



2022

Annual Report

ASX:GCX | gcxmetals.com

GCX Metals Limited
ABN 44 155 933 010

Corporate Directory

Directors

Mr Ian Middlemas
Chairman

Mr Ben Cleary
Non-Executive Director

Mr Ryan de Franck
Non-Executive Director

Mr Haydn Smith
Non-Executive Director

Mr Mark Pearce
Alternate Director

Company Secretary

Mr Gregory Swan

Registered Office

Level 9, 28 The Esplanade, Perth WA 6000
Website: gcxmetals.com.au

Stock Exchange Listing:

Australian Securities Exchange
(ASX: GCX)

Share Registry:

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace,
Perth WA 6000, AUSTRALIA
Phone: +61 8 9323 2000

Lawyers:

Thomson Geer Lawyers

Auditor:

William Buck Audit (WA) Pty Ltd

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DIRECTORS' REPORT

The Directors of GCX Metals Limited (formerly "Paringa Resources Limited") present their report on the Consolidated Entity consisting of GCX Metals Limited ("Company" or "GCX") and the entities it controlled at the end of, or during, the year ended 30 June 2022 ("Consolidated Entity" or "Group").

DIRECTORS

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

Current Directors

Mr Ian Middlemas	Non-Executive Chairman
Mr Benjamin Cleary	Non-Executive Director (<i>appointed 16 June 2022</i>)
Mr Ryan de Franck	Non-Executive Director (<i>appointed 16 June 2022</i>)
Mr Haydn Smith	Non-Executive Director (<i>appointed 16 June 2022</i>)
Mr Mark Pearce	Alternate Director for Mr Ian Middlemas (<i>appointed 16 June 2022</i>)

Former Directors

Mr Gregory Swan	Non-Executive Director (<i>resigned 16 June 2022</i>)
Mr Todd Hannigan	Non-Executive Director (<i>resigned 16 June 2022</i>)

Unless otherwise stated, Directors held their office from 1 July 2021 until the date of this report.

CURRENT DIRECTORS AND OFFICERS

Mr Ian Middlemas *B.Com, CA* *Non-Executive Chairman*

Mr Middlemas is a Chartered Accountant, a member of the Financial Services Institute of Australasia and holds a Bachelor of Commerce degree. He worked for a large international Chartered Accounting firm before joining the Normandy Mining Group where he was a senior group executive for approximately 10 years. He has had extensive corporate and management experience and is currently a Director with a number of publicly listed companies in the resources sector.

Mr Middlemas was appointed as a Director of the Company on 16 October 2013 and as Chairman on 7 January 2014. During the three year period to the end of the financial year, Mr Middlemas has held directorships in Constellation Resources Limited (November 2017 – present), Apollo Minerals Limited (July 2016 – present), Berkeley Energia Limited (April 2012 – present), GreenX Metals Limited (August 2011 – present), Salt Lake Potash Limited (Administrators Appointed) (Receivers and Managers Appointed) (January 2010 – present), Equatorial Resources Limited (November 2009 – present), Peregrine Gold Limited (September 2020 – February 2022), Piedmont Lithium Limited (September 2009 – December 2020), Sovereign Metals Limited (July 2006 – present), Odyssey Gold Limited (September 2005 – present) and Cradle Resources Limited (May 2016 – July 2019).

Mr Benjamin (Ben) Cleary *BEcon, SA FIN, MAICD* *Non-Executive Director*

Mr Cleary is a Portfolio Manager and Director of Tribeca Investment Partners and is based in Singapore. He has had an extensive career in the natural resources sector over the last 20 years and the Tribeca Global Natural Resources strategies that he manages have been involved in over \$10 billion of transactions within the natural resources sector. Mr Cleary holds a Bachelor of Economics from the University of Queensland, a Graduate Diploma in Applied Finance from FINSIA and is a member of the Australian Institute of the Company Directors.

Mr Cleary was appointed as a Director of the Company on 16 June 2022. During the three year period to the end of the financial year, Mr Cleary has held directorships in Tribeca Global Natural Resources Limited (July 2018 – present) and DGR Global Limited (October 2017 – January 2021).

DIRECTORS' REPORT (Continued)

CURRENT DIRECTORS AND OFFICERS (Continued)

Mr Ryan de Franck *B.Com, SA FIN*
Non-Executive Director

Mr Ryan de Franck is currently Executive Director of the Valperlon Group, an Australian based project generation and corporate development group focused on the natural resources sector. Mr de Franck has a Bachelor of Commerce from the University of Western Australia, a Masters in Applied Finance from FINSIA and a Graduate Diploma in Mineral Exploration Geoscience from the Western Australian School of Mines.

Mr de Franck was appointed as a Director of the Company on 16 June 2022. During the three year period to the end of the financial year, Mr de Franck has held a directorship in Fin Resources Limited (July 2021 – May 2022).

Mr Haydn Smith *B.Com, SA FIN, MAICD*
Non-Executive Director

Mr Haydn Smith is a Portfolio Manager at Tribeca Investment Partners and is based in Sydney. Previously Mr. Smith had a 20-year career at Macquarie Bank where he was an Executive Director, Global Head of the bank's Mining Finance Group and Executive Committee Member of the Commodities and Financial Markets Group. Mr. Smith holds a Bachelor of Commerce from the University of Sydney, a Graduate Diploma in Applied Finance from the FINSIA and is a member of the Australian Institute of the Company Directors.

Mr Smith was appointed as a Director of the Company on 16 June 2022. During the three year period to the end of the financial year, Mr Smith has not held a directorship in any other listed companies.

Mr Mark Pearce *B.Bus, CA, FCIS, FFin*
Alternate Director

Mr Pearce is a Chartered Accountant and is currently a director of several listed companies that operate in the resources sector. He has had considerable experience in the formation and development of listed resource companies. Mr Pearce is also a Fellow of the Institute of Chartered Secretaries and a member of the Financial Services Institute of Australasia.

Mr Pearce was appointed as alternate Director for Mr Ian Middlemas on 16 June 2022. During the three year period to the end of the financial year, Mr Pearce has held directorships in Constellation Resources Limited (July 2016 – present), GreenX Metals Limited (August 2011 – present), Equatorial Resources Limited (November 2009 – present), Peregrine Gold Limited (September 2020 – February 2022), Odyssey Gold Limited (September 2005 – August 2020), Apollo Minerals Limited (July 2016 – February 2021), Salt Lake Potash Limited (Administrators Appointed) (Receivers and Managers Appointed) (August 2014 – October 2020) and Piedmont Lithium Limited (September 2009 – August 2018).

Mr Gregory (Greg) Swan *B.Com, CA, FCIS, FFin*
Company Secretary

Mr Swan is a Chartered Accountant with over 15 years' experience in the formation and development of publicly listed natural resources companies. He currently serves as Chief Financial Officer and/or Company Secretary for several listed companies that operate in the resources sector. He commenced his career at a large international Chartered Accounting firm and has since been involved with a number of mining exploration and development companies, including Piedmont Lithium Inc., IperionX Limited, Mantra Resources Limited, and Papillon Resources Limited.

Mr. Swan was appointed as Company Secretary of the Company on 25 November 2013. Mr Swan also served as Non-Executive Director of the Company from 26 February 2021 to 16 June 2022.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year consisted of mineral exploration and development.

DIRECTORS' REPORT (Continued)

OPERATING AND FINANCIAL REVIEW

Overview

The Company recommenced trading on the Australian Securities Exchange ("ASX") on 27 June 2022 after satisfying all ASX conditions for reinstatement to Official Quotation.

During the year, the Company successfully completed its acquisition of an 80% interest in exploration license E08/3197 to increase its gold-copper footprint in the Pilbara region of Western Australia. The Company's Onslow Copper Gold Project now comprises three exploration licenses covering a total of 567km².

Results from a new high powered airborne electromagnetic ("EM") and magnetic survey flown over the Company's Onslow Copper Gold Project ("Project") has led to the identification of several priority targets exhibiting strong mid to late time peaks considered worthy of follow up exploration, including drilling (Figure 2).

The Company has engaged a drilling contractor to undertake an air-core ("AC") drilling program over certain priority targets identified from the airborne EM and magnetic survey. The objective of the drilling program will be to test the interface of the basement and cover to test for geochemical dispersion of potential basement mineralisation. The drilling program is scheduled to commence in October 2022.

The Company has also engaged a geophysical contractor to undertake a ground EM program over certain priority EM targets prior to commencement of the planned AC drilling program. The ground EM program is scheduled to commence in late-September 2022.

The Company has also commenced a tenement wide geochemical surface sampling program suitable for the pervasive cover conditions. An orientation program over selected EM target is planned to trial partial leach methods such as MMI and CSIRO Ultrafine in addition to conventional soil sample analysis methods.

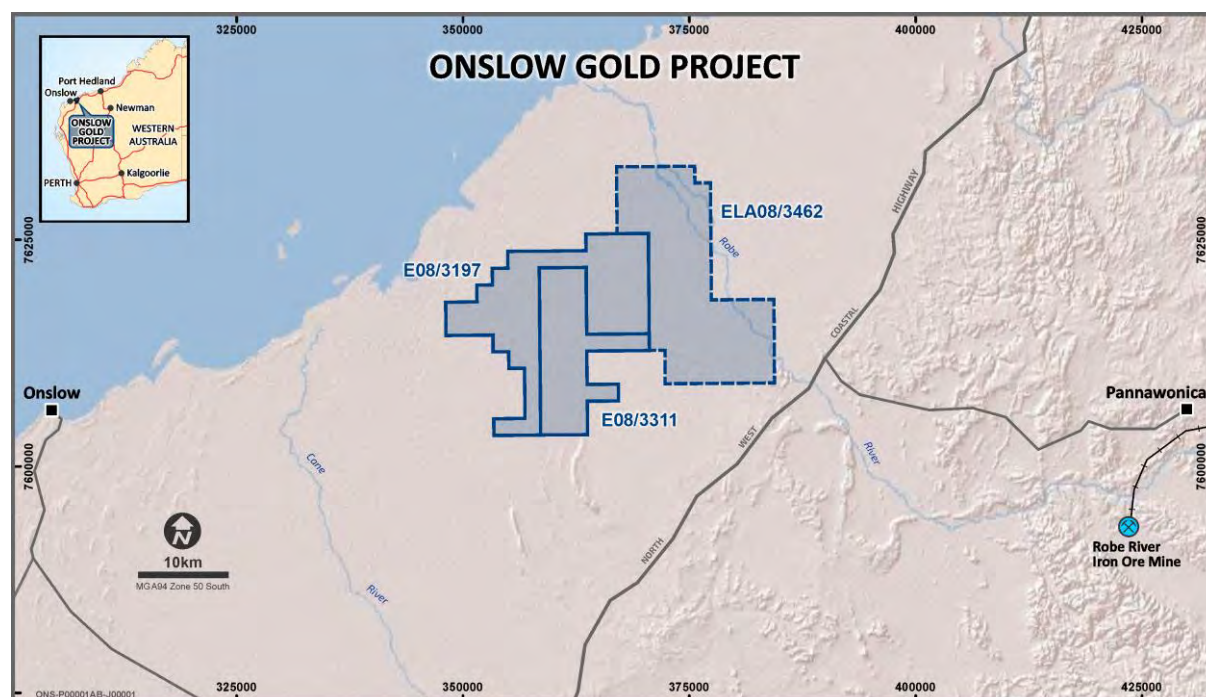


Figure 1: Onslow Copper Gold Project tenement location plan

DIRECTORS' REPORT (Continued)

OPERATING AND FINANCIAL REVIEW (Continued)

Onslow Copper Gold Project

The Onslow Copper Gold Project is located in the north western extension of the Capricorn Orogen and is considered prospective for gold and copper (Figure 1). Nearby 1990's historic exploration identified the potential for banded-iron-formation hosted gold and iron-oxide hosted copper-gold mineralisation.

The Project covers 567km² and comprises three tenements. The Company owns 100% of granted licence E08/3311 (121km²) and 80% of granted licence E08/3197 (188km²). The Company has also applied for E08/3462, comprising a further 258km² of prospective ground located adjacent to E08/3311.

Historical drilling on the tenements was almost exclusively focussed on the cover sequence in the search for pisolitic iron mineralisation and hence the proterozoic basement is considered to be essentially untested.

New Airborne EM Survey

During the year, the Company announced results from a new high powered airborne electromagnetic ("EM") and magnetic survey flown over the Company's Onslow Copper Gold Project. The processing and interpretation of the survey results has led to the identification of several priority targets exhibiting strong mid to late time peaks considered worthy of follow up exploration, including air-core drilling (Figure 2).

The total size of the survey was 1,538 line-kilometres using 200-metre line spacing, and covered both of the granted tenements (E08/3311 and E08/3197) within the Onslow Copper Gold Project. The completion of this initial geophysical program represents the early stages of a systematic exploration approach to target gold and copper mineralisation across the Onslow Copper Gold Project.

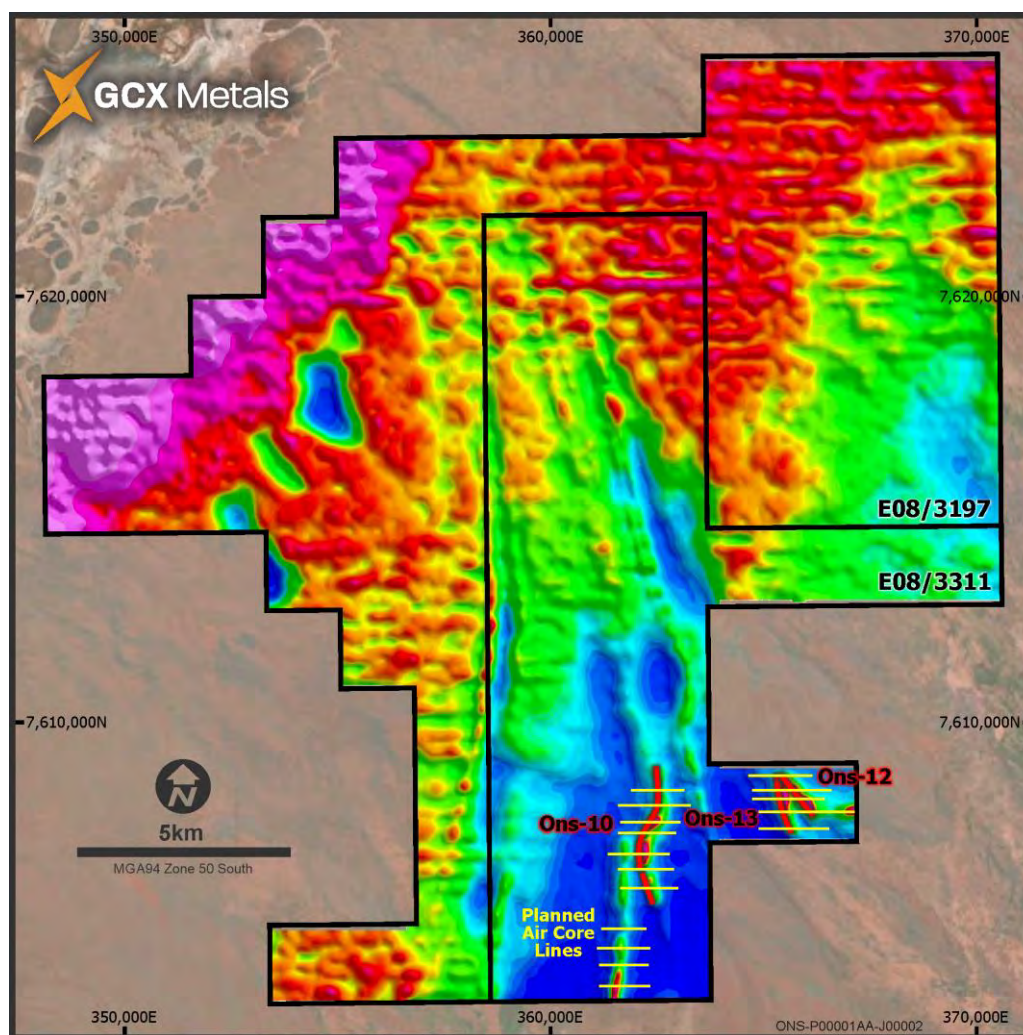


Figure 2: Planned AC/EM lines at Onslow Copper Gold Project over late time channel image

DIRECTORS' REPORT (Continued)

OPERATING AND FINANCIAL REVIEW (Continued)

Planned Exploration

The Company's planned exploration at the Onslow Copper Gold Project include:

- conducting an AC drilling program comprising up to 4,000 metres to test priority targets identified from a recent airborne EM survey flown over the Project, in particular priority 1 targets, ONS-12 and ONS-13, given the interpreted shallow nature of the cover expected there (circa 40-50m) (Figure 2). The objective is to test the interface of the basement and cover to test for geochemical dispersion of potential basement mineralisation. The Company has selected an appropriate drilling contractor and a drill rig is booked to start in October 2022.
- conducting a ground based EM survey over priority 1 targets to determine conductor geometry and assist with current and any planned deeper drill planning. The ground EM program is scheduled to commence in September 2022; and
- conducting a regional geochemical surface sampling program suitable for the pervasive cover conditions. An orientation program over selected EM target is planned to trial partial leach methods such as MMI and CSIRO Ultrafine in addition to conventional soil sample analysis methods. The tenement wide soil sampling program commenced in September 2022.

Corporate

The Company undertook a 20 for 1 consolidation of its shares ("Share Consolidation"), thereby reducing the number of shares on issue to 31.6 million shares. The number of options on issue were consolidated on a 20 for 1 basis, with the exercise price of the options increasing in accordance with the consolidation ratio.

The Company completed a capital raising to raise \$5.58 million before costs, by way of a Share Placement of 40.0 million shares followed by an Entitlements Offer of 71.6 million shares, at an issue price of \$0.05 per share, together with 1 free attaching option for every 3 shares subscribed for.

The Company successfully completed its Deed of Release with the Tribeca parties whereby, the Group's secured lenders have released the Company from all obligations and liabilities as parent company guarantor to the Group's previous term loan facility.

The Company changed its name 'GCX Metals Limited' following shareholder approval and the Company's ASX code has changed to 'GCX'.

The Company recommenced trading on ASX on 27 June 2022 after satisfying all ASX conditions for reinstatement to Official Quotation.

Board Changes

Mr Ben Cleary, Mr Haydn Smith, and Mr Ryan de Franck were appointed as Non-Executive Directors of the Company. Mr Ian Middlemas continues as Chairman of the Company.

Tenement Acquisition

The Company successfully completed its acquisition of an 80% interest in exploration license E08/3197 to increase its gold-copper footprint in the Pilbara region of Western Australia. The Company's Onslow Copper Gold Project now comprises three exploration licenses covering a total of 567km².

The Company entered into a Tenement Sale Agreement on 29 June 2021 to acquire an 80% interest in granted exploration license E08/3197 from an unrelated private company, Onslow Metals Group Pty Ltd. The consideration paid for the Acquisition was:

- \$150,000 cash upon completion of the Acquisition;
- 7,500,000 shares in the capital of the Company; and
- 7,500,000 deferred shares in the capital of the Company subject to and conditional upon delineation of a mineral resource in accordance with the JORC Code of at least 200,000 ounces of contained gold across E08/3197 at a resource grade no less than 1.5 grams per tonne gold, within 5 years from the date of completion of the Acquisition.

DIRECTORS' REPORT (Continued)

OPERATING AND FINANCIAL REVIEW (Continued)

COVID-19

The outbreak of the 2019 novel strain of coronavirus causing a contagious respiratory disease known as COVID-19, and the subsequent quarantine measures imposed by the Australian and other governments, and related travel and trade restrictions has caused disruption to businesses and resulted in significant global economic impacts.

Results of Operations

The net profit of the Group for the year ended 30 June 2022 was A\$80,415,990 (2021: A\$16,844,553). The major item contributing to this result was the net gain on extinguishment of financial liability of A\$90,660,214 (2021: nil) recognised in respect of the Tribeca Deed of Release.

Financial Position

At 30 June 2022, the Group had cash reserves of A\$4,535,363 (2021: A\$47,368), net assets of A\$3,926,400 (2021 net liabilities: A\$83,650,842) and experienced net cash outflows from operating activities of A\$476,688 (2021: A\$8,607,471).

Dividends

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Loss Per Share

	2022 A\$	2021 A\$
Basic and diluted profit/(loss) per share from continuing operations	1.96	(0.26)
Basic and diluted profit/(loss) per share from discontinued operations	-	0.80

Environmental Regulation and Performance

The Consolidated Entity's operations are subject to various environmental laws and regulations under the relevant government's legislation. Full compliance with these laws and regulations is regarded as a minimum standard for all operations to achieve. The Directors are not aware of any non-compliance with environmental laws by the Consolidated Entity.

Business Strategies and Prospects for Future Financial Years

The objective of the Group is to create long-term shareholder value through the successful exploration and development of its projects. To achieve its objective, the Group currently has the following business strategies and prospects:

- conducting a ground based EM survey over priority 1 targets at the Onslow Copper Gold Project;
- conducting an AC drilling program over priority 1 targets at the Onslow Copper Gold Project; and
- conducting a regional geochemical surface sampling program over the Onslow Copper Gold Project.

All of these activities are inherently risky and the Board is unable to provide certainty of the expected results of these activities, or that any or all of these likely activities will be achieved. The material business risks faced by the Group that could have an effect on the Group's future prospects, and how the Group manages these risks, include:

- *The Group's exploration programmes may not identify an economic deposit* - The Group's projects are at an early stage of exploration and current/potential investors should understand that mineral exploration, development and mining are high-risk enterprises, only occasionally providing high rewards. The success of the Group depends, among other things, on successful exploration and/or acquisition of reserves, securing and maintaining title to tenements and consents, successful design, construction, commissioning and operating of mining and processing facilities, successful development and production in accordance with forecasts and successful management of the operations. There is no assurance that exploration and development of the mineral interests owned by the Group, or any other projects that may be acquired in the future, will result in the discovery of mineral deposits which are capable of being exploited economically. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited. If such commercial viability is never attained, the Group may seek to transfer its property interests or otherwise realise value, or the Group may even be required to abandon its business and fail as a "going concern";

DIRECTORS' REPORT (Continued)

OPERATING AND FINANCIAL REVIEW (Continued)

Business Strategies and Prospects for Future Financial Years (continued)

- *The Group's exploration properties may never be brought into production* – The exploration for, and development of, mineral deposits involves a high degree of risk. Few properties which are explored are ultimately developed into producing mines. To mitigate this risk, the Group will undertake systematic and staged exploration and testing programs on its mineral properties and, subject to the results of these exploration programs, the Group will then progressively undertake a number of technical and economic studies with respect to its projects prior to making a decision to mine. However there can be no guarantee that the studies will confirm the technical and economic viability of the Group's mineral properties or that the properties will be successfully brought into production;
- *Fluctuations in commodity prices* – commodity prices fluctuate widely and are affected by numerous factors beyond the control of the Group. Future production, if any, from the Group's mineral exploration properties will be dependent upon the commodity price being adequate to make these properties economic. The Group currently does not engage in any hedging or derivative transactions to manage commodity price risk. As the Group's operations change, this policy will be reviewed periodically going forward;
- *The Group may not successfully acquire new projects* – the Group may pursue and assess other new business opportunities in the resources sector. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, or direct equity participation. The Group's success in its acquisition activities depends on its ability to identify suitable projects, acquire them on acceptable terms, and integrate the projects successfully, which the Group's Board is experienced in doing. However, there can be no guarantee that any proposed acquisition will be completed or be successful. If a proposed acquisition is completed the usual risks associated with a new project and/or business activities will remain;
- *The Group's activities will require further capital* – the exploration and any development of future and current projects will require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration and any development of the Group's projects or even a loss of project interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Group; and
- *Global financial conditions* – Economic conditions, both domestic and global, may affect the performance of the Group. Adverse changes in macroeconomic conditions, including global and Australian growth rates, the cost and availability of credit, the rate of inflation, interest rates, exchange rates, government policy and regulations, general consumption and consumer spending, input costs, employment rates and industrial disruptions, among others, are variables generally outside the Group's control. A slowdown in the financial markets or other economic conditions may result in material adverse impacts on the Group's businesses and its operational and financial performance, and position.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of affairs of the Group during the financial year were as follows:

- On 27 June 2022, the Company recommenced trading on ASX after satisfying all ASX conditions for reinstatement to Official Quotation;
- On 16 June 2022, the Company completed a capital raising of \$4.73 million (before costs), by way of a Share Placement of 40.0 million shares followed by an Entitlements Offer of 54.6 million shares, at an issue price of \$0.05 per share, together with 1 free attaching option for every 3 shares subscribed for. The remaining shortfall from the Entitlement Offer of 17.0 million shares, or \$0.85 million, was issued after year end;
- On 16 June 2022, the Company successfully completed its acquisition of an 80% interest in exploration license E08/3197 to increase its gold-copper footprint in the Pilbara region of Western Australia. The Company's Onslow Copper Gold Project now comprises three exploration licenses covering a total of 567km²;
- On 16 June 2022, the Company successfully completed its Deed of Release with the Tribeca parties whereby, the Group's secured lenders have released the Company from all obligations and liabilities as parent company guarantor to the Group's previous term loan facility;
- On 16 June 2022, Mr Ben Cleary, Mr Haydn Smith, and Mr Ryan de Franck were appointed as Non-Executive Directors of the Company; and
- On 21 April 2022, the Company changed its name 'GCX Metals Limited' following shareholder approval and the Company's ASX code has changed to 'GCX'.

DIRECTORS' REPORT (Continued)

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

- (i) On 20 July 2022, the Company issued the remaining shortfall from the Entitlement Offer of 17.0 million shares to raise \$0.85 million. The deferred Deed of Release Tribeca shares were issued with the remaining shortfall ; and
- (ii) On 20 July 2022, the Company repaid the \$0.4 million loan facility provided by Arredo Pty Ltd, a company associated with Mr Ian Middlemas; and

Other than the above, at the date of this report, there are no matters or circumstances, which have arisen since 30 June 2022 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2022, of the Group;
- the results of those operations, in financial years subsequent to 30 June 2022, of the Group; or
- the state of affairs, in financial years subsequent to 30 June 2022, of the Group.

DIRECTORS' INTERESTS

As at the date of this report, the Directors' interests in the securities of the Company are as follows:

	Shares ⁽¹⁾	Listed Options ⁽²⁾
Mr Ian Middlemas	1,680,000	280,000
Mr Ben Cleary	-	-
Mr Ryan de Franck	6,000,000	166,668
Mr Haydn Smith	-	-
Mr Mark Pearce	2,134,500	689,085

Notes:

(1) "Shares" means a fully paid ordinary share in the capital of the Company.

(2) "Listed Options" means an option to subscribe for a fully paid ordinary share in the capital of the Company.

SHARE OPTIONS

At the date of this report the following Options have been issued over unissued Shares of the Company:

- 37,713,240 Listed Options exercisable at \$0.07 each on or before 16 June 2027;
- 10,000,000 Unlisted Options exercisable at \$0.07 each on or before 27 May 2027;
- 10,000,000 Unlisted Options exercisable at \$0.09 each on or before 27 May 2027;
- 500,000 Unlisted Options exercisable at \$0.09 each on or before 16 June 2027; and
- 1,500,000 Unlisted Options exercisable at \$1.20 each on or before 21 February 2024.

During the year ended 30 June 2022, no Shares were issued as a result of the exercise of Options. Subsequent to year end, and up until the date of this report, no Shares have been issued as a result of the exercise of Options.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Constitution of the Company requires the Company, to the extent permitted by law, to indemnify any person who is or has been a Director or officer of the Company or Group for any liability caused as such a Director or officer and any legal costs incurred by a Director or officer in defending an action for any liability caused as such a Director or officer.

During or since the end of the financial year, no amounts have been paid by the Company or Group in relation to the above indemnities. During the year, no amounts have been paid by the Company for insurance of Directors and officers (2021: nil).

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

DIRECTORS' REPORT (Continued)

REMUNERATION REPORT (AUDITED)

This Remuneration Report, which forms part of the Directors' Report, sets out information about the remuneration of Key Management Personnel ("KMP") of the Group.

Details of Key Management Personnel

Details of the KMP of the Group during or since the end of the financial year are set out below:

Mr Ian Middlemas	Non-Executive Chairman
Mr Ben Cleary	Non-Executive Director (appointed 16 June 2022)
Mr Haydn Smith	Non-Executive Director (appointed 16 June 2022)
Mr Ryan de Franck	Non-Executive Director (appointed 16 June 2022)
Mr Mark Pearce	Alternate Director for Mr Ian Middlemas (appointed 16 June 2022)
Mr Gregory Swan	Company Secretary (resigned as Non-Executive Director on 16 June 2022)
Mr Todd Hannigan	Non-Executive Director (resigned on 16 June 2022)

Unless otherwise disclosed, the KMP held their position from 1 July 2021 until the date of this report.

Remuneration Policy

The Group's remuneration policy for its KMP has been developed by the Board taking into account the size of the Group, the size of the management team for the Group, the nature and stage of the Group's current operations, and market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

In addition to considering the above general factors, the Board has also placed emphasis on the following specific issues in determining the remuneration policy for KMP: (a) the Group is currently focused on undertaking exploration and development activities; (b) risks associated with small cap resource companies whilst exploring and developing projects; and (c) other than profit which may be generated from asset sales, the Company does not expect to be undertaking profitable operations until sometime after the commencement of commercial production on any of its projects.

The objective of the Group's remuneration structure reward framework is to ensure that reward for performance is competitive and appropriate for the results delivered.

Executive Remuneration

The Group's remuneration policy is to provide a fixed remuneration component and a performance based component (short term incentive and long-term incentive). The Board believes that this remuneration policy is appropriate given the considerations discussed in the section above and is appropriate in aligning executives' objectives with shareholder and business objectives.

Fixed Remuneration

Fixed remuneration consists of base salaries, as well as employer contributions to superannuation funds, and other non-cash benefits. Non-cash benefits may include provision of car parking, health care benefits, health insurance and life insurance.

Fixed remuneration is reviewed annually by the Board. The process consists of a review of company and individual performance, relevant comparative remuneration externally and internally and, where appropriate, external advice on policies and practices. No external remuneration consultants were used during the financial year.

Performance Based Remuneration – Short Term Incentives ("STI")

Some executives are entitled to an annual or semi-annual cash bonus upon achieving various key performance indicators ("KPI's"), as set by the Board. Having regard to the current size, nature and opportunities of the Company, the Board has determined that these KPI's will include measures such as:

- (a) successful exploration activities (e.g. completion of exploration programs within budgeted timeframes and costs);
- (b) successful development activities (e.g. completion of technical studies);
- (c) successful corporate activities (e.g. recruitment and management of key personnel and investor relations activities); and
- (d) successful business development activities (e.g. corporate transactions and capital raisings).

During the 2022 financial year, no KMP were entitled to STI cash bonuses and no STI cash bonuses were awarded.

DIRECTORS' REPORT (Continued)

REMUNERATION REPORT (AUDITED) (Continued)

Executive Remuneration (Continued)

Performance Based Remuneration – Long Term Incentives (“LTI”)

The Group has a long-term equity incentive plan comprising the grant of Performance Rights and/or Incentive Options to reward KMP and other employees and contractors for long-term performance. To achieve its corporate objectives, the Group needs to attract, incentivise, and retain its key employees and contractors. The Board believes that grants of Performance Rights and/or Incentive Options to KMP will provide a useful tool to underpin the Group's employment and engagement strategy.

(i) Performance Rights

The Group may grant unlisted performance share rights (“Performance Rights”) to some KMP and/or other employees and contractors.

Performance Rights are issued for no consideration and no amount is payable upon conversion thereof. Performance Rights granted to KMP and other employees and contractors will be linked to the achievement by the Group of certain performance conditions as determined by the Board from time to time. These performance conditions must be satisfied in order for the Performance Rights to vest. Upon Performance Rights vesting, Ordinary Shares are automatically issued for no consideration. If a performance condition of a Performance Right is not achieved by the expiry date then the Performance Right will lapse.

During the financial year, no Performance Rights were granted to KMP and no Performance Rights held by KMP vested during the financial year. At 30 June 2022, no Performance Rights were held by KMP.

(ii) Incentive Options

The Group may grant unlisted incentive options (“Incentive Options”) to some KMP and/or other employees and contractors.

The Board's policy is to grant Incentive Options to KMP with exercise prices at or above market share price (at the time of agreement). As such, the Incentive Options granted to KMP are generally only of benefit if the KMP performs to the level whereby the value of the Group increases sufficiently to warrant exercising the Incentive Options granted. Other than service-based vesting conditions (if any) and the exercise price required to exercise the Incentive Options, there are no additional performance criteria on the Incentive Options granted to KMP, as given the speculative nature of the Group's activities and the small management team responsible for its running, it is considered that the performance of the KMP and the performance and value of the Group are closely related. The Company's Securities Trading Policy prohibits KMP's from entering into arrangements to limit their exposure to Incentive Securities granted as part of their remuneration package.

During the financial year, no Incentive Options were granted to KMP and no Incentive Options held by KMP vested during the financial year. At 30 June 2022, no Incentive Options were held by KMP.

Non-Executive Director Remuneration

The Board's policy is for fees to Non-Executive Directors to be no greater than market rates for comparable companies for time, commitment and responsibilities. Given the current size, nature and risks of the Company, employee options and/or employee rights may also be used to attract and retain Non-Executive Directors. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. No external remuneration consultants were used during the financial year.

The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at a General Meeting. Director's fees paid to Non-Executive Directors accrue on a daily basis. Fees for Non-Executive Directors are not linked to the performance of the economic entity. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and given the current size, nature and opportunities of the Company, Non-Executive Directors may receive employee options and/or employee rights in order to secure their initial or ongoing holding and retain their services. The Company prohibits non-executives entering into arrangements to limit their exposure to employee options granted as part of their remuneration package.

Fees for the Chairman are presently A\$50,000 per annum, however the Chairman elected to receive no fees for the 2022 and 2021 financial years. Fees for Non-Executive Directors are presently set at A\$30,000 per annum, however, the Non-Executive Directors elected to receive no fees for the 2022 financial year. These fees cover main board activities only. Non-Executive Directors may receive additional remuneration for other services provided to the Company, including, but not limited to, membership of committees.

DIRECTORS' REPORT (Continued)

REMUNERATION REPORT (AUDITED) (Continued)

Relationship between Remuneration of KMP and Shareholder Wealth

During the Company's exploration and development phases of its business, the Board anticipates that the Company will retain earnings (if any) and other cash resources for the exploration and development of its resource projects. Accordingly, the Company does not currently have a policy with respect to the payment of dividends and returns of capital. Therefore, there was no relationship between the Board's policy for determining, or in relation to, the nature and amount of remuneration of KMP and dividends paid and returns of capital by the Company during the current and previous four financial years.

The Board did not determine, and in relation to, the nature and amount of remuneration of the KMP by reference to changes in the price at which shares in the Company traded between the beginning and end of the current and the previous four financial years. Discretionary annual cash bonuses are based upon achieving various non-financial key performance indicators that are not based on share price or earnings. However, as noted above, certain KMP may receive Incentive Options and Performance Rights which will be of greater value to KMP if the value of the Company's shares increases.

Relationship between Remuneration of KMP and Earnings

As discussed above, the Company is currently undertaking exploration and development activities, and does not expect to be undertaking profitable operations (other than by way of potential material asset sales) until sometime after the successful commercialisation, production and sales of commodities from one or more of its projects. Accordingly, the Board does not consider earnings during the current and previous four financial years when determining, and in relation to, the nature and amount of remuneration of KMP.

Emoluments of KMP

Details of the nature and amount of each element of the emoluments of each Director and KMP of GCX Metals Limited are as follows:

2022	Short-term benefits			Post-employment benefits	Share-based payments	Termination Payments	Total	Performance related
	Salary & fees	Cash Bonus	Other					
	A\$	A\$	A\$	A\$	A\$	A\$	A\$	%
Current								
Mr Ian Middlemas ¹	-	-	-	-	-	-	-	-
Mr Ben Cleary ²	-	-	-	-	-	-	-	-
Mr Ryan de Franck ³	-	-	-	-	-	-	-	-
Mr Haydn Smith ⁴	-	-	-	-	-	-	-	-
Mr Mark Pearce ⁵	-	-	-	-	-	-	-	-
Mr Gregory Swan ⁶	-	-	-	-	-	-	-	-
Former								
Mr Todd Hannigan ⁷	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

2021	Short-term benefits			Post-employment benefits	Share-based payments	Termination Payments	Total	Performance related
	Salary & fees	Cash Bonus	Other					
	A\$	A\$	A\$	A\$	A\$	A\$	A\$	%
Current								
Mr Ian Middlemas ¹	-	-	-	-	-	-	-	-
Mr Todd Hannigan ⁷	-	-	-	-	-	-	-	-
Mr Gregory Swan ⁶	-	-	-	-	-	-	-	-
Former								
Mr David Gay ⁸	343,364	-	12,775	2,884	-	-	359,023	-
Mr Jonathan Hjelte ⁹	-	-	-	-	-	-	-	-
Mr Richard McCormick ¹⁰	-	-	-	-	-	-	-	-
Mr Thomas Todd ¹¹	-	-	-	-	-	-	-	-
Mr Bertrand Troiano ¹²	187,467	-	-	-	-	-	187,467	-
Mr Bruce Czachor ¹³	101,973	-	-	1,030	-	-	103,003	-
Mr Brent Hawley ¹⁴	159,613	-	7,278	1,803	-	-	168,694	-
	792,417	-	20,053	5,717	-	-	818,187	-

DIRECTORS' REPORT (Continued)

REMUNERATION REPORT (AUDITED) (Continued)

Emoluments of KMP (Continued)

Notes:

- ¹ Mr Middlemas elected to not receive any fees during fiscal 2021 or fiscal 2022.
- ² Mr Ben Cleary was appointed effective 16 June 2022. Mr Cleary elected to not receive any fees during fiscal 2022.
- ³ Mr Ryan de Franck was appointed effective 16 June 2022. Mr de Franck elected to not receive any fees during fiscal 2022.
- ⁴ Mr Haydn Smith was appointed effective 16 June 2022. Mr Smith elected to not receive any fees during fiscal 2022.
- ⁵ Mr Mark Pearce was appointed effective 16 June 2022.
- ⁶ Mr Swan provides services as the Company Secretary through a services agreement with Apollo Group Pty Ltd. Apollo Group Pty Ltd provides a fully serviced office and administrative, accounting and company secretarial services to the Company. Mr Swan and Apollo Group Pty Ltd elected to not receive any fees during fiscal 2021 or fiscal 2022.
- ⁷ Mr Hannigan elected to not receive any fees during fiscal 2021 or fiscal 2022.
- ⁸ Mr Gay resigned effective 24 February 2021.
- ⁹ Mr Jonathan Hjelte resigned effective 26 February 2021. Mr Hjelte elected to not receive any fees during fiscal 2021.
- ¹⁰ Mr Richard McCormick resigned effective 26 February 2021. Mr McCormick elected to not receive any fees during fiscal 2021.
- ¹¹ Mr Thomas Todd resigned effective 25 February 2021. Mr Todd elected to not receive any fees during fiscal 2021.
- ¹² Mr Bertrand Troiano was appointed effective 20 February 2020 and resigned effective 24 February 2021.
- ¹³ Mr Bruce Czachor resigned effective 24 February 2021.
- ¹⁴ Mr Hawley was appointed effective 6 October 2019 and was terminated effective 4 December 2020.

Options Granted to KMP

No Incentive Options or Performance Rights were granted to KMP of the Group during the financial year. There were no Incentive Options or Performance Rights held by KMP that lapsed or were forfeited during the 2022 financial year.

Option holdings of KMP

2022	Held at 1 July 2021	Granted as Remuneration	Options Exercised	Purchases	Held at 30 June 2022	Vested & exercisable at 30 June 2022
Directors						
Ian Middlemas	-	-	-	280,000	280,000	280,000
Ben Cleary	-(¹)	-	-	-	-	-
Ryan de Franck	166,668(¹)	-	-	-	166,668	166,668
Haydn Smith	-(¹)	-	-	-	-	-
Mark Pearce	689,085(¹)	-	-	-	689,085	689,085
Gregory Swan	-	-	-	728,502	728,502	728,502
Former KMP						
Todd Hannigan	-	-	-	162,223	162,223(²)	162,223(²)
	855,753	-	-	1,170,725	2,026,478	2,026,478

Notes:

- (¹) As at date of appointment.
- (²) As at date of resignation.

Shareholdings of KMP

2022	Held at 1 July 2021	Granted as Remuneration	Share Consolidation	Purchases	Other net change	Held at 30 June 2022
Current KMP						
Ian Middlemas	16,800,000	-	(15,960,000)	840,000	-	1,680,000
Ben Cleary	-(¹)	-	-	-	-	-
Ryan de Franck	6,000,000(¹)	-	-	-	-	6,000,000
Haydn Smith	-(¹)	-	-	-	-	-
Mark Pearce	2,134,500(¹)	-	-	-	-	2,134,500
Gregory Swan	3,710,000	-	(3,524,500)	2,185,500	-	2,371,000
Former KMP						
Todd Hannigan	13,733,325	-	(13,046,658)	486,667	-	1,173,334(²)
	42,377,825	-	(32,531,158)	3,512,167	-	13,358,834

Notes:

- (¹) As at date of appointment.
- (²) As at date of resignation.

DIRECTORS' REPORT (Continued)

REMUNERATION REPORT (AUDITED) (Continued)

Employment Contracts with Directors and Other KMP

At the date of this report, the Group does not have any employees. All Directors have a letter of appointment confirming the terms and conditions of their appointment as Director of the Company.

Loans from KMP

On 9 September 2021, the Company accepted an offer from Arredo Pty Ltd, a company associated with Mr Ian Middlemas, to provide a \$400,000 loan facility to the Company to provide working capital to facilitate the Company's shares being reinstated to trading on the ASX. The loan was unsecured, interest-free, and repayable at call. The loan was repaid in full after the end of the 2022 financial year, on 20 July 2022. No other loans were provided to or received from Key Management Personnel during the year ended 30 June 2022 (2021: Nil).

Other Transactions

From 1 July 2022, Apollo Group Pty Ltd, a company of which Mr Mark Pearce is a director and beneficial shareholder, will be paid a monthly retainer of \$18,000 for the provision of a fully serviced office and administrative, accounting and company secretarial services. The agreement has no fixed term and is able to be terminated by either party with one (1) months' notice.

End of Remuneration Report.

DIRECTORS' MEETINGS

The number of meetings of Directors held during the year and the number of meetings attended by each Director was as follows:

	Board Meetings	
	Number eligible to attend	Number attended
Mr Ian Middlemas	2	2
Mr Ben Cleary	-	-
Mr Ryan de Franck	-	-
Mr Haydn Smith	-	-
Mr Mark Pearce	-	-
Mr Todd Hannigan	2	2
Mr Gregory Swan	2	2

At 30 June 2022, there were no Board committees.

NON-AUDIT SERVICES

During the year, the Group's auditor, William Buck Audit (WA) Pty Ltd, received, or is due to receive, \$6,600 (2021: nil) for the provision of non-audit services consisting of an Investigating Accountant's Report for a prospectus. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The nature and scope of the non-audit services provided means that auditor independence was not compromised.

DIRECTORS' REPORT (Continued)

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2022 has been received and can be found on page 15 of the Directors' Report.

Signed in accordance with a resolution of the Directors.



IAN MIDDLEMAS
Chairman

16 September 2022

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF GCX METALS LIMITED

I declare that, to the best of my knowledge and belief during the year ended 30 June 2022 there have been:

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

William Buck

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

CM

Conley Manifis
Director

Dated this 16th day of September 2022

**CONSOLIDATED STATEMENT OF PROFIT OR
LOSS AND OTHER COMPREHENSIVE INCOME**
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 A\$	2021 A\$
Continuing operations			
Exploration and evaluation expenses		(380,844)	-
Corporate and administrative expenses		(104,855)	(179,602)
Finance expenses	2	(9,724,197)	(8,197,230)
Share-based payment expense	16	(34,328)	-
Net gain on extinguishment of financial liability	8	90,660,214	-
Profit/(loss) before tax from continuing operations		80,415,990	(8,376,832)
Income tax expense	3	-	-
Profit/(loss) for the year from continuing operations		80,415,990	(8,376,832)
Discontinued operations			
Profit after tax from discontinued operations	22	-	25,221,385
Net profit for the year		80,415,990	16,844,553
Net profit attributable to members of the parent		80,415,990	16,844,553
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		-	11,457,801
Exchange differences transferred to profit or loss on dissolution of controlled entities		-	(23,353,578)
Total other comprehensive income/(loss) for the year, net of tax		-	(11,895,777)
Total comprehensive profit for the year, net of tax		80,415,990	4,948,776
Total comprehensive profit attributable to members of the parent		80,415,990	4,948,776
Basic and diluted loss per share from continuing operations (A\$ per share)	12	1.96	(0.26)
Basic and diluted loss per share from discontinued operations (A\$ per share)	12	-	0.80

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	2022 A\$	2021 A\$
ASSETS			
Current Assets			
Cash and cash equivalents	5	4,535,363	47,368
Trade and other receivables		41,464	12,209
Total Current Assets		4,576,827	59,577
Non-Current Assets			
Exploration and evaluation assets	6	572,521	6,656
Total Non-Current Assets		572,521	6,656
TOTAL ASSETS		5,149,348	66,233
LIABILITIES			
Current Liabilities			
Trade and other payables	7	997,948	344,589
Deferred consideration	8	225,000	-
Other financial liabilities	8	-	83,372,486
Total Current Liabilities		1,222,948	83,717,075
TOTAL LIABILITIES		1,222,948	83,717,075
NET ASSETS/ (LIABILITIES)		3,926,400	(83,650,842)
EQUITY			
Contributed equity	9	144,046,751	137,606,375
Reserves	10	3,277,765	2,556,889
Accumulated losses	11	(143,398,116)	(223,814,106)
TOTAL EQUITY		3,926,400	(83,650,842)

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

**CONSOLIDATED STATEMENT OF CHANGES IN
EQUITY
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	Contributed Equity A\$	Share- Based Payments Reserve A\$	Foreign Currency Translation Reserve A\$	Accumulated Losses A\$	Total Equity A\$
Balance at 1 July 2021		137,606,375	2,556,889	-	(223,814,106)	(83,650,842)
Net profit for the year		-	-	-	80,415,990	80,415,990
Total comprehensive income for the year		-	-	-	80,415,990	80,415,990
Issue of placement offer shares		2,000,000	-	-	-	2,000,000
Issue of entitlement offer shares		2,730,469	-	-	-	2,730,469
Issue of Tribeca offer shares and options		1,525,000	686,548	-	-	2,211,548
Issue of vendor offer shares		375,000	-	-	-	375,000
Share issue costs		(190,093)	-	-	-	(190,093)
Share-based payments expense	16(a)	-	34,328	-	-	34,328
Balance at 30 June 2022		144,046,751	3,277,765	-	(143,398,116)	3,926,400
Balance at 1 July 2020		137,606,375	4,564,000	11,895,777	(242,665,770)	(88,599,618)
Net profit for the year		-	-	-	16,844,553	16,844,553
Exchange differences on translation of foreign operations		-	-	11,457,801	-	11,457,801
Exchange differences transferred to profit or loss on dissolution of controlled entities		-	-	(23,353,578)	-	(23,353,578)
Total comprehensive income/(loss) for the year		-	-	(11,895,777)	16,844,553	4,948,776
Expiry of unlisted options	8(b)	-	(2,007,111)	-	2,007,111	-
Balance at 30 June 2021		137,606,375	2,556,889	-	(223,814,106)	(83,650,842)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 A\$	2021 A\$
Cash flows from operating activities			
Payments to suppliers and employees		(476,688)	(8,612,746)
Interest received		-	5,275
Net cash outflow from operating activities	5	(476,688)	(8,607,471)
Cash flows from investing activities			
Payments for exploration and evaluation assets		(165,865)	(6,656)
Proceeds from sale of assets held for sale		-	6,844,512
Net cash inflow/(outflow) from investing activities		(165,865)	6,837,856
Cash flows from financing activities			
Proceeds from borrowings		400,000	4,519
Repayment of borrowings		-	(401,714)
Transfer to liquidation trust		-	(2,723,564)
Proceeds from issue of shares		4,730,469	-
Net cash inflow/(outflow) from financing activities		5,130,469	(3,120,759)
Net increase/(decrease) in cash and cash equivalents		4,487,916	(4,890,374)
Net foreign exchange differences		79	(390,681)
Cash and cash equivalents at beginning of the year		47,368	5,328,423
Cash and cash equivalents at the end of the year	5	4,535,363	47,368

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in preparing the financial report of GCX Metals Limited ("GCX" or "Company") and its consolidated entities ("Consolidated Entity" or "Group") for the year ended 30 June 2022 are stated to assist in a general understanding of the financial report.

GCX Metals Limited is a for profit company limited by shares, incorporated and domiciled in Australia. Our ordinary shares have been listed on the Australian Securities Exchange, or ASX, since 2012 under the symbol "GCX".

The Group's principal activities are mineral exploration and development.

The financial report of the Group for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of the Directors on 16 September 2022.

(a) Basis of Preparation

This general-purpose financial report has been prepared in accordance with Australian Accounting Standards ("AASBs") and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*. The financial report complies with Australian Accounting Standards and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

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

The consolidated financial statements have been prepared on the going concern basis, which assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

(b) New standards, interpretations and amendments adopted by the Group

In the current period, the Group has adopted all of the new and revised Accounting Standards and Interpretations effective from July 1, 2021 that are mandatory.

The adoption of the aforementioned standards has no impact on the financial statements of the Company as at June 30, 2022. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

(c) New standards, interpretations and amendments not yet applied by the Group

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ended 30 June 2022. Those which may be relevant to the Group are set out in the table below.

Standard or Interpretation	Application Date of Standard	Application Date for Group
<i>AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments</i>	1 January 2022	1 July 2022
<i>AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i>	1 January 2023	1 July 2023
<i>AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current – Deferral of Effective Date</i>	1 January 2023	1 July 2023

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (Continued)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company and the results of all subsidiaries.

Control is achieved when the Company has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power.

Subsidiaries are all those entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies, is exposed or has rights to variable returns from its involvement and has the ability to use its power to affect the returns of those entities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases. Intercompany transactions and balances, income and expenses and profits and losses between Group companies, are eliminated.

A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction. All investments in subsidiaries made by the parent are held at cost.

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(f) Trade and Other Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for expected credit losses.

Unbilled receivables relate to goods sold for which invoices have not yet been issued to the customer but represent the Group's unconditional right to consideration for goods sold, because only the passage of time is required before payment of the consideration is due. These amounts are recognised and measured in the same manner as other trade receivables.

If collection of the amounts is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current.

As the majority of receivables are short term in nature, their carrying amount is assumed to be the same as their fair value.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

(Continued)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Exploration and Development Expenditure

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method and with AASB 6 Exploration for and Evaluation of Mineral Resources.

Exploration and evaluation expenditure encompasses expenditures incurred by the Group in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

For each area of interest, expenditure incurred in the acquisition of rights to explore is capitalised and recognised as an exploration and evaluation asset. This includes option payments made to landowners under the Group's option agreements with local landowners which are considered part of the acquisition costs. Exploration and evaluation assets are measured at cost at recognition and are recorded as an asset if:

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
 - the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
 - exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

All other exploration and evaluation expenditures are expensed as incurred. Once the technical feasibility and commercial viability of a program or project has been demonstrated with a bankable feasibility study, the carrying amount of the exploration and evaluation expenditure in respect of the area of interest is reclassified as a "mine development property".

Where a decision is made to proceed with development, accumulated expenditure is tested for impairment and transferred to development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced. Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Impairment

Capitalised exploration costs are reviewed each reporting date to establish whether an indication of impairment exists. If any such indication exists, the recoverable amount of the capitalised exploration costs is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset.

(h) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

(Continued)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For the majority of borrowings, the fair values are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature. Refer to Note 1(q) for fair value estimation accounting policy.

(j) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(k) Interest Income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

(l) Income tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

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 which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose on goodwill or in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences 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 deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against tax liabilities and the deferred tax liabilities relate to the same taxable entity and the same taxation authority.

GCX Metals Limited and its wholly-owned Australian subsidiaries have not yet formed an income tax consolidated group under the tax consolidation regime.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

(Continued)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Earnings per Share

Basic earnings per share ("EPS") is calculated by dividing the net profit or loss attributable to members of the Company for the reporting period, after excluding any costs of servicing equity, by the weighted average number of Ordinary Shares of the Company, adjusted for any bonus issue.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after-tax effect of financing costs associated with dilutive potential Ordinary Shares and the effect on revenues and expenses of conversion to Ordinary Shares associated with dilutive potential Ordinary Shares, by the weighted average number of Ordinary Shares and dilutive Ordinary Shares adjusted for any bonus issue.

(n) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(o) Segment Reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the Board of Directors.

Operating segments have been identified based on the information provided to the chief operating decision makers, being the executive management team.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for "all other segments".

Further information on segmental reporting is included in Note 18.

(p) Impairment of Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

(Continued)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Fair Value Estimation

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

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities classified as fair value through other comprehensive income) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the reporting date.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(r) Issued and Unissued Capital

Ordinary Shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(s) Foreign Currencies

(i) *Functional and presentation currency*

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australia dollars which is the Company's functional and presentation currency.

(ii) *Transactions and balances*

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the Statement of Profit or Loss and other Comprehensive Income, except where deferred in equity as a qualifying cash flow or net investment hedge. Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the other Comprehensive Income.

(iii) *Group companies*

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- items of equity are translated at the historical exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the Statement of Profit or Loss and other Comprehensive Income in the period in which the operation is disposed.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

(Continued)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Share-Based Payments

Equity-settled share-based payments are provided to officers, employees, consultants and other advisors. These share-based payments are measured at the fair value of the equity instrument at the grant date. Fair value is determined using the Black-Scholes option pricing model. Further details on how the fair value of equity-settled share-based payments has been determined can be found in Note 16.

The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest. At each reporting date, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to the share-based payments reserve.

Equity-settled share-based payments may also be provided as consideration for the acquisition of assets. Where Ordinary Shares are issued, the transaction is recorded at fair value based on the quoted price of the Ordinary Shares at the date of issue. The acquisition is then recorded as an asset or expensed in accordance with accounting standards.

(u) Use and Revision of Accounting Estimates, Judgements and Assumptions

The preparation of the financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

- Share-based payments (refer Note 16); and
- Recognition of deferred tax asset (refer Note 3).

(v) Discontinued Operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the group and which:

- Represents a separate major line of business or geographic area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

(w) Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets or deferred tax assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-in-distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property plant and equipment are no longer amortised or depreciated, and any interest in associate is no longer equity accounted.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022
(Continued)

2. FINANCE EXPENSES

	2022 A\$	2021 A\$
Finance expenses		
Interest expense on parent guarantee liabilities	6,656,067	4,183,084
Net foreign exchange loss	3,068,130	4,014,146
	9,724,197	8,197,230

3. INCOME TAX

	2022 A\$	2021 A\$
Recognised in profit or loss		
Current income tax benefit in respect of the current year	-	-
Deferred tax relating to origination and reversal of temporary differences	-	-
Income tax expense reported in profit or loss	-	-
Reconciliation between tax expense and accounting loss before income tax		
Accounting profit/(loss) before income tax	80,415,990	16,844,553
At the domestic income tax rate of 30% (2021: 30%)	24,124,797	5,053,366
Effect of different income tax rate in the United States	-	(10,070,737)
Expenditure not allowable for income tax purposes	10,583	9,918,276
Income not assessable for income tax purposes	(24,280,805)	(6,211,685)
Exchange differences on translation of foreign operations	-	(11,863,062)
Adjustments in respect of deferred income tax of previous years	451,216	296,728
Effect of deferred tax assets not brought to account	(305,791)	12,877,114
Income tax expense reported in profit or loss	-	-
Deferred tax assets and liabilities		
Deferred tax liabilities:		
Exploration and evaluation assets	171,756	1,997
Deferred tax assets used to offset deferred tax liabilities	(171,756)	(1,997)
	-	-
Deferred tax assets:		
Accrued expenditure	12,900	1,254,925
Capital allowances	-	32,582
Tax losses	2,536,116	2,173,505
Capital losses	34,087,918	33,311,953
Deferred tax assets used to offset deferred tax liabilities	(171,756)	(1,997)
Deferred tax assets not brought to account ⁽¹⁾	(36,465,178)	(36,770,968)
	-	-

Notes:

⁽¹⁾ The benefit of deferred tax assets not brought to account will only be brought to account if: (a) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised; (b) the conditions for deductibility imposed by tax legislation continue to be complied with; and (c) no changes in tax legislation adversely affect the Group in realising the benefit. The Group will assess the recoverability of the unrecognised deferred tax assets once 'commercial production' has been declared.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022
(Continued)

4. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

No dividends have been paid or proposed for the year ended 30 June 2022 (2021: Nil).

5. CASH AND CASH EQUIVALENTS

	2022 A\$	2021 A\$
Cash at bank and on hand	4,535,363	47,368
Total cash at bank and on hand	4,535,363	47,368
Reconciliation of profit before income tax to net cash flows from operations		
Net profit for the year	80,415,990	16,844,553
Adjustment for non-cash income and expense items:		
Net foreign exchange loss	3,068,130	4,014,146
Gain on disposal of assets held for sale	-	(6,039,870)
Gain on deconsolidation of controlled entities	-	(36,303,043)
Gain on extinguishment of financial liability	(90,660,214)	-
Other income	-	(1,101,094)
Provision for employee entitlements	-	(193,042)
Share based payments	16(a) 34,328	-
Change in working capital:		
(Increase)/decrease in trade and other receivables	(29,254)	3,651,049
(Increase)/decrease in inventories	-	673,569
(Increase)/decrease in other current assets	-	166,457
Increase/(decrease) in trade and other payables	38,266	(1,238,534)
Increase/(decrease) in other financial liabilities	6,656,066	10,918,338
Net cash outflow from operating activities	(476,688)	(8,607,471)

6. EXPLORATION AND EVALUATION ASSETS

	Note	2022 A\$	2021 A\$
Onslow Copper Gold Project		572,521	6,656
Carrying amount at 30 June ⁽¹⁾		572,521	6,656
Reconciliation			
Balance at 1 July		6,656	-
Additions	15	565,865	6,656
Carrying amount at 30 June ⁽¹⁾		572,521	6,656

Notes:

⁽¹⁾ The ultimate recoupment of costs carried forward for exploration and evaluation is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

(Continued)

7. TRADE AND OTHER PAYABLES

	2022	2021
	A\$	A\$
Related party loan ⁽¹⁾	400,000	-
Trade creditors	550,861	277,089
Accrued expenses	47,087	67,500
	997,948	344,589

Notes:

- ⁽¹⁾ On 9 September 2021, the Company accepted an offer from Arredo Pty Ltd, a company associated with Mr Ian Middlemas, to provide a \$400,000 loan facility to the Company to provide working capital to facilitate the Company's shares being reinstated to trading on the ASX. The loan was unsecured, interest-free, and repayable at call. The loan was repaid in full on 20 July 2022.

8. OTHER FINANCIAL LIABILITIES

	2022	2021
	A\$	A\$
Parent company guarantee liabilities ⁽¹⁾ :		
Tribeca Term Loan Facility	-	53,205,640
Tribeca Royalty	-	11,971,268
Tribeca accrued interest	-	18,195,578
	-	83,372,486
Reconciliation		
Balance at 1 July	83,372,486	-
Recognised upon dissolution of controlled entities ⁽¹⁾	-	75,167,876
Accrued interest	6,656,067	4,183,084
Foreign exchange differences	3,068,209	4,021,526
Deed of Release consideration – Tribeca shares ⁽²⁾	(1,525,000)	-
Deed of Release consideration – Tribeca options ⁽²⁾	(686,548)	-
Deed of Release consideration – Tribeca deferred shares ⁽²⁾	(225,000)	-
Gain on extinguishment of parent company guarantee liabilities ⁽²⁾	(90,660,214)	-
	-	83,372,486

Notes:

- ⁽¹⁾ In February 2020, the Company's wholly owned subsidiary, Hartshorne, and its U.S. affiliates, filed voluntary Chapter 11 petitions in the United States Bankruptcy Court. In September 2020, Hartshorne filed a proposed plan of liquidation, disclosure statement, and proposed plan solicitation procedures motion for the expedited wind down of their estates. In February 2021, the Bankruptcy Court confirmed the plan of liquidation and, on 23 February 2021, the plan became effective and Hartshorne commenced the final stages of winding up the estates. On 23 February 2021, Hartshorne executed a liquidation trust agreement and transferred its remaining assets and liabilities to a liquidation trust, as well as assigning remaining critical contracts and insurance policies. Hartshorne funded the carve-out escrow with the majority of Hartshorne's cash-on-hand and transferred any remaining cash to the liquidation trust. The Hartshorne entities were dissolved on the effective date. At the time the Hartshorne entities were dissolved, Hartshorne had a US\$40.0 million term loan facility ("Term Loan Facility") payable to Tribeca (as agent) and a US\$9.0 million royalty payable to SP2 Royalty Co, LLC (an entity of which certain funds advised by Tribeca are members) ("Royalty"). The parent entity, GCX Metals Limited, guaranteed to Tribeca (as agent) the performance of its subsidiary, Hartshorne, in relation to the US\$40.0 million Term Loan Facility and related finance documents. The effect of the guarantee is that GCX Metals Limited has guaranteed to pay any outstanding amounts if Hartshorne does not meet their obligations under the terms of Term Loan Facility.
- ⁽²⁾ In April 2021, the Company entered into a deed of release ("Deed of Release") with the Group's secured lenders (the "Tribeca Parties") whereby the Group's secured lenders released the Company from all obligations and liabilities as parent company guarantor to the Group's US\$40.0 million term loan facility ("Term Loan Facility") and related finance documents, in return for the Tribeca Parties being issued 35.0 million shares and 20.0 million options (10.0 million exercisable at \$0.07 each and 10.0 million exercisable at \$0.09 each, expiring 5 years from date of issue) in the Company on a post Share Consolidation basis. The Deed of Release was completed on 16 June 2022, following the issue of 30.5 million shares and 20.0 million options to the Tribeca Parties, with the remaining 4.5 million deferred shares issued to the Tribeca Parties after the end of the financial year, on 20 July 2022.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022
(Continued)

9. CONTRIBUTED EQUITY

	Note	2022 A\$	2021 A\$
Issued capital			
164,248,729 fully paid ordinary shares (30 June 2021: 632,782,393)	9(a)	144,046,751	137,606,375
		144,046,751	137,606,375

(a) Movements in issued capital

Date	Details	No. of Shares	A\$
2022			
1 July 2021	Opening balance	632,782,393	137,606,375
28 April 2022	Share consolidation	(601,143,046)	-
19 May 2022	Issue of placement offer shares	40,000,000	2,000,000
27 May & 16 June 2022	Issue of Tribeca offer shares	30,500,000	1,525,000
16 June 2022	Issue of entitlement offer shares	54,609,382	2,730,469
16 June 2022	Issue of vendor offer shares	7,500,000	375,000
	Share issue costs	-	(190,093)
30 June 2022	Closing balance	164,248,729	144,046,751
2021			
1 July 2020	Opening balance	632,782,393	137,606,375
30 June 2021	Closing balance	632,782,393	137,606,375

(b) Rights Attaching to Shares

The rights attaching to fully paid ordinary shares ("Shares") arise from a combination of the Company's Constitution, statute and general law.

- (i) *Shares* – The issue of shares in the capital of the Company and options over unissued shares by the Company is under the control of the Directors, subject to the Corporations Act 2001, ASX Listing Rules and any rights attached to any special class of shares.
- (ii) *Meetings of Members* – Directors may call a meeting of members whenever they think fit. Members may call a meeting as provided by the Corporations Act 2001. The Constitution contains provisions prescribing the content requirements of notices of meetings of members and all members are entitled to a notice of meeting. A meeting may be held in two or more places linked together by audio-visual communication devices. A quorum for a meeting of members is two shareholders. The Company holds annual general meetings in accordance with the Corporations Act 2001 and the Listing Rules.
- (iii) *Voting* – Subject to any rights or restrictions at the time being attached to any shares or class of shares of the Company, each member of the Company is entitled to receive notice of, attend and vote at a general meeting. Resolutions of members will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. However, where a person present at a general meeting represents personally or by proxy, attorney or representative more than one member, on a show of hands the person is entitled to one vote only despite the number of members the person represents. On a poll, each eligible member has one vote for each fully paid share held and a fraction of a vote for each partly paid share determined by the amount paid up on that share.
- (iv) *Changes to the Constitution* – The Company's Constitution can only be amended by a special resolution passed by at least three quarters of the members present and voting at a general meeting of the Company. At least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.
- (v) *Listing Rules* – Provided the Company remains admitted to the Official List, then despite anything in its Constitution, no act may be done that is prohibited by the Listing Rules, and authority is given for acts required to be done by the Listing Rules. The Company's Constitution will be deemed to comply with the Listing Rules as amended from time to time.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022
(Continued)

10. RESERVES

	Note	2022 A\$	2021 A\$
Share-based payments reserve	10(b)	3,277,765	2,556,889
Foreign currency translation reserve		-	-
		3,277,765	2,556,889

(a) Nature and Purpose of Reserves

- (i) *Share-based payments reserve* – The share-based payments reserve is used to record the fair value of options and rights issued by the Group to officers, employees, consultants, lenders and advisors.
- (ii) *Foreign currency translation reserve* – Exchange differences arising on translation of foreign controlled entities are taken to the foreign currency translation reserve, as described in Note 1(s). The reserve is recognised in profit or loss when the net investment is disposed of.

(b) Movements in share-based payments reserve

Details	No. of Listed Options	No. of Unlisted Options	No. of Performance Rights	A\$
2022				
Opening balance	-	34,444,444	-	2,556,889
Share consolidation	-	(32,722,221)	-	-
Issue of placement offer listed options	13,333,364	-	-	-
Issue of Tribeca offer unlisted options	-	20,000,000	-	686,548
Issue of entitlement offer listed options	18,203,206	-	-	-
Issue of consultant offer options	500,000	500,000	-	-
Share-based payments expense	-	-	-	34,328
Closing balance	32,036,570	22,222,223	-	3,277,765
2021				
Opening balance	-	44,888,888	4,760,000	4,564,000
Forfeiture/lapse of employee performance rights	-	-	(4,760,000)	-
Forfeiture/lapse of lender unlisted options	-	(4,444,444)	-	(1,671,111)
Forfeiture/lapse of underwriter unlisted options	-	(6,000,000)	-	(336,000)
Closing balance	-	34,444,444	-	2,556,889

(c) Terms and Conditions of Listed Options

Listed share options ("Listed Options") are granted based upon the following terms and conditions:

- Each Listed Option entitles the holder to the right to subscribe for one Share upon the exercise of each Listed Option;
- The Listed Options are exercisable at A\$0.07 each on or before 16 June 2027;
- The Listed Options are exercisable at any time prior to the expiry date;
- Shares issued on exercise of the Listed Options rank equally with the then Shares of the Company;
- Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Listed Options;
- If there is any reconstruction of the issued share capital of the Company, the rights of the Listed Option holders may be varied to comply with the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction; and
- The Listed Options are quoted on ASX (ASX: GCXO).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

(Continued)

10. RESERVES (Continued)

(d) Terms and Conditions of Unlisted Options

Unlisted share options ("Unlisted Options") are granted based upon the following terms and conditions:

- Each Unlisted Option entitles the holder to the right to subscribe for one Share upon the exercise of each Unlisted Option;
- The Unlisted Options have the following exercise prices and expiry dates:
 - 10,000,000 Unlisted Options exercisable at \$0.07 each on or before 27 May 2027;
 - 10,000,000 Unlisted Options exercisable at \$0.09 each on or before 27 May 2027;
 - 500,000 Unlisted Options exercisable at \$0.09 each on or before 16 June 2027;
 - 222,223 Unlisted Options exercisable at \$6.80 each on or before 10 September 2022; and
 - 1,500,001 Unlisted Options exercisable at \$1.20 each on or before 21 February 2024.
- The Unlisted Options are exercisable at any time prior to the expiry date, subject to vesting conditions being satisfied (if applicable);
- Shares issued on exercise of the Unlisted Options rank equally with the then Shares of the Company;
- Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Unlisted Options;
- If there is any reconstruction of the issued share capital of the Company, the rights of the Unlisted Option holders may be varied to comply with the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction; and
- No application for quotation of the Unlisted Options will be made by the Company.

11. ACCUMULATED LOSSES

	2022 A\$	2021 A\$
Balance at 1 July	(223,814,106)	(242,665,770)
Net profit for the year	80,415,990	16,844,553
Adjustment to accumulated losses for expired options	-	2,007,111
Balance at 30 June	(143,398,116)	(223,814,106)

12. EARNINGS PER SHARE

The following reflects the income and share data used in the calculations of basic and diluted earnings per share:

	2022 A\$	2021 A\$
Net profit/(loss) attributable to members of the parent:		
Continuing operations	80,415,990	(8,376,832)
Discontinued operations	-	25,221,385
Net profit/(loss) attributable to members of the parent used in calculating basic and diluted earnings per share	80,415,990	16,844,553

	2022 No. of Shares	2021 No. of Shares
Weighted average number of Ordinary Shares used in calculating basic and diluted loss per share	41,061,650	31,639,120

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

(Continued)

12. EARNINGS PER SHARE (Continued)

(a) Non-Dilutive Securities

As at 30 June 2022, 54,258,793 options (32,036,570 listed options exercisable at A\$0.07 each, 10,000,000 unlisted options exercisable at A\$0.07 each, 10,500,000 unlisted options exercisable at A\$0.09 each, 1,500,000 unlisted options exercisable at A\$1.20 each, and 222,223 unlisted options exercisable at A\$6.80 each) which represent 54,258,793 potential ordinary shares, were considered non-dilutive as the exercise price of the options were greater than the average market price of the Company's ordinary shares during the year and as such have been excluded from the weighted average number of shares for the purposes of diluted earnings per share.

(b) Conversions, Calls, Subscriptions or Issues after 30 June 2022

Subsequent to 30 June 2022, the Company has issued: (a) 17,029,965 Shares pursuant to the entitlement shortfall offer; and (b) 4,500,000 deferred shares pursuant to the Tribeca offer. There have been no other conversions to, calls of, subscriptions for, or issues of Shares or potential Shares since the reporting date and before the completion of this financial report.

13. RELATED PARTIES

(a) Subsidiaries

Name	Country of Incorporation	% Equity Interest	
		2022	2021
Onslow Gold Pty Ltd	Australia	100	-
Hartshorne Coal Mining Pty Ltd	Australia	100	100
HCM Resources Pty Ltd	Australia	100	100

(b) Ultimate Parent

GCX Metals Limited is the ultimate parent of the Group.

(c) Key Management Personnel

The aggregate compensation made to Key Management Personnel of the Group is set out below:

	2022	2021
	A\$	A\$
Short-term employee benefits	-	812,470
Post-employment benefits	-	5,717
Termination benefits	-	-
Share-based payments	-	-
Total compensation	-	818,187

On 9 September 2021, the Company accepted an offer from Arredo Pty Ltd, a company associated with Mr Ian Middlemas, to provide a \$400,000 loan facility to the Company to provide working capital to facilitate the Company's shares being reinstated to trading on the ASX. The loan was unsecured, interest-free, and repayable at call. The loan was repaid in full after the end of the 2022 financial year, on 20 July 2022. No other loans were provided to or received from Key Management Personnel during the year ended 30 June 2022 (2021: Nil).

From 1 July 2022, Apollo Group Pty Ltd, a company of which Mr Mark Pearce is a director and beneficial shareholder, will be paid a monthly retainer of \$18,000 for the provision of a fully serviced office and administrative, accounting and company secretarial services. The agreement has no fixed term and is able to be terminated by either party with one (1) months' notice.

Further details relating to Key Management Personnel, including remuneration details and equity holdings, are included in the Remuneration Report.

(d) Transactions with Related Parties

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022
(Continued)

14. PARENT ENTITY DISCLOSURES

	2022 A\$	2021 A\$
(a) Financial Position		
Assets		
Current assets	4,576,827	59,577
Non-current assets	500,485	6,656
Total assets	5,077,312	66,233
Liabilities		
Current liabilities	(1,150,912)	83,717,075
Total liabilities	(1,150,912)	83,717,075
Equity		
Contributed equity	144,046,751	137,606,375
Reserves	3,277,765	2,556,889
Accumulated losses	(143,398,116)	(223,814,106)
Total equity	3,926,400	(83,650,842)
(b) Financial Performance		
Profit for the year	80,415,990	8,962,998
Other comprehensive income/(loss)	-	-
Total comprehensive income	80,415,990	8,962,998

15. ASSET ACQUISITION

On 16 June 2022, the Company completed its acquisition of an 80% interest in granted exploration license E08/3197 from an unrelated private company, Onslow Metals Group Pty Ltd, to increase its gold-copper footprint in the Pilbara region of Western Australia ("Acquisition"). The Company's Onslow Copper Gold Project now comprises three exploration licenses covering a total of 567km².

In line with relevant accounting standards, the Group has treated the acquisition of E08/3197 as an asset acquisition and a share-based payment transaction under AASB 2 *Share Based Payments*.

The total cost of the Acquisition was \$565,865 and comprised the following consideration:

- (a) \$175,000 cash;
- (b) 7,500,000 shares in the capital of the Company (on a post Share Consolidation basis); and
- (c) 7,500,000 deferred shares in the capital of the Company (on a post Share Consolidation basis) subject to and conditional upon delineation of a mineral resource in accordance with the JORC Code of at least 200,000 ounces of contained gold across E08/3197 at a resource grade no less than 1.5 grams per tonne gold, within 5 years from the date of completion of the Acquisition.

	A\$
Costs of the Acquisition	
Cash consideration	175,000
7,500,000 ordinary shares	375,000
7,500,000 deferred ordinary shares ⁽¹⁾	-
Transaction costs (including stamp duty)	15,865
Total costs of the Acquisition	565,865

Notes:

- ⁽¹⁾ The Group has allocated a value of nil to the 7,500,000 deferred consideration shares as at the current date, management is unable, based on currently available information, to say that it is probable that the relevant performance condition will be met in the required timeframe.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

(Continued)

16. SHARE-BASED PAYMENTS

(a) Recognised Share-based Payments

From time to time, the Group grants options and rights to officers, employees, consultants, and advisors as part of remuneration and incentive arrangements. The number of shares, options or rights granted, and the terms of the options or rights granted are determined by the Board. Shareholder approval is sought where required.

During the past two years, the following expenses arising from share-based payments have been recognised:

	2022 A\$	2021 A\$
Expense arising from equity-settled share-based payment transactions	34,328	-

(b) Summary of Options Granted as Share-based Payments

The following table illustrates the number and weighted average exercise prices ("WAEP") of options granted as share-based payments at the beginning and end of the financial year:

	2022 No. of Options	2022 WAEP A\$	2021 No. of Options	2021 WAEP A\$
Outstanding at beginning of year	34,444,444	\$0.10	49,648,888	\$0.16
Consolidation during the year	(32,722,221)	\$0.146	-	-
Granted during the year	21,000,000	\$0.074	-	-
Forfeited or lapsed during the year	-	-	(15,204,444)	\$0.31
Exercised/converted during the year	-	-	-	-
Outstanding at end of year	22,722,223	\$0.220	34,444,444	\$0.10

The following options were granted as share-based payments during the past two years:

Series	Security Type	Number	Grant Date	Expiry Date	Exercise Price \$	Grant Date Fair Value \$
2022						
Series 1	Options	10,000,000	27-May-22	27-May-27	A\$0.07	A\$0.0352
Series 2	Options	10,000,000	27-May-22	27-May-27	A\$0.09	A\$0.0334
Series 3	Options	500,000	16-June-22	16-June-27	A\$0.07	A\$0.0352
Series 4	Options	500,000	16-June-22	16-June-27	A\$0.09	A\$0.0334

(b) Weighted Average Remaining Contractual Life

At 30 June 2022, the weighted average remaining contractual life of options on issue that had been granted as share-based payments was 4.93 years (2021: 2.5 years).

(c) Range of Exercise Prices

At 30 June 2022, the range of exercise prices of options on issue that had been granted as share-based payments was A\$0.07 to A\$6.80 (2021: A\$0.06 to A\$0.34).

(d) Weighted Average Fair Value

The weighted average fair value of options granted as share-based payments by the Group during the year ended 30 June 2022 was A\$0.144 (2021: nil).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

(Continued)

16. SHARE-BASED PAYMENTS (Continued)

(e) Option Pricing Model

The fair value of employee options and lender options granted is estimated as at the date of grant using the Black-Scholes option valuation model taking into account the terms and conditions upon which the options were granted.

The table below lists the inputs to the valuation model used for share options granted by the Group during the last two years:

Inputs	Series 1	Series 2	Series 3	Series 4
Exercise price	A\$0.07	A\$0.09	A\$0.07	A\$0.09
Grant date share price	A\$0.05	A\$0.05	A\$0.05	A\$0.05
Dividend yield ¹	-	-	-	-
Volatility ²	100%	100%	100%	100%
Risk-free interest rate	2.025%	2.025%	2.025%	2.025%
Grant date	27-May-22	27-May-22	16-June-22	16-June-22
Expiry date	27-May-27	27-May-27	16-June-27	16-June-27
Expected life (years) ³	5.0	5.0	5.0	5.0
Fair value at grant date	A\$0.0352	A\$0.0334	A\$0.0352	A\$0.0334

Notes:

¹ The dividend yield reflects the assumption that the current dividend payout will remain unchanged.

² The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

³ The expected life of the options is based on the expiry date of the options.

17. AUDITORS' REMUNERATION

The auditor of GCX Metals Limited is William Buck.

	2022 A\$	2021 A\$
Amounts received or due and receivable by the auditor, William Buck, for:		
Australian audit or review of the financial report of the entity and any other entity in the Group	28,000	19,507
Other assurance and agreed upon procedures	6,600	-
Amounts received or due and receivable by the previous auditor, Deloitte, for:		
Australian audit or review of the financial report of the entity and any other entity in the Group	-	38,500
	34,600	58,007

18. SEGMENT INFORMATION

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

(Continued)

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Overview

The Group's principal financial instruments comprise receivables, payables, and cash and cash equivalents. The main risks arising from the Group's financial instruments are credit risk, liquidity risk, interest rate risk, commodity price risk and foreign currency risk.

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Other than as disclosed, there have been no significant changes since the previous financial year to the exposure or management of these risks.

The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. Key risks are monitored and reviewed as circumstances change and policies are revised as required. The overall objective of the Group's financial risk management policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

Given the nature and size of the business and uncertainty as to the timing and amount of cash inflows and outflows, the Group does not enter into derivative transactions to mitigate the financial risks. In addition, the Group's policy is that no trading in financial instruments shall be undertaken for the purposes of making speculative gains. As the Group's operations change, the Directors will review this policy periodically going forward.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing the Group's financial risks as summarised below.

(b) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from cash and cash equivalents, security deposits and trade and other receivables.

There are no significant concentrations of credit risk within the Group. The carrying amount of the Group's financial assets represents the maximum credit risk exposure, as represented below:

	2022 A\$	2021 A\$
Cash and cash equivalents	4,535,363	47,368
Trade and other receivables	41,464	12,209
	4,576,827	59,577

With respect to credit risk arising from cash and cash equivalents, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Where possible, the Group invests its cash and cash equivalents with banks that are rated the equivalent of investment grade and above. The Group's exposure and the credit ratings of its counterparties are monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

(c) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Board's approach to managing liquidity is to ensure, as far as possible, that the Group will always have sufficient liquidity to meet its liabilities when due.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

(Continued)

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Interest Rate Risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's cash and short-term deposits with a floating interest rate. These financial assets with variable rates expose the Group to cash flow interest rate risk. All other financial assets and liabilities, in the form of receivables, payables, and fixed interest borrowings are either non-interest bearing or have a fixed interest rate.

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments with variable rates was:

	2022 A\$	2021 A\$
Financial assets		
Cash and cash equivalents	4,535,363	47,368
Financial liabilities		
Interest-bearing guarantee liabilities (floating rate)	-	(83,372,486)
Net exposure	4,535,363	(83,325,118)

The Group currently does not engage in any hedging or derivative transactions to manage interest rate risk.

Interest rate sensitivity

A sensitivity of 1% (100 basis points) has been selected as this is considered reasonable given the current level of both short term and long-term interest rates. A 1% (100 basis points) movement in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2021.

	Profit or loss	
	+ 100 basis points A\$	- 100 basis points A\$
2022		
Financial assets		
Cash and cash equivalents	45,354	(45,354)
	45,354	(45,354)
2021		
Financial assets		
Cash and cash equivalents	473	(473)
Financial liabilities		
Interest-bearing loans and borrowings (floating rate)	(833,725)	833,725
	(833,252)	833,252

(e) Fair Value

At 30 June 2022 and 2021 the Group has no material financial assets and liabilities that are measured at fair value on a recurring basis.

All financial assets and financial liabilities of the Group at the reporting date are recorded at amounts approximating their carrying amount. No financial instruments are subsequently carried at fair value.

(f) Capital Management

The Group defines its capital as total equity of the Group, being A\$3,926,400 as at 30 June 2022 (negative equity in 2021: A\$83,650,842). The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while financing the development of its projects through primarily debt and equity-based funding.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

(Continued)

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(g) Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows will fluctuate because of changes in foreign currency exchange rates.

At 30 June 2022, the majority of the Group's liabilities were denominated in A\$. At the reporting date, the Group's exposure to financial instruments denominated in US\$ was as follows:

	2022 US\$ exposure A\$	2021 US\$ exposure A\$
Exposure to US\$		
Financial liabilities		
Trade and other payables	(149,956)	-
Other financial liabilities	-	(83,372,486)
Net exposure	(149,956)	(83,372,486)

Foreign exchange rate sensitivity

At the reporting date, had the US\$ appreciated or depreciated against the A\$, as illustrated in the table below, profit and loss and equity would have been affected by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss	
	10% Increase A\$	10% Decrease A\$
2022		
Group	(14,996)	14,996
2021		
Group	(8,337,249)	8,337,249

20. CONTINGENT ASSETS AND LIABILITIES

As at 30 June 2022, the Group did not have any contingent assets or liabilities.

21. COMMITMENTS

As at 30 June 2022, the Group did not have any commitments other than disclosed below (2021: nil).

Exploration Expenditure – Australia

The Group has certain obligations with respect to tenements and minimum expenditure requirements in Australia relating to the Onslow Copper Gold Project.

	2022 A\$	2021 A\$
Commitments for exploration expenditure:		
Not longer than 1 year	95,000	-
Longer than 1 year and shorter than 5 years	212,917	-
	307,917	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

(Continued)

22. DISCONTINUED OPERATIONS

30 June 2021

During the 2020 financial year, the Company's wholly owned subsidiary, Hartshorne, and its U.S. affiliates, filed voluntary Chapter 11 petitions in the United States Bankruptcy Court, from which time Hartshorne has been classified as a discontinued operation and held-for-sale. During the 2021 financial year, Hartshorne filed a proposed plan of liquidation, disclosure statement, and proposed plan solicitation procedures motion for the expedited wind down of their estates. In February 2021, the Bankruptcy Court confirmed the plan of liquidation, and, on 23 February 2021, the plan became effective. On the effective date, Hartshorne executed a liquidation trust agreement and transferred its remaining assets and liabilities to a liquidation trust, as well as assigning remaining critical contracts and insurance policies. Hartshorne funded the carve-out escrow with the majority of Hartshorne's cash-on-hand and transferred any remaining cash to the liquidation trust. The Hartshorne entities were dissolved on the effective date.

(a) Results of discontinued operations

The results of Hartshorne for the prior financial year are presented below.

	2021 A\$
Discontinued operations	
Cost of sales, net of coal sales	(3,231,983)
Corporate and administrative expenses	(7,206,891)
Employment expenses	(1,052,251)
Business development expenses	(1,519)
Finance income	5,275
Finance expenses	(6,735,253)
Gain/(loss) on disposal of assets held for sale	6,039,870
Gain on deconsolidation of controlled entities	36,303,043
Other income	1,101,094
Profit/(loss) before tax from discontinued operations	25,221,385
Income tax expense	-
Profit/(loss) for the year from discontinued operations	25,221,385
Profit/(loss) for the year from discontinued operations attributable to members of GCX Metals Limited	25,221,385

(b) Cash flows from discontinued operations

	2021 A\$
Net cash used in operating activities	(3,723,753)
Net cash provided by/(used in) investing activities	6,844,512
Net cash (used in)/provided by financing activities	(3,120,759)
Net cash flows for the year from discontinued operations	-

(c) Gain on dissolution of controlled entities

	23 February 2021 A\$
Liabilities cancelled upon dissolution of controlled entities	92,697,066
Parent guarantee liabilities recognised upon dissolution of controlled entities	(79,747,601)
Foreign currency reserve transferred to profit or loss upon dissolution of controlled entities	23,353,578
Gain on deconsolidation of controlled entities	36,303,043

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

(Continued)

23. EVENTS SUBSEQUENT TO BALANCE DATE

- (i) On 20 July 2022, the Company issued the remaining shortfall from the Entitlement Offer of 17,029,965 Shares or A\$0.85 million. The deferred Deed of Release Tribeca shares were issued with the remaining shortfall; and
- (ii) On 20 July 2022, the Company repaid in full the \$400,000 loan facility provided by Arredo Pty Ltd, a company associated with Mr Ian Middlemas.

Other than the above, at the date of this report, there are no matters or circumstances, which have arisen since 30 June 2022 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2022, of the Group;
- the results of those operations, in financial years subsequent to 30 June 2022, of the Group; or
- the state of affairs, in financial years subsequent to 30 June 2022, of the Group.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of GCX Metals Limited:

1. In the opinion of the Directors:
 - (a) the attached financial statements, notes and the additional disclosures included in the Directors' report designated as audited, are in accordance with the Corporations Act 2001, including:
 - (i) section 296 (compliance with accounting standards and Corporations Regulations 2001); and
 - (ii) section 297 (gives a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the consolidated group); and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 1(a) to the financial statements.
3. The Directors have been given a declaration required by section 295A of the Corporations Act 2001 for the financial year ended 30 June 2022.

Signed in accordance with a resolution of the Directors.



IAN MIDDLEMAS
Chairman

16 September 2022

GCX Metals Limited

Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

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

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

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the 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.

Key Audit Matter

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 year. The key audit 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.

NET GAIN ON THE EXTINGUISHMENT OF THE FINANCIAL LIABILITY WITH TRIBECA	
Area of focus Refer also to notes 1(t), 8, 10, 16 and 23.	How our audit addressed it
In April 2021 the Company entered into a Deed of Release with the Group's secured lenders (the "Tribeca Parties") whereby Tribeca will release the Company from all obligations and liabilities to the Group's US\$40m term loan facility and related finance documents, in return for the Tribeca Parties being issued 35 million shares and 20 million options in the Company. On the 16 June 2022, the Company successfully completed its Deed of Release with the Tribeca Parties following the issue of 30.5 million shares and 20 million options to the Tribeca Parties, with the remaining 4.5 million deferred shares issued to the Tribeca Parties on the 20 July 2022. The 20 million options were valued at \$686,548 for the year ended 30 June 2022. The net profit of the Group for the year ended 30 June 2022 was A\$80,415,990 (2021: A\$16,844,553). The major item contributing to this result was the net gain on the extinguishment of the financial liability amounting to A\$90,660,214 (2021: Nil) recognised in respect of the completion of the Deed of Release. Furthermore, significant auditor attention was required regarding the presentation and disclosures required per the Australian Accounting Standards in relation to the above events.	Our procedures included but were not limited to the following: - Reviewed the signed agreements and deeds in relation to the Tribeca's Deed of Release and the term loan facilities. - Performed recalculation of net profit of Tribeca's term loan facilities balance and interest expense recognised for the year. - Reviewed the ASX announcements and Meeting Minutes. - Evaluating the grant dates based on the terms and conditions of the option arrangements. - Evaluating the fair values of the options by reviewing the application of the Black Scholes model and documenting the assumptions used in the model. - Recalculating the fair values of the options using volatility applied in the Black Scholes model to be appropriately reasonable and within industry norms. - Examined the appropriateness of the presentation and disclosures made in the financial report for the year ended 30 June 2022.

CARRYING VALUE OF EXPLORATION COST	
Area of focus Refer also to notes 1(g), 6 and 15.	How our audit addressed it
The Company has capitalised the acquisition costs of tenements comprising the Onslow Copper Gold Project located in the Pilbara region of Western Australia. The carrying value of these costs represents a significant asset of the Company. This is a key audit matter due to the fact that significant judgement is applied in determining whether the capitalised exploration costs continue to meet the recognition criteria of AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>.	Our procedures focussed on evaluating management's assessment of whether the exploration assets meet the recognition criteria of AASB 6, including: — Obtaining evidence that the Company has valid rights to explore the areas represented by the capitalised exploration costs. — Enquiring of management and reviewing the cashflow forecast to verify that substantive expenditure on further exploration for and evaluation of the mineral resources in the Company's areas of interest was planned. — Enquiring with management, reviewing ASX announcements made and reviewing minutes of director meetings to verify that the Company had not decided to discontinue activities in any of its areas of interest.

Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

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

This description forms part of our independent auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 9 to 13 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of GCX Metals Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Group 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.



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



Conley Manifis
Director

Dated this 16th day of September 2022

CORPORATE GOVERNANCE

GCX Metals Limited (“**Company**” or “**GCX**”) and the entities it controls believe corporate governance is important for the Company in conducting its business activities.

The Board of GCX has adopted a suite of charters and key corporate governance documents which articulate the policies and procedures followed by the Company. These documents are available in the Corporate Governance section of the Company’s website, www.gcxmetals.com.au. These documents are reviewed at least annually to address any changes in governance practices and the law.

The Company’s Corporate Governance Statement 2022, which explains how GCX complies with the ASX Corporate Governance Council’s ‘Corporate Governance Principles and Recommendations – 4th Edition’ in relation to the period ended 30 June 2022, is available in the Corporate Governance section of the Company’s website, www.gcxmetals.com.au, and will be lodged with ASX together with an Appendix 4G at the same time that this Annual Report is lodged with ASX.

In addition to the ASX Corporate Governance Council’s ‘Corporate Governance Principles and Recommendations – 4th Edition’ the Board has taken into account a number of important factors in determining its corporate governance policies and procedures, including the:

- relatively simple operations of the Company, which currently only undertakes exploration and development activities;
- cost verses benefit of additional corporate governance requirements or processes;
- size of the Board;
- Board’s experience in the relevant sector;
- organisational reporting structure and limited number of reporting functions, divisions and employees;
- relatively simple financial affairs with limited complexity and quantum;
- relatively small market capitalisation and economic value of the entity; and
- direct shareholder feedback.

ASX ADDITIONAL INFORMATION

1. TWENTY LARGEST HOLDERS OF LISTED SECURITIES

The names of the twenty largest holders of listed securities as at 31 August 2022 are listed below:

Ordinary Shares

Name	Number of Ordinary Shares	Percentage of Ordinary Shares
J P Morgan Nominees Australia Pty Limited	14,064,630	7.57%
J P Morgan Nominees Australia Pty Limited	12,210,000	6.57%
UBS Nominees Pty Ltd	10,521,598	5.66%
Citicorp Nominees Pty Limited	8,766,055	4.72%
Bouchi Pty Ltd	6,757,268	3.64%
HSBC Custody Nominees <Australia> Limited	6,382,408	3.44%
Onslow Metals Group Pty Ltd	6,000,000	3.23%
National Nominees Limited	5,013,160	2.70%
Bond Street Custodians Limited <Trylan - D83486 A/C>	5,000,000	2.69%
Randolph Investment Pty Ltd <Randolph Duke Invest A/C>	5,000,000	2.69%
Argonaut Partners Pty Limited	3,975,000	2.14%
Mr Richard Alexander Andrew De Franck <Ludbrook Super Fund A/C>	3,500,000	1.88%
AWJ Family Pty Ltd <A W Johnson Family A/C>	2,326,388	1.25%
Verve Investments Pty Ltd	2,150,000	1.16%
Westblock Services Pty Ltd <Westblock Investment A/C>	2,120,002	1.14%
Valorem Capital Pty Ltd	2,100,000	1.13%
DRFT Management Pty Ltd <D Roberts Invest No2 A/C>	2,083,736	1.12%
Mr Nico Oliver Civelli	2,000,000	1.08%
Jet Capital Pty Ltd <The Oscrow Family A/C>	2,000,000	1.08%
Massif Holdings Pty Ltd	2,000,000	1.08%
Total Top 20	103,970,245	55.96%
Others	81,808,449	44.04%
Total Ordinary Shares on Issue	185,778,694	100.00%

ASX ADDITIONAL INFORMATION (Continued)

1. TWENTY LARGEST HOLDERS OF LISTED SECURITIES (Continued)

Listed Options

Name	Number of Listed Options	Percentage of Listed Options
Bouchi Pty Ltd	2,252,424	7.03%
Citicorp Nominees Pty Limited	1,819,559	5.68%
Gurravembi Pty Ltd <The Gurravembi Super/F A/C>	1,666,668	5.20%
Randolph Investment Pty Ltd <Randolph Duke Invest A/C>	1,666,668	5.20%
National Nominees Limited	1,650,747	5.15%
Mr Peter Woodman & Ms Denise Elizabeth Pringle	837,334	2.61%
Verve Investments Pty Ltd	702,668	2.19%
Jet Capital Pty Ltd <The Oscrow Family A/C>	666,668	2.08%
Mr Nico Oliver Civelli	666,667	2.08%
Mr John Paul Welborn	661,523	2.06%
AWJ Family Pty Ltd <A W Johnson Family A/C>	654,399	2.04%
Westblock Services Pty Ltd <Westblock Investment A/C>	620,001	1.94%
J & J Bandy Nominees Pty Ltd <J & J Bandy Super Fund A/C>	600,000	1.87%
Jalaver Pty Ltd <Falcon Pension A/C>	600,000	1.87%
Wimalex Pty Ltd <Trio S/F A/C>	600,000	1.87%
Argonaut Partners Pty Limited	533,334	1.66%
Mr Richard Alexander Andrew De Franck <Ludbrook Super Fund A/C>	500,000	1.56%
Abbotshall Avenue Pty Ltd <Abbotshall Avenue Fam A/C>	473,523	1.48%
Valorem Capital Pty Ltd	466,668	1.46%
Massif Holdings Pty Ltd	413,334	1.29%
Total Top 20	18,052,185	56.35%
Others	13,984,385	43.65%
Total Ordinary Shares on Issue	32,036,570	100.00%

2. DISTRIBUTION OF EQUITY SECURITIES

An analysis of numbers of holders of listed securities by size of holding as at 31 August 2022 is listed below:

Distribution	Ordinary Shares		Listed Options	
	Number of holders	Number of Ordinary Shares	Number of holders	Number of Listed Options
1 - 1,000	362	169,130	81	27,099
1,001 - 5,000	271	669,543	38	93,650
5,001 - 10,000	84	630,672	14	90,462
10,001 - 100,000	173	5,858,564	73	3,545,624
100,001 Over	161	178,450,785	82	33,956,405
Totals	1,051	185,778,694	288	37,713,240

There were 748 holders of less than a marketable parcel of Ordinary Shares.

3. VOTING RIGHTS

See Note 9(b) of the Notes to the Financial Statements.

ASX ADDITIONAL INFORMATION (Continued)

4. SUBSTANTIAL SHAREHOLDERS

Substantial shareholder notices have been received from the following at 31 August 2022:

Substantial Holder	Number of Ordinary Shares
Tribeca Investment Partners Pty Ltd	17,492,732

5. UNQUOTED SECURITIES

The names of the security holders holding 20% or more of an unlisted class of security at 31 August 2022 are listed below:

Holder	\$1.20 Unlisted Options expiring 31-Dec-23	\$6.80 Unlisted Options expiring 10-Sep-22	\$0.07 Unlisted Options expiring 27-May-27	\$0.09 Unlisted Options expiring 27-May-27	\$0.09 Unlisted Options expiring 16-Jun-27
J P Morgan Nominees Australia Pty Limited	1,075,500	-	7,400,000	7,400,000	-
UBS Nominees Pty Ltd	424,501	-	2,600,000	2,600,000	-
Macquarie Bank Limited	-	222,223	-	-	-
Peter Woodman & Denise Elizabeth Pringle	-	-	-	-	500,000
Total	1,500,001	222,223	10,000,000	10,000,000	500,000
<i>Total holders</i>	<i>2</i>	<i>1</i>	<i>2</i>	<i>2</i>	<i>1</i>

6. ON-MARKET BUY BACK

There is currently no on-market buyback program for any of GCX Metals Limited's listed securities.

7. MINERAL RESOURCES STATEMENT

At 31 August 2022, the Company had no reported Mineral Resources or Ore Reserves for its exploration projects.

8. INTERESTS IN MINING PROPERTIES

At 31 August 2022, the Company had an interest in the following exploration mining tenements:

Project Name	Permit Number	Percentage Interest	Status
Onslow Copper Gold Project, Western Australia	E08/3311	100%	Granted
	E08/3462	100%	Pending
	E08/3197	80%	Granted

9. FORWARD LOOKING STATEMENTS

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

10. COMPETENT PERSONS STATEMENT

The information in this report that relates to exploration results for the Onslow copper gold project is based on, and fairly represents, information compiled by Mr Peter Woodman, a Competent Person who is a member Australian Institute of Mining and Metallurgy. Mr Woodman is a consultant to GCX Metals Limited. Mr Woodman has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Woodman consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.





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