



ACN 156 269 993

Interim Report

For the Half Year Ended 31 December 2022

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CORPORATE DIRECTORY

Directors	Simon Bird Richard Carlton Robert Rutherford
Company Secretary	Catriona Glover
Registered office	Level 15 323 Castlereagh Street Sydney NSW 2000 Ph: +61 2 9281 1805
Principal Place of Business	15 Griffith St Cloncurry QLD 4824
Share Register	Automic Pty Ltd Level 5 191 St Georges Terrace Perth WA 6000 Ph: +61 2 9698 5414 Fax: +61 2 8583 3040
Auditor	BDO Audit (WA) Pty Ltd Level 9 Mia Yellagonga Tower 2 5 Spring Street Perth WA 6000
Solicitors	Steinepreis Paganin Level 4 The Reid Buildings 16 Milligan Street Perth WA 6000
Bankers	Westpac Banking Corporation 671 George Street Sydney NSW 2000
Securities Exchange Listing	Maronan Metals Limited shares are listed on the Australian Securities Exchange (ASX code: MMA)
Website address	www.maronanmetals.com.au

DIRECTORS' REPORT

For the half year ended 31 December 2022

The directors of Maronan Metals Limited (the "Company") submit herewith the financial report for the half-year ended 31 December 2022. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

DIRECTORS

The names of the directors of the Company during or since the end of the half-year are as follows. Directors were in office for the entire period unless otherwise stated.

Simon Bird	appointed 23 March 2021
Richard Carlton	appointed 23 March 2021
Robert Rutherford	appointed 14 March 2012

COMPANY SECRETARY

Catriona Glover	appointed 7 December 2022
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PRINCIPAL ACTIVITIES

The principal activity of the Company during the half year ended 31 December 2022 was the exploration, evaluation and development of lead-silver, copper-gold and other mineral deposits with a view to becoming a miner in the short to medium term. No change in the principal activity occurred during this period.

RESULTS AND REVIEW OF OPERATIONS

The result of the Company for the half-year ended 31 December 2022 was a loss after tax of \$4,539,309 (31 December 2021: loss \$351,390).

During the period the Company commenced its maiden drill program, targeting extensions to high-grade copper-gold and lead-silver intervals. Assays from the first hole were delivered on 19 October 2022. In the five months since drilling began, Maronan Metals have drilled 5,461.9 metres and relogged a further 8,390.7 metres of historic core. Maronan Metals' team has succeeded in identifying a significant bulk copper-gold play, and the possibility of a bulk lead-silver mining opportunity at the Northern Fold structure. There is increased confidence in the potential for high-grade lead-silver horizons nearer to surface at Target 1 and the Company recently completed the first deep test on the lead-silver. Early drill results continue to support the integrity of the current geological model and highlight the remarkable down plunge continuity of the lead-silver and copper zones. For more detailed results, refer to the Company's website and the list of ASX Announcements.

EVENTS SUBSEQUENT TO REPORTING DATE

The Directors are not aware of any matter or circumstance not otherwise dealt with in this Report or in the financial statements that has significantly or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors.



Simon Bird
Chairman
Sydney, 15 February 2023

DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF MARONAN METALS LIMITED

As lead auditor for the review of Maronan Metals Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

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



Ashleigh Woodley
Director

BDO Audit (WA) Pty Ltd
Perth
15 February 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended 31 December 2022

	Note	Half year ended 31 December 2022	Half year ended 31 December 2021
		\$	\$
Revenue from ordinary activities			
Interest income		41,315	-
Expenses			
Corporate and administrative expense		537,808	33,600
Exploration expenditure expensed		2,975,552	25,142
Share based payments	12, 16	1,067,264	-
Finance costs		-	292,648
Total expenses		(4,580,624)	(351,390)
Loss before income tax		(4,539,309)	(351,390)
Income tax expense		-	-
Loss from continuing operations after income tax		(4,539,309)	(351,390)
Other comprehensive income for the half year		-	-
Total comprehensive income for the half year		(4,539,309)	(351,390)
Earnings per share			
Basic - cents per share	15	(3.03)	(35,139)
Diluted - cents per share	15	(3.03)	(35,139)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Note	31 Dec 2022	30 Jun 2022
		\$	\$
Current assets			
Cash and cash equivalents	3	9,878,810	13,037,399
Trade and other receivables	4	381,960	116,307
Prepayments		13,202	55,828
Total current assets		10,273,972	13,209,534
Non-current assets			
Tenement acquisition cost	5	5,691,713	5,691,713
Right of use assets	6	74,180	101,260
Plant and equipment	7	92,309	137,896
Deposits	8	27,700	26,500
Total non-current assets		5,885,902	5,957,369
Total assets		16,159,874	19,166,903
Current liabilities			
Trade and other payables	9	678,356	200,257
Lease liability	6	53,649	53,649
Borrowings	10	-	20,217
Provisions		45,589	11,376
Total current liabilities		777,594	285,498
Non-current liabilities			
Lease Liability	8	20,531	47,611
Total non-current liabilities		20,531	47,611
Total liabilities		798,125	333,109
Net assets		15,361,749	18,833,794
Equity			
Contributed equity	11	21,021,384	21,021,384
Reserves	12	1,972,722	905,458
Accumulated losses	13	(7,632,357)	(3,093,048)
Total equity		15,361,749	18,833,794

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

STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 December 2022

	Note	Issued capital	Reserves	Acc. losses	Total
		\$	\$	\$	\$
2022					
Balance at 1 July 2022		21,021,384	905,458	(3,093,048)	18,833,794
Total comprehensive income for the half year		-	-	(4,539,309)	(4,539,309)
Total		21,021,384	905,458	(7,632,357)	14,294,485
<u>Transactions with owners in their capacity as owners</u>					
Movement in Share Based Payments Reserve	12	-	1,067,264	-	1,067,264
Balance at 31 December 2022		21,021,384	1,972,722	(7,632,357)	15,361,749
2021					
Balance at 1 July 2021	10	-	-	(1,532,733)	(1,532,723)
Total comprehensive income for the half year		-	-	(351,390)	(351,390)
Total	10	-	-	(1,884,123)	(1,884,113)
<u>Transactions with owners in their capacity as owners</u>					
Movement in reserves		-	-	-	-
Balance at 31 December 2021	10	-	-	(1,884,123)	(1,884,113)

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

STATEMENT OF CASH FLOWS

For the half year ended 31 December 2022

		Half year ended 31 December 2022	Half year ended 31 December 2021
	Note	\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(343,425)	-
Payments for exploration		(2,826,624)	-
Proceeds from interest received		41,315	-
Net cash used in operating activities	14	(3,128,734)	-
Cash flows from investing activities			
Payment for deposits	8	(1,200)	-
Payment for plant and equipment		(28,656)	-
Net cash used in investing activities		(29,856)	-
Cash flows from financing activities			
Net cash provided by financing activities		-	-
Net increase in cash held		(3,158,589)	-
Cash at beginning of the year		13,037,399	10
Cash at the end of the year	14	9,878,810	10

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

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2022

1. Reporting Entity

The financial report is for the entity Maronan Metals Limited (referred herein also as the “Company” or “Maronan”) as an individual entity. Maronan Metals Limited is a company limited by shares incorporated and domiciled in Australia with its registered address at Level 15, 323 Castlereagh Street Sydney Australia. Maronan Metals Limited is listed on the ASX.

The principal activity of the Company during the half year was the exploration for and evaluation of its silver-lead and copper-gold mineral deposits.

2. Basis of Preparation

This interim financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The interim financial report does not include all of the information required for a full annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report. It is recommended that this interim financial report be read in conjunction with the annual financial report for the year ended 30 June 2022.

This interim financial report was approved by the Board of Directors on 15 February 2023. The Directors have the authority to amend and reissue the interim financial report.

Statement of significant accounting policies

The accounting policies applied by the Company in this interim financial report are the same as those applied by the Company in its financial report as at and for the year ended 30 June 2022.

For the period ended 31 December 2022, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current reporting period. There is no material impact of the new and revised Standards and Interpretations on the Company.

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the period ended 31 December 2022. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Company and, therefore, no change is necessary to Company accounting policies.

New or amended Accounting Standards and Interpretations adopted

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

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

Going concern

As disclosed in the financial statements, the Company incurred a loss of \$4,539,309 for the half-year ended 31 December 2022 (31 December 2021: \$351,390). As at that date, the Company had net current assets of \$9,496,378 (30 June 2022 \$12,924,036).

Based on the above, the Directors are satisfied that the Company will be able to meet its liabilities as and when they fall due in the interim and as a consequence of this belief, the Directors believe that the Company remains a going concern at the date of this Report.

3. Cash and Cash Equivalents

Cash at bank

9,878,800

-

Cash on hand

10

10

Total cash and cash equivalents

9,878,810

10

4. Trade and Other Receivables

GST recoverable

381,960

116,307

Total trade and other receivables

381,960

116,307

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2022

	31 Dec 2022	30 Jun 2022
	\$	\$

5. Tenement Acquisition Cost

Total tenement acquisition - EPM 13368	5,691,713	5,691,713
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The ultimate recoupment of costs carried forward for tenement acquisition cost is dependent on the successful development and commercial exploitation or sale of respective areas. The Company reviews annually the carrying value of the tenement acquisition cost, and will carry this as an asset if it considers the area of interest to be prospective. Should the particular area of interest no longer be considered prospective, then the Company will make a provision in the accounts for the carrying value of the project.

6. Right of Use Assets

Leased Premises

At cost

Balance at the beginning of the year	101,260	-
Additions	-	101,260
Balance at the end of the half year	101,260	101,260

Accumulated depreciation

Balance at the beginning of the year	-	-
Charge for the year	27,080	-
Balance at the end of the half year	27,080	-

Total right of use asset	74,180	101,260
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Future Lease Payments

The Company has a lease over its premises in Cloncurry. The lease is for a two-year period. The contractual cash flows of the Group's lease liabilities at the reporting date are shown in the table below. The contractual amounts represent the future undiscounted amounts payable.

Within one year	53,649	57,200
Later than one year but less than five years	20,531	57,200
	74,180	114,400

7. Plant and Equipment

Exploration equipment

At cost

Balance at the beginning of the year	137,896	-
Additions	20,131	137,896
Disposals	(54,141)	
Balance at the end of the half year	103,886	137,896

Accumulated depreciation

Balance at the beginning of the year	-	-
Charge for the year	(19,005)	-
Balance at the end of the half year	(19,005)	-

Total exploration equipment	84,881	137,896
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NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2022

	31 Dec 2022	30 Jun 2022		
	\$	\$		
Computer equipment				
<u>At cost</u>				
Balance at the beginning of the year	2,921	-		
Additions	8,524	2,921		
Disposals	-	-		
Balance at the end of the half year	11,445	2,921		
<u>Accumulated depreciation</u>				
Balance at the beginning of the year	(2,921)	-		
Charge for the year	(1,096)	(2,921)		
Balance at the end of the half year	(4,017)	(2,921)		
Total Computer equipment	7,429	-		
8. Deposits				
Environmental deposit - EPM 13368	10,000	10,000		
Security deposit	17,700	16,500		
Total deposits	27,700	26,500		
9. Trade Payables				
Trade creditors	48,189	104,458		
Accruals	630,167	95,799		
Total trade payables	678,356	200,257		
10. Borrowings				
Current				
Expenses paid on behalf of the Company by Red Metal Limited	-	20,217		
Total current borrowings	-	20,217		
Non-current				
Loan from related party	-	-		
Total non-current borrowings	-	-		
11. Contributed Equity				
	31 Dec 2022	30 Jun 2022	31 Dec 2022	30 Jun 2022
	Shares	Shares	\$	\$
Ordinary shares fully paid	150,000,000	150,000,000	21,021,384	21,021,384

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2022

	31 Dec 2022	30 Jun 2022
	\$	\$
12. Reserves		
Share Based Payment Reserve		
Balance at the beginning of the year	905,458	-
<u>Share based payments made during the period</u>		
Options vested in the period	1,067,264	905,458
Balance at the end of the half year	1,972,722	905,458

Shares issued to corporate advisors form part of share issue costs as they relate to the IPO process, and are not included in the Statement of Profit or Loss and Other Comprehensive Income.

	31 Dec 2022	31 Dec 2021
	\$	\$
13. Accumulated Losses		
Balance at the beginning of the year	(3,093,048)	(1,532,733)
Total comprehensive loss for the year	(4,539,309)	(1,560,315)
Balance at the end of the half year	(7,632,357)	(3,093,048)

14. Cash Flow Information

Reconciliation of cash

Cash at the end of the year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position.

Cash at bank	9,878,810	10
Reconciliation of cash flow from operations with loss from ordinary activities after income tax		
Loss from ordinary activities after income tax	(4,539,309)	(351,390)
<u>Non-cash items</u>		
Depreciation	74,242	-
Share-based payments	1,067,264	-
Expenses paid by Red Metal Limited	-	20,217
<u>Add: movements in working capital</u>		
(Increase) / decrease in prepayments	39,323	-
(Increase) / decrease in trade and other receivables	(262,350)	(10,000)
Increase / (decrease) in trade and other payables	492,096	12,000
Cash flow from operations	(3,128,734)	(329,173)

15. Earnings Per Share

Ordinary share number 2022

	No	No Weighted Av.
Balance at 1 July 2022	150,000,000	150,000,000
Balance at 31 December 2022	150,000,000	150,000,000
Ordinary share number 2021		
Balance at 1 July 2021	10	10
Balance at 31 December 2021	10	10

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2022

	31 Dec 2022	31 Dec 2021
	\$	\$
Total comprehensive income for the half year	(4,539,309)	(351,390)
Earnings per share		
Basic - cents per share	(3.03)	(35,139)
Diluted - cents per share	(3.03)	(35,139)

16. Share Based Payments

Share Options

As part of its IPO process, the Company issued 63,000,000 options on 27 April 2022.

Type	Issued	Expiry	Exercise Price	Vested	Unvested
a) Director Options	10,000,000	19-Apr-25	\$0.25	5,000,000	5,000,000
b) Advisor Options	3,000,000	19-Oct-24	\$0.30 ¹	3,000,000	-
c) Free attaching Options	25,000,000	19-Oct-24	\$0.30 ¹	25,000,000	-
d) Bonus Options	25,000,000	19-Oct-24	\$0.30	25,000,000	-
	63,000,000	Weighted Av.:	\$0.27	58,000,000	5,000,000
Additional options issued in July 2022					
e) Employee Options	1,200,000	28-Jul-25	\$0.43	600,000	600,000
f) Other Options	2,800,000	29-Jul-25	\$0.43	2,800,000	-
	4,000,000	Weighted Av.:	\$0.43	3,400,000	600,000
Total Options Issued	67,000,000			61,400,000	5,600,000

1. On exercise of these options the holder is entitled to receive one Secondary Option for each two fully paid shares issued with an exercise price of \$0.60 expiring on 30 June 2025.

e) Employee Options

The Company issued 1,200,000 Options on commencement of employment to the Exploration Manager.

600,000 of these options vested on commencement and a further 600,000 vest one year after commencement of employment.

All of these options are convertible into fully paid ordinary shares that are escrowed for 24 months from the date of quotation.

The Company has valued these options using the Black-Scholes option pricing model and an amount of \$171,998 has been recognised as an expense in the Statement of Profit or Loss and Other Comprehensive Income.

Key inputs used in the calculation of this amount are as follows:

Variable	
Grant date	16 July 2022
Exercise price	\$0.43
Calculation date	16 July 2022
Underling share price	\$0.335
Risk Free Rate	3.13%
Volatility	100.0%
Option Life	3 years
Expected dividends	Nil
Fair value per option	19.63 cents

No other features of the option grant were factored into the calculation of the option value.

NOTES TO THE FINANCIAL STATEMENTS

For the half year ended 31 December 2022

f) Other Options

The Company issued 2,800,000 Options to consultants.

All 2,800,000 of these options vested immediately on issue.

All of these options are convertible into fully paid ordinary shares that are escrowed for 24 months from the date of quotation.

The Company has valued these options using the Black-Scholes option pricing model and an amount of \$496,744 has been recognised as an expense in the Statement of Profit or Loss and Other Comprehensive Income.

Key inputs used in the calculation of this amount are as follows:

Variable	
Grant date	29 July 2022
Exercise price	\$0.43
Calculation date	29 July 2022
Underling share price	\$0.36
Risk Free Rate	3.13%
Volatility	100.0%
Option Life	2 years
Expected dividends	Nil
Fair value per option	17.74 cents

No other features of the option grant were factored into the calculation of the option value.

17. Commitments and Contingencies

The Company holds an exploration tenement (EPM 13368) ("Tenement") in Queensland, Australia. In order to retain its current rights of tenure to the Tenement, the Company is required to comply with tenement obligations specified by the State Government, including the completion of activities-based works programmes which are assessed over the life of the Tenement. There are no set annual expenditure amounts. If Tenement obligations are not met it may result in the loss of the Tenement or a reduction in the Tenement area. The Company is presently on track to meet all of its Tenement obligations. There have been no changes to the commitments and contingencies since disclosed at 30 June 2022.

18. Operating Segments

The company is organised into one operating segment, being the exploration of minerals in Australia. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers) in assessing performance and in determining the allocation of resources.

19. Subsequent Events

No matters or circumstances have arisen since the end of the December 2022 half year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

DIRECTORS' DECLARATION

For the half year ended 31 December 2022

In the Directors' opinion;

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors;

A handwritten signature in black ink, appearing to read 'Simon Bird', written over a horizontal dotted line.

Simon Bird
Chairman

Sydney, 15th February 2023

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Maronan Metals Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Maronan Metals Limited (the Company), which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (i) Giving a true and fair view of the Company's financial position as at 31 December 2022 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

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

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.



Responsibility of the directors for the financial report

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

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Ashleigh Woodley'. Above the signature, the letters 'BDO' are written in a simple, blocky font.

Ashleigh Woodley

Director

Perth

15 February 2023