MetalsGrove

MINING LIMITED

ASX | MGA

ACN 655 643 039

Half-Year Report
31 December 2024

Contents

Corporate Directory

Board of Directors

Richard Beazley	Independent Non-Executive Chair
Lijun Yang	Managing Director and CEO
Haidong Chi	Non-Executive Director
John Reynolds	Alternate Non-Executive Director to Haidong Chi
Peter Stern	Independent Non-Executive Director
Luke Huang	Independent Non-Executive Director

Company Secretary

Rebecca Broughton

Registered Office

Level 2, 389 Oxford Street
Mount Hawthorn WA 6016
Telephone: 08 9380 6789
Email: info@metalsgrove.com.au
Website: www.metalsgrove.com.au

Share Registry

Automic Pty Ltd
Level 5, 191 St Georges Terrace
Perth WA 6000
Telephone: 1300 288 664
Email: hello@automic.com.au
Website: www.automic.com.au

Auditors

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

Securities Exchange Listing

Shares and options in MetalsGrove Mining Limited are quoted on the Australian Securities Exchange under trading codes MGA and MGAO respectively.

Directors' Report

Your Directors' present their report on the Consolidated Entity comprising MetalsGrove Mining Limited (the "**Company"** or "**MGA**" or "**MetalsGrove"**) and its controlled entities (the **Group**) for the half-year ended 31 December 2024.

Directors

The following persons held office as Directors of MetalsGrove Mining Limited from the start of the financial year to the date of this report, unless otherwise stated.

Name	Title	Appointed
Richard Beazley	Independent Non-Executive Chair	22 Dec 2021
Lijun Yang	Managing Director	11 Apr 2024
Haidong Chi	Non-Executive Director	07 Jan 2022
John Reynolds	Alternate Non-Executive Director to Haidong Chi	12 Mar 2024
Peter Stern	Independent Non-Executive Director	15 Apr 2024
Luke Huang	Independent Non-Executive Director	04 Sep 2024

Company Secretary

Ms Rebecca Broughton was appointed as Company Secretary on 28 February 2023.

Dividends

No dividends have been declared or paid for the half-year ended 31 December 2024 (2023: Nil).

Operating Results and Financial Position

The net result of operations for the period to 31 December 2024 was a loss of $1,899,530 (Dec 2023: $496,135) including an impairment of exploration activities of $1,466,693 (Dec 2023: nil).

Review of Operations

Exploration

Bruce Gold-Copper Project

The Bruce Project, prospective for gold and copper, comprises a single granted mineral exploration licence (EL31225) comprising an area of approximately 17,722ha located within the Central Desert Region of the Northern Territory, approximately 300 km by road from Alice Springs and 13 km north of the Plenty Highway.

Mapping and rock chip sampling was undertaken over nine targets that were identified by satellite imagery, from the 2022 surface mapping work and historical rock chip sampling locations.

A total of 64 rock chip samples were collected from the prospective targets which were subsequently assayed for gold and copper.

A total of 552 soil samples were collected from northeastern corner of the tenement that covered east-southeast trending magnetic low areas.

As a result of the above programs, four new gold-copper exploration prospects have been identified together with historical works.

Further infill sampling and drilling of these prospects will be scheduled in due course.

Refer to ASX Announcement dated 24 December 2024, entitled "Four New Copper-Gold Exploration Prospects Bruce".

Edwards Creek Copper-Zinc Project

The Edwards Creek Project, prospective for copper and zinc, comprises a single granted mineral exploration licence (EL32420) of an area of approximately 7,568ha located approximately 85 km north-northeast of Alice Springs, Northern Territory.

The Company completed a four-hole RC drilling program for a total of 508 meters.

Significant assay results are summarised as follows:

- Hole 24EC001: **32 meters at 1.59% Zn, 0.48% Cu, 0.27% Pb, 0.05g/t Au and 11g/t Ag from 97 meters**;

- Hole 24EC003: **8 meters at 0.94% Zn, 0.55% Cu, 0.16% Pb, 0.03g/t Au and 3g/t Ag from 51 meters**; and

- Hole 24EC004:**12 meters at 1.39% Zn, 0.21% Cu, 0.17% Pb, 0.05g/t Au and 2g/t Ag from 40 meters**;

The drilling result together with historical works indicated a VMS-type deposit. Further drilling to better understand the size of the ore body and the controls on mineralisation will be planned in due course.

Refer to ASX Announcement dated 4 December 2024, entitled "Edwards Creek Drilling Results".

Leake Prospect

The Company was awarded Exploration Licence E77/3152 Leake in September 2024, with grant of the licence pending.

Other Prospects

Subsequent to half-year end, the Company relinquished Exploration Licence E45/5945 Woodie Woodie North and Exploration Licence EL32419 Boxhole.

Corporate

During the half-year ended 31 December 2024, the Company appointed Mr Luke Huang as Non-Executive Director.

The financial statements contain a going concern paragraph at Note 3.

Events Subsequent to the End of the Reporting Period

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the following page.

This report is made in accordance with a resolution of Directors.

Richard Beazley
Chairman

Perth, Western Australia
12 March 2025

To the Board of Directors

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

As lead audit director for the review of the financial statements of MetalsGrove Mining Limited for the half year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours Faithfully,

Hall Chadwick

HALL CHADWICK AUDIT WA PTY LTD

D Bell

D M BELL FCA
Director

Dated this 12th day of March 2025
Perth, Western Australia

	Notes	31 Dec 24	31 Dec 23
Interest income		49,075	44,812
Administrative & other expenses	4	(481,912)	(540,947)
Impairment of exploration		(1,466,693)	-
Loss before income tax		**(1,899,530)**	**(496,135)**
Income tax expense		-	-
Loss for the half-year ended 31 December 2024		**(1,899,530)**	**(496,135)**
Items that may be reclassified to profit or loss:			
Other comprehensive income		(39,283)	-
Other comprehensive loss for the half-year attributable to owners of the Company		**(1,938,813)**	**(496,135)**
Loss per share attributable to ordinary equity holders:		**Cents**	**Cents**
Basic and diluted loss per share		(1.802)	(7.169)

The above statement should be read in conjunction with the accompanying notes.

	Notes	31 Dec 24	30 Jun 24
			$
Current assets			
Cash and cash equivalents		1,887,883	2,687,041
Other current assets		60,484	16,783
Total current assets		**1,948,367**	**2,703,824**
Non-current assets			
Exploration and evaluation	5	2,529,765	3,619,735
Property, plant and equipment		3,526	5,686
Other financial assets		46,947	77,892
Total non-current assets		**2,580,238**	**3,703,313**
Total assets		**4,528,605**	**6,407,137**
Current liabilities			
Trade and other payables		146,802	129,395
Total current liabilities		**146,802**	**129,395**
Total liabilities		**146,802**	**129,395**
Net assets		**4,381,803**	**6,277,742**
Equity			
Contributed equity	6	10,766,679	10,766,679
Reserves		301,519	297,928
Accumulated losses		(6,686,395)	(4,786,865)
Total equity		**4,381,803**	**6,277,742**

The above statement should be read in conjunction with the accompanying notes.

	Contributed equity $	Share-based payment Reserve $	Foreign Currency Translation Reserve $	Accumulated losses $	Total equity $
Balance as at 1 Jul 23	**8,701,577**	**413,789**	**-**	**(1,437,412)**	**7,677,954**
Loss for the half-year ended 31 December 2023	-	-	-	(496,135)	(496,135)
Total comprehensive loss for the half-year ended 31 December 2023	-	-	-	(496,135)	(496,135)
Transactions with owners in their capacity as owners:					
Share-based payments issue	-	480	-	-	480
Issue of shares	-	-	-	-	-
Balance as at 31 Dec 2023	**8,701,577**	**414,269**	**-**	**(1,933,547)**	**7,182,299**
Balance as at 1 Jul 24	**10,766,679**	**300,006**	**(2,078)**	**(4,786,865)**	**6,277,742**
Loss for the half-year ended 31 December 2024	-	-	-	(1,899,530)	(1,899,530)
Other comprehensive loss for the half-year ended 31 December 2024	-	-	(39,283)	-	(39,283)
Total comprehensive loss for the half-year ended 31 December 2024	-	-	(39,283)	(1,899,530)	(1,938,813)
Transactions with owners in their capacity as owners:					
Share-based payments issue	-	42,874	-	-	42,874
Issue of shares	-	-	-	-	-
Balance as at 31 Dec 2024	**10,766,679**	**342,880**	**(41,361)**	**(6,686,395)**	**4,381,803**

The above statement should be read in conjunction with the accompanying notes.

	Notes	31 Dec 24 $	31 Dec 23 $
Cash flows from operating activities			
Interest income		49,075	44,812
Payments to suppliers and employees		(577,205)	(618,139)
Net cash outflow from operating activities		**(528,130)**	**(573,327)**
Cash flows from investing activities			
Payments for property, plant and equipment		-	(2,611)
Payments for exploration activities		(271,028)	(1,130,237)
Net cash outflow from investing activities		**(271,028)**	**(1,132,848)**
Cash flows from financing activities			
Proceeds from issues shares		-	-
Transaction costs from issue of shares		-	-
Net cash inflow from financing activities		**-**	**-**
Net increase in cash and cash equivalents		(799,158)	(1,706,175)
Cash and cash equivalents at the beginning of the period		2,687,041	3,105,001
Cash and cash equivalents at the end of the half-year ended 31 December 2024		**1,887,883**	**1,398,826**

The above statement should be read in conjunction with the accompanying notes.

1 Corporate information

The consolidated financial report of MetalsGrove Mining Limited for the half-year ended 31 December 2024 was authorised for issue in accordance with a resolution of the Directors on 12 March 2025.

The Board of Directors has the power to amend the consolidated financial statements after issue.

MetalsGrove Mining Limited (the 'Company' or 'MetalsGrove') is a for-profit company limited by shares that are publicly traded on the Australian Securities Exchange. The Company and its subsidiaries were incorporated and are domiciled in Australia. The registered office and principal place of business of the Company is Level 2, 389 Oxford Street, Mount Hawthorn, WA 6016.

2 Basis of preparation

These condensed consolidated interim financial statements are a general-purpose financial report which has been prepared in accordance with AASB 134 Interim Financial Reporting and the *Corporations Act 2001*. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 30 June 2024.

When required by Australian Accounting Standards, comparative figures have been adjusted to confirm to changes in presentation for the current half-year ended 31 December 2024.

The accounting policies adopted in preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 June 2024.

All relevant new and amended Accounting Standards and Interpretations which became applicable on 1 July 2024 have been adopted by the Group.

The adoption of these amendments did not have any material impact on the current period, prior period and is not likely to affect future periods.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3 Going Concern

As at 31 December 2024, the Company has a net current asset surplus of $1,773,620 and incurred a net loss for the half-year ended 31 December 2024 of $432,837 (excluding impairment of $1,466,693) and a net operating cash outflows of $528,130.

A twelve-month cash flow forecast shows that the Company will need to raise additional funds to complete planned exploration programmes. Continuation as a going concern is dependent upon the Company's ability to raise this additional capital. These facts indicate there is a material uncertainty as to whether the Company will be able to meet its debts as and when they fall due and thus continue as a going concern.

The financial report has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. Should the Company be unable to continue as a going concern, it may be required to realise assets and extinguish liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

4 Segment information

Identification of reportable segments

The Group is organised into one operating segment, being exploration in Australia. This is based on the internal reports that are being reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers (CODM)) in assessing performance and in determining the allocation of resources. As a result, the operating segment information is as disclosed in the statements and notes to the financial statements throughout the report.

The Company operates in one reportable segment, being exploration in Australia. The Board of Directors review internal management reports on a regular basis that is consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows. As a result, no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

5 Expenses

	31 Dec 24 $	31 Dec 23 $
Administrative expenses		
Investor relations	197,305	102,380
Insurance	11,901	4,345
Consultants	775	141,647
Administration costs	3,932	63,414
Occupancy costs	13,509	19,626
Director Fees	253,795	201,490
Share-based payments	42,874	480
Foreign exchange loss	(42,179)	7,565
	481,912	540,947

6 Exploration and evaluation expenditure

	31 Dec 24 $	30 Jun 24 $
Opening balance	3,619,735	**5,078,059**
Acquisition of Zimbabwe projects[1]	-	80,474
Expenditure incurred	376,723	871,142
Impairment of exploration expenditure[2]	(1,466,693)	(2,409,940)
Closing balance	**2,529,765**	**3,619,735**

[1] In December 2023, the Company acquired 95% of the Arcturas and Beatrice Lithium Projects in Zimbabwe. Total cash consideration for the assets was US$60,000. These assets were subsequently impaired at 30 June 2024.

[2] At each reporting date, the Group undertakes an assessment of the carrying amount of its exploration and evaluation assets. Where an indication of impairment exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the assets fair value less costs to sell and value in use, to the assets carrying value. During the period, the Group identified indicators on impairment on certain exploration and evaluation assets under AASB 6 Exploration and Evaluation of Mineral Resources. As a result of this review, a total impairment loss of $1,466,693 has been recognised in the statement of profit or loss in relation to the Boxhole and Woodie Woodie North projects.

7 Contributed equity

Issued share 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, net of tax, directly in equity as a reduction of the share proceeds received.

	Number of shares	$
As at 30 June 2024	105,420,000	10,766,679
As at 31 December 2024	105,420,000	10,766,679

8 Share-based payments

During the year ended 31 December 2024, 4,500,000 performance rights were issued to the Company's Managing Director after approval at the Company's Annual General Meeting held on 20 November 2024.

The performance rights consist of the following vesting periods and conditions:

	Number	Vesting Period	Vesting Condition
Tranche 1	1,500,000	12 months from the date of shareholders' approval received	Share price not less than **10C** for 20-day volume weighted average price (VWAP)
Tranche 2	1,500,000	24 months from the date of shareholders' approval received	Share price not less than **20C** for 20-day VWAP
Tranche 3	1,500,000	36 months from the date of shareholder's approval received	Share price not less than **40C** for 20-day VWAP

The performance rights have been valued using Hoadleys Hybrid ESO Model. The following table lists the inputs to the model:

	Class A	Class B	Class C
Dividend yield (%)	0%	0%	0%
Expected volatility (%)	112.3%	116.3%	106.1%
Risk free frate (%)	4.24%	3.55%	3.47%
Expected life (years)	3.28	3.28	3.28
Exercise price ($)	$0	$0	$0
Grant date share price ($)	$0.098	$0.098	$0.098
Expiry date	31 Dec 2027	31 Dec 2027	31 Dec 2027
Number	1,500,000	1,500,000	1,500,000
Fair value at grant date ($)	$0.063	$0.062	$0.051

The total expenditure recognised in the statement of comprehensive income for the above performance rights is $18,733.

There are no participating rights or entitlements inherent in the Performance Rights and the holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Performance Rights. All shares allotted upon the vesting of Performance Rights will rank pari passu in all respect with other shares.

Under the terms and conditions of the Performance Rights granted, each Performance Right is converted to one fully paid ordinary share upon meeting the vesting criteria.

9 Contingent assets and liabilities

The Group had no contingent assets or liabilities at 31 December 2024 (30 June 2024: nil).

10 Commitments

Exploration and evaluation expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Group is required to meet the minimum expenditure requirements specified by various State and Territory Governments. These obligations are subject to renegotiation when application for a mining lease is made and at other times. These obligations are not provided for in this financial report.

The minimum level of exploration commitment expected in the half-year ending 31 December 2024 for the Group is approximately $0.164 million. These obligations are expected to be fulfilled in the normal course of operations.

11 Events occurring after the reporting period

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect, the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Directors' Declaration

In accordance with a resolution of the Directors of MetalsGrove Mining Limited, I state that:

1. In the opinion of the Directors:

a) The financial statements and notes of MetalsGrove Mining Limited for the half-year ended 31 December 2024 are in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of its financial position as at 31 December 2024 and performance for the half-year ended on that date;

   (ii) complying with Accounting Standards AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Richard Beazley
Chairman

Perth, Western Australia
12 March 2025

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF METALSGROVE MINING LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of MetalsGrove Mining Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2024, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Consolidated Entity does not comply with the *Corporations Act 2001* including:

a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

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

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 review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 3 in the half-year financial report, which indicates that the Consolidated Entity incurred a net loss of $1,899,530 during the half year ended 31 December 2024. As stated in Note 3, these events or conditions, along with other matters as set forth in Note 3 indicate a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB *134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Hall Chadwick

HALL CHADWICK AUDIT WA PTY LTD

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D M BELL FCA
Director

Dated this 12th day of March 2025
Perth, Western Australia