loss account).

This amount substantially comprised the value attributable to shares issued to advisors, and performance rights issued to directors and employees during the financial year ended 30 June 2022.

Under Australian Accounting Standards, equity settled awards issued to advisors are measured at fair value of the services received, or if not reliably measurable, the fair value of the equity instruments granted. Equity settled awards to employees are measured at fair value on the measurement date taking into consideration the probability of the vesting conditions (if any) attached. This amount is recognised as an expense either immediately if there are no vesting conditions, or over the vesting period if there are vesting conditions.

In calculating the fair value there are a number of judgements management must make, including but not limited to:

•estimating the likelihood that the equity instruments will vest;

•estimating expected future share price volatility;

•expected dividend yield; and

•risk-free rate of interest.

Due to the significance to the Group's financial report and the level of judgment involved in determining the valuation of the share-based payments, we consider the Group's calculation of the share-based payment expense to be a key audit matter.</td><td>Our procedures included, amongst others:

Obtaining an understanding of design and implementation of the relevant controls associated with the preparation of the valuation model used to assess the fair value of share-based payments, including those relating to volatility of the underlying security and the appropriateness of the model used for valuation.

Critically evaluating and challenging the methodology and assumptions of management in their preparation of valuation model, including management's assessment of likelihood of vesting, agreeing inputs to internal and external sources of information as appropriate.

Assessing the Group's accounting policy as set out within Note 2(d)(xiii) for compliance with the requirements of AASB 2 Share-based Payment.

Assessing the adequacy of the disclosures included in the financial report.</td></tr>
</table>

ANAX METALS LIMITED

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE
ANAX METALS LIMITED

Key Audit Matter	How our audit addressed the key audit matter
Rehabilitation provision Refer to Note 2(x) and 17 to the financial report.	
As a result of the Group's jointly controlled interest in the Whim Creek Project Joint Venture, the Group is jointly and severally liable to rehabilitate the environment disturbed by the historical operations at the Whim Creek Project. Rehabilitation activities are governed by a combination of legislative and licence requirements. At 30 June 2022, the consolidated statement of financial position included a provision for such obligations of $13,171,792 (2021: $15,257,018). This was a key audit matter given the determination of this provision requires evaluating the key assumptions used by management and judgement in the assessment of the nature and extent of future works to be performed, the future cost of performing the works, the timing of when the rehabilitation will take place and the economic assumptions such as the discount and inflation rates applied to future cash outflows associated with rehabilitation activities to bring them to their present value.	Our procedures included, amongst others: Critically evaluating and challenging the methodology and assumptions of management in their preparation of valuation model, including the appropriateness of the economic assumptions such as the inflation rate and provision specific discount rate. Evaluating the experience and credentials of the third party engaged to prepare valuation; and Assessing the adequacy of the disclosures included in the financial report.

Other Information

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

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

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

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

ANAX METALS LIMITED

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE
ANAX METALS LIMITED

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 have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

ANAX METALS LIMITED

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE
ANAX METALS LIMITED

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

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages [25] to [31] of the directors' report for the year ended 30 June 2022. In our opinion, the Remuneration Report of ANAX 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.

Pitcher Partners BA&A Pty Ltd

PITCHER PARTNERS BA&A PTY LTD

J C PALMER
Executive Director
Perth, 27 September 2022

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF ANAX METALS LIMITED AND ITS CONTROLLED ENTITIES

In relation to the independent review for the half-year ended 30 June 2022, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards).*

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

Pitcher Partners BA&A Pty Ltd

PITCHER PARTNERS BA&A PTY LTD

J C PALMER
Executive Director
Perth, 27 September 2022

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable at 21 September 2022.

1. Top 20 Shareholders

Twenty Largest Shareholders as at 21 September 2022

Position	Holder Name	Holding	% IC
1	JETOSEA PTY LTD	59,301,651	14.62%
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	30,293,426	7.47%
3	HOLIHOX PTY LTD <PSR SUPERANNUATION FUND A/C>	29,470,720	7.27%
4	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	25,116,279	6.19%
5	BEARAY PTY LTD <BRIAN CLAYTON S/F A/C>	22,181,372	5.47%
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	19,838,462	4.89%
7	CITICORP NOMINEES PTY LIMITED	13,555,034	3.34%
8	GEOFFREY MICHAEL HUYSHE LAING <THE LAING FAMILY A/C>	9,922,894	2.45%
9	EQUITY TRUSTEES LIMITED <LOWELL RESOURCES FUND A/C>	6,882,353	1.70%
10	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	4,984,689	1.23%
11	MAD FISH MANAGEMENT PTY LTD	4,000,000	0.99%
11	BLUESTAR MANAGEMENT PTY LTD	4,000,000	0.99%
11	MR KENNETH JOSEPH HALL <HALL PARK A/C>	4,000,000	0.99%
12	LCDI INVESTMENTS PTY LTD	3,806,030	0.94%
13	NEWMEK INVESTMENTS PTY LTD	3,600,000	0.89%
14	PPM SOLUTIONS PTY LTD <CUDBY FAMILY A/C>	3,261,768	0.80%
15	JETOSEA PTY LTD	3,119,220	0.77%
16	MR NICO OLIVER CIVELLI	3,000,000	0.74%
17	PPM GLOBAL PTY LTD	2,819,500	0.70%
18	MR ROBERT SPENCER TAYLOR <PELICAN A/C>	2,745,000	0.68%
19	MS WENDY NICOLA BEETS	2,600,000	0.64%
19	MRS CATHERINE ANN MCDONALD	2,600,000	0.64%
20	SOLVITUR AMBULANDO PTY LTD <TIBUCHI SUPER FUND A/C>	2,499,500	0.62%
	Totals top 20	**263,597,898**	**64.99%**
	Balance other shareholders	**142,030,262**	**35.01%**
	Total Issued Capital	**405,628,160**	**100.00%**

2. Number and Distribution of Equity Securities

Distribution of equity securities

Ordinary Shares (ANX)

Size of Holding	No of Holders	Shares Held	%
1-1,000	122	53,910	0.01%
1,001-5,000	293	978,158	0.24%
5,001-10,000	389	3,094,517	0.76%
10,001-100,000	822	30,935,929	7.63%
100,001 and over	305	370,565,646	91.36%
Total	**1,931**	**405,628,160**	**100.00%**

There are 535 shareholders who hold less than a marketable parcel.

3. Substantial Shareholders

Name	No of Shares	%
Jetosea Pty Ltd	64,177,046	15.8
Holihox Pty Ltd (PSR S/F A/C)	29,470,720	7.27
Bearay Pty Ltd <Brian Clayton S/F A/C>	22,181,372	5.47

4. Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting every shareholder or class of shareholder present in person or by proxy, attorney or representative has one vote on a poll, one vote for each fully paid share which that member holds or represents.

5. Use of Funds

The entity used the cash and assets in a form readily convertible to cash that it had at the time of re-admission in a way consistent with its business objectives.

6. Option Holders

Holder	UNL OPT @ $0.069 EXP 10/12/22	UNL OPT @ $0.045 EXP 28/10/23 ESC	UNL OPT @ $0.045 EXP 28/10/23	UNL OPT @ $0.136 EXP 10/03/23
MR GEOFF LAING	2,700,000	-	-	-
JETOSEA PTY LTD	-	8,333,333	-	-
MS WENDY NICOLA BEETS	-	-	1,125,000	-
MS CATHERINE ANN MCDONALD	-	-	1,125,000	-
NARDIE GROUP PTY LTD	-	-	750,000	-
VERITAS SECURITIES LIMITED	-	-	-	4,000,000
Total number of holders	**1**	**21**	**3**	**1**
Total holdings over 20%	**2,700,000**	**8,333,333**	**3,000,000**	**4,000,000**
Other holders	**-**	**20,916,667**	**-**	**-**
Total	**2,700,000**	**29,250,000**	**3,000,000**	**4,000,000**

Holder	UNL OPT @ $0.105 EXP 28/05/24	ANXPERF1 - PERFORMANCE RIGHTS	ANXPERF2 - PERF RIGHTS	ANXPERF3 EXP	ANXPRA EXP 02/06/25	ANXPRB EXP 02/06/25	ANXPRC EXP 02/06/25
PHILUCHNA PTY LTD	2,000,000	-	-	-	-	-	-
MR GEOFF LAING	-		8,100,000	-	1,000,000	1,000,000	1,000,000
MS WENDY NICOLA BEETS	-	1,000,000	-	2,000,000	-	-	-
MS CATHERINE ANN MCDONALD	-	1,000,000	-	2,000,000	-	-	-
MS JENINE OWEN	-	-	-	2,500,000	-	-	-
Total number of holders	**1**	**2**	**1**	**6**	**1**	**1**	**1**
Total holdings over 20%	**2,000,000**	**2.000,000**	**8,100,000**	**2,500,000**	**1,000,000**	**1,000,000**	**1,000,000**
Other holders	**-**	**-**	**-**	**3**	**-**	**-**	
Total	**2,000,000**	**2,000,000**	**8,100,000**	**10,000,000**	**1,000,000**	**1,000,000**	**1,000,000**

Number and class of all securities on issue:

Code	Description	Holders	Number on Issue
ANX	Fully paid ordinary shares	1,931	405,628,160
ANXOPT02	UNL OPT @ $0.069 EXP 10/12/22	1	2,700,000
ANXOPT03	UNL OPT @ $0.045 EXP 28/10/23 escrowed until	21	29,250,000
ANXOPT04	UNL OPT @ $0.045 EXP 28/10/23	3	3,000,000
ANXOPT05	UNL OPT @ $0.136 EXP 10/03/23	1	4,000,000
ANXOPT06	UNL OPT @ $0.105 EXP 28/05/24	1	2,000,000
ANXPERF1	PERFORMANCE RIGHTS	2	2,000,000
ANXPERF3	PERFORMANCE RIGHTS EXP 31/12/2024	6	10,000,000
ANXPERF2	PERF RIGHTS ESC 28/10/2022	1	8,100,000
ANXPRA	CLASS A PERFORMANCE RIGHTS EXP 02/06/25	1	1,000,000
ANXPRB	CLASS B PERFORMANCE RIGHTS	1	1,000,000
ANXPRC	CLASS C PERFORMANCE RIGHTS	1	1,000,000

SHAREHOLDER INFORMATION *(continued)*

5. Corporate Governance Statement

The 2022 Corporate Governance statement of Anax Metals Limited is available on the Company's website at https://anaxmetals.com.au/about-us/#corporate-governance

Mineral Resources and Ore Reserves Statement – 2022 Annual Report

The Group has an interest in the following tenements in Western Australia:

PROJECT	TENEMENT	PERCENT HOLDING		NOTES	Location	TITLE HOLDER	JOINT VENTURE OR SUB LICENCE
		2022	2021				
Mount Short	E74/651	100%	100%	Live	Phillips River	ANX	No
Loudens Patch	E47/4281	100%	100%	Live	Pilbara	ANX	No
Whim Creek	L47/0036	80%	80%	Acquired	Pilbara	VXR	Joint Venture
Whim Creek	M47/0236	80%	80%	Acquired	Pilbara	VXR	Joint Venture
Whim Creek	M47/0237	80%	80%	Acquired	Pilbara	VXR	Joint Venture
Whim Creek	M47/0238	80%	80%	Acquired	Pilbara	VXR	Joint Venture
Whim Creek	M47/0323	80%	80%	Acquired	Pilbara	VXR	Joint Venture
Whim Creek	M47/0324	80%	80%	Acquired	Pilbara	VXR	Joint Venture
Whim Creek	M47/0443	80%	80%	Acquired	Pilbara	VXR	Joint Venture
Whim Creek	M47/3495	80%	80%	Acquired	Pilbara	VXR	Joint Venture
Liberty Indee	M47/1455	80%	80%	Acquired	Pilbara	VXR	Joint Venture

WHIM CREEK PROJECT
Anax Metals Limited (80%) / Develop Global Limited (20%)

A JORC 2012 Mineral Resource estimate was compiled for the high-grade Evelyn deposit by independent resource consultancy, Trepanier Pty Ltd 17. Post year-end, the Salt Creek Resource estimate was updated significantly by improved classification of ore zones, resulting in a 99% increase in contained copper to 35,700t 35.

The updated global resource estimates for the Whim Creek Project, which now exceed 11 million tonnes, are shown in Table 1, below.

Table 1 Whim Creek Project Global Copper Dominant Mineral Resource (various cut-offs used). (Reported to the ASX on 12 September 2022) [35]

Deposit	Classification	kTonnes	Cu %	Zn %	Pb %	Ag ppm	Au ppm
Mons Cupri	Measured	990	1.62	1.42	0.61	38	0.28
(Cu ≥ 0.4%)	Indicated	3,130	0.84	0.47	0.20	16	0.09
	Inferred	400	0.60	0.22	0.10	10	0.03
Salt Creek	Measured	-	-	-	-	-	-
(Cu ≥ 0.8% &	Indicated	1,070	2.03	0.23	0.03	4	0.08
Zn < 2.5%)	Inferred	650	1.25	0.28	0.04	4	0.05
Whim Creek	Measured	-	-	-	-	-	-
(Cu ≥ 0.4%)	Indicated	1,750	1.10	0.63	0.16	6	0.04
	Inferred	660	0.56	0.17	0.08	2	0.02
Evelyn	Measured	-	-	-	-	-	-
(No Cut-off)	Indicated	440	2.40	3.89	0.30	40	0.95
	Inferred	110	1.31	1.80	0.14	15	0.19
COMBINED	Measured	990	1.62	1.42	0.61	38	0.28
	Indicated	6,390	1.22	0.71	0.17	13	0.14
	Inferred	1,820	0.86	0.32	0.07	5	0.04
TOTAL Cu Resources		**9,200**	**1.19**	**0.71**	**0.20**	**14**	**0.13**
			Cu T	*Zn T*	*Pb T*	*Ag oz*	*Au oz*
Contained T/Oz			*110,000*	*65,000*	*18,000*	*4,170,000*	*39,400*

Note: Appropriate rounding applied.

Table 2: Whim Creek Project Global Zinc Dominant Mineral Resource (various cut-offs used)
(Reported to the ASX on 12 September 2022)

Deposit	Classification	kTonnes	Cu %	Zn %	Pb %	Ag ppm	Au ppm
Mons Cupri	Measured	70	0.16	4.56	1.79	53	0.23
(Zn ≥ 2.0% &	Indicated	340	0.09	3.56	1.01	38	0.07
Cu < 0.4%)	Inferred	150	0.08	4.84	1.96	27	0.04
Salt Creek	Measured	-	-	-	-	-	-
(Zn ≥ 2.5%)	Indicated	770	0.58	9.91	2.97	73.16	0.39
	Inferred	255	0.53	5.70	1.88	31.43	0.14
Whim Creek	Measured	-	-	-	-	-	-
(Zn ≥ 2.0% &	Indicated	120	0.12	3.22	0.44	12	0.08
Cu < 0.4%)	Inferred	45	0.13	2.46	0.40	9	0.04
COMBINED	Measured	70	0.16	4.56	1.79	53	0.23
	Indicated	1,230	0.40	7.55	2.20	58	0.27
	Inferred	450	0.34	5.07	1.75	27	0.10
TOTAL Zn Resources		**1,750**	**0.37**	**6.75**	**2.05**	**50**	**0.22**
			Cu T	*Zn T*	*Pb T*	*Ag oz*	*Au oz*
Contained T/Oz			*7,000*	*118,000*	*36,000*	*2,790,000*	*12,600*

COMPETENT PERSON'S STATEMENT

The information in this report that relates to the Mineral Resource for Mons Cupri was first reported by the Company in accordance with Listing Rule 5.8 in the Company's prospectus dated 18 September 2020. The Company confirms that it is not aware of any new information or data that materially affects the information included in the prospectus and that all material assumptions and technical parameters underpinning the estimate in the prospectus continue to apply and have not materially changed.

The information in this report that relates to Mineral Resource Estimates is based on and fairly represents information compiled by Mr Andrew McDonald. Mr McDonald is a full-time employee and shareholder of Anax Metals Ltd and a member of the Australian Institute of Geoscientists. Mr McDonald has sufficient experience of relevance to the style of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr McDonald consents to the inclusion in this report of the matters based on information in the form and context in which they appear.

The information in this report that relates to Exploration Results is based on and fairly represents information compiled by Ms Wendy Beets. Ms Beets is a full-time employee and shareholder of Anax Metals Ltd and is a member of the Australian Institute of Geoscientists. Ms Beets has sufficient experience of relevance to the style of mineralisation and types of deposits under consideration, and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Ms Beets consents to the inclusion in this report of the matters based on information in the form and context in which they appear.

Forward Looking Statements

This report contains certain forward-looking statements. These forward-looking statements are not historical facts but rather are based on Anax Metals Ltd's current expectations, estimates and projections about the industry in which Anax Metals Ltd operates, and beliefs and assumptions regarding Anax Metals Ltd's future performance. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "potential" and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Anax Metals Ltd, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Anax Metals Ltd cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of Anax Metals Ltd only as of the date of this report. The forward-looking statements made in this report relate only to events as of the date on which the statements are made. Anax Metals Ltd does not undertake any obligation to report publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this report except as required by law or by any appropriate regulatory authority.

This page is left intentionally blank