

OD6 Metals Limited and Controlled Entities
(formerly Odette Six Metals Limited)

654 839 602

Financial Report for the Period Ended 31 December 2021

OD6 Metals Limited

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DIRECTORS' REPORT

Directors present their report on OD6 Metals Limited (formerly Odette Six Metals Limited), the company, and its controlled entities for the financial period ended 31 December 2021. The consolidated entity is referred to as "the Group".

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Darren Holden (Chair)	(appointed 27 October 2021)
Piers Lewis	(appointed 27 October 2021)
Colwin Lloyd	(appointed 27 October 2021)

Directors have been in office since the start since 27 October 2021 (incorporation date) to the date of this report unless otherwise stated.

Principal Activities

During the financial period the principal continuing activities of the consolidated entity consisted of mineral exploration.

Review of Operations

The consolidated loss of the Group for the period amounted to \$47,839 and Company for the period amounted to \$5,500.

During the period the Company acquired the following wholly owned subsidiaries:

Subsidiary	Date of incorporation
Odette Six Pty Ltd (OPSL)	12 April 2021
Grass Patch Metals Pty Ltd (GPM)	15 October 2021

Each of OPSL and GPM (collectively, the Subsidiaries) were initially wholly owned subsidiaries of Odette Geoscience Pty Ltd (Odette Geoscience), and subsequently became wholly owned subsidiaries of the Company on 27 October 2021 following a corporate reorganisation (the Company and the Subsidiaries, collectively, the Group). Each subsidiary holds various mineral tenements which are prospective for rare earth elements.

On 12 November 2021, the Company raised \$44,101 in funding via the issue of 44,100,743 shares at an issue price of \$0.001 per share, together with 22,050,371 attaching options with an exercise price of \$0.30 and an expiry date of 31 October 2025 (Founder Options) (Founder Raising) from various professional and sophisticated investors.

The Company has raised \$1,835,000 in further seed funding via an issue of 18,350,000 shares at an issue price of \$0.10 per share to various professional and sophisticated investors (Seed Raising).

During the financial period, the following tenements were granted to the Group:

Lease	Date Granted
E63/2151	2/12/2021
E63/2152	3/12/2021
E63/2154	6/12/2021

Significant Changes in the State of Affairs

No significant changes in the company's or Company's state of affairs occurred during the period.

Events Subsequent to the End of the Reporting Period

On 3 January 2022, OD6 Metals Limited issued 18,350,000 shares for the Seed Raising at a price of \$0.10 per share, which was held in cash and receivables as at 31 December 2021.

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The following tenements have been granted since balance date:

Lease	Date Granted
E63/2115	4/02/2022
E69/3893	20/01/2022
E69/3894	20/01/2022
E69/3904	15/02/2022
E69/3905	15/02/2022
E69/3907	14/02/2022

On 11 March 2022, the Company changed its name from Odette Six Metals Limited to OD6 Metals Limited.

No further subsequent events are noted.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Dividends

No dividends were declared or recommended but not paid during the financial year.

Environmental Regulation

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Options

The company has 22,050,371 Founder Options on issue at the end of the period, which have an exercise price of \$0.30 and an expiry date of 31 October 2025.

No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

Indemnification of Officers

The company has not paid premiums to insure directors under a Directors and Officers Insurance policy.

No indemnification has been obtained for the auditors of the company or the Company.

Proceedings on Behalf of the Company

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

The company was not a party to any such proceedings during the period.

Information on Directors and Company Secretaries

Darren Holden

Dr Holden is an experienced explorer with over 25 years in the industry and a discovery history in Australia, Canada, USA and Mexico. He is a founder of noted project generator Marlee Minerals Company and advisory company GeoSpy. Previously Dr Holden was VP Geoscience for Fractal Geoscience/Geoinformatics Exploration and CEO of ABM Resources. He is currently a director of Aurumin Ltd, Marlee Minerals, and an alternate director of Todd River Resources Ltd (ASX:TRT). In addition, he provides advisory services to Silver Mines Ltd (ASX:SVL), MCA Nominees, Mining

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Investments Australia and Lion One Ltd (TSXV:LIO). Dr Holden holds a BSc(Hons) First Class in Geology, a PhD in Science History and is a long-standing member of the AusIMM.

DIRECTORS' REPORT

Piers Lewis

Mr Lewis has over 20 years corporate advisory experience with various ASX and AIM listed companies. He founded SmallCap Corporate, which provides corporate advisory, IPO management, CFO and company secretary services. Mr Lewis is currently Non-Executive Director and Company Secretary for a number of ASX Listed companies, including Non-Executive Chair of Aurumin Ltd, and NED of Grange Resources Limited, Noronex Ltd and Ultima United Limited. Mr Lewis has also held senior management roles with Credit Suisse (London), Mizuho International, ABN Amro and NAB Capital.

Colwin Lloyd

Mr Lloyd has more than 27 years' experience in mining and exploration across a broad range of commodities and geological regions. He holds a Bachelor of Science Degree majoring in Geology from Curtin University of Technology, Australia. He is the Principal Geologist and Director of Geobase Australia Pty Ltd, a company he established which provides professional geological services to the international resource industry. Col commenced his geological career as a mine geologist progressing into resource estimation and then into exploration geoscience. This background provides a practical and unique perspective on the exploration, development and mining of minerals. Mr Lloyd is a former director of Draig Resources Ltd.

Company Secretaries

Troy Cavanagh (appointed 27 October 2021)

Mr Cavanagh has a Bachelor of Commerce degree, with majors in accounting and finance, from the University of Western Australia, is a qualified Chartered Accountant and a registered tax agent. He has 14 years of industry experience and is the managing director of LCP Company Chartered Accountants where he specialises in financial, taxation and business consultancy. He has experience in the resources sector and has assisted private companies with equity raising, business strategies and dealings with ASX listed companies.

Joel Ives (appointed 16 February 2022)

Mr Ives is a Chartered Accountant that has held numerous roles as Financial Controller and Company Secretary of private and public start-up technology and resource exploration companies. He has assisted a number of ASX listings, via both IPO and RTO and ensured ongoing regulatory compliance post-listing. Joel is currently Company Secretary for DigitalX Limited (AS:DCC), Kuniko Limited (ASX:KNI) and Green Technology Metals Limited (ASX:GT1) and Joint Company Secretary for Harvest Technology Group Limited (ASX:HTG).

Directors' Meetings

During the period, one meeting of directors (including committees of directors) was held, and all Directors attended.

Indemnity and insurance of auditor

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

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

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

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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.

DIRECTORS' REPORT

Auditor

Hall Chadwick WA Audit Pty Ltd was appointed as auditor on 24 January 2022 and remains in office in accordance with section 327 of the Corporations Act 2001.

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

On behalf of the directors



Darren Holden
Chairman

28 March 2022
Perth

To the Board of Directors

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

As lead audit Director for the review of the financial statements of OD6 Metals Limited for the half year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours Faithfully,



HALL CHADWICK WA AUDIT PTY LTD



MARK DELAURENTIS CA
Director

Dated Perth, Western Australia this 28th day of March 2022

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD
ENDED 31 DECEMBER 2021

	Consolidated 31 December 2021 \$
Expenses	
Exploration related expenditure	436
Consulting and accounting	37,000
General and administration expenditure	4,062
Legal fees	6,341
Loss before income tax expense	47,839
Income tax expense	-
Loss after income tax expense for the year	47,839
Other comprehensive income	
Other comprehensive income for the year, net of tax	-
Total comprehensive loss for the year	47,839

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	31 December 2021 \$	30 June 2021 \$
Assets			
Current assets			
Cash and cash equivalents	3	1,823,799	-
Other current assets		12,726	2,782
Total current assets		1,836,525	2,782
Non-current assets			
Exploration and evaluation expenditure	4	316,112	142,117
Total non-current assets		316,112	142,117
Total assets		2,152,637	144,899
Liabilities			
Current liabilities			
Trade and other payables	5	119,072	30,831
Borrowings	6	231,578	143,342
Total current liabilities		350,650	174,173
Total liabilities		350,650	174,173
Net Assets/(Liabilities)		1,801,987	(29,274)
Issued capital	8	44,101	1
Capital raised not yet issued	7	1,835,000	-
Accumulated losses		(77,114)	(29,275)
Total Equity		1,801,987	(29,274)

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2021

Consolidated	Issued capital \$	Unissued capital \$	Accumulated losses \$	Total equity \$
Balance as at 1 July 2021	1	-	(29,275)	(29,274)
Loss for the year	-	-	(47,839)	(47,839)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(47,839)	(47,839)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	44,100	1,835,000	-	1,879,100
Balance at 31 December 2021	44,101	1,835,000	(77,114)	1,801,987

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 2021

	Note	31 December 2021 \$
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of GST)		-
Net cash used in operating activities		-
Cash flows from investing activities		
Payments for related to exploration and evaluation		-
Net cash used in investing activities		-
Cash flows from financing activities		
Proceeds from issue of shares		1,867,799
Repayments of borrowings		(44,000)
Net cash provided by financing activities		1,823,799
Net increase in cash and cash equivalents		1,823,799
Cash and cash equivalents on incorporation		-
Cash and cash equivalents at the end of the financial year	3	1,823,799

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

The consolidated financial statements and notes represent those of OD6 Metals Limited and Controlled Entity (the Consolidated Group or Group). OD6 Metals Limited is a company limited by shares, incorporated and domiciled in Australia.

The separate financial statements of the Parent Entity, Odette Six Metals have also been presented within this financial report as permitted by the *Corporations Act 2001*.

The financial statements were authorised for issue on 22 March 2022 by the directors of OD6 Metals Limited.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar unless stated otherwise.

Should the Company not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern

Going Concern

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

As disclosed in the financial statements, the Company incurred a loss of \$47,839 and had net cash outflows from operating and investing activities of nil and nil respectively for the period ended 31 December 2021. As at that date, the Company has net assets of \$1,801,987.

The ability of the Company to continue as a going concern is dependent upon the success of the fundraising under a prospectus yet to be issued. This requirement gives rise to a material uncertainty that may cast a significant doubt over the Company's ability to continue as a going concern and therefore that it will be able to realise its assets and discharge its liabilities in the normal course of business, and at the amount stated in the financial report.

The Company has prepared a cash flow forecast, which has allowances for further capital to be raised and indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12 months period from the date of signing this financial report. The Directors believe it is appropriate to prepare these accounts on a going concern basis:

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

- OD6 Metals Limited raised \$1.815m in December 2021; and
- the OD6 Metals Limited plans to undertake a capital raising via the issue of shares in an initial public offering in conjunction with a proposed listing on the Australian Securities Exchange.

Should the Company not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern

Recoverability and classification of recorded assets amounts or liabilities that might be necessary should the entity not continue as a going concern

Accounting Policies

- The general purpose consolidated financial statements incorporate all of the assets, liabilities and results of the Parent (OD6 Metals Limited) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the Parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 12.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

- Income Tax**

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021**c. Fair Value of Assets and Liabilities**

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

d. Impairment of non-financial assets

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

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

e. Exploration and Evaluation expenditure

Acquisition, exploration and evaluation costs associated with mining tenements are accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that the rights of tenure to that area of interest are current and that the costs are expected to be recouped through the successful commercial development or sale of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made.

Each area of interest is also reviewed annually, and acquisition costs written off to the extent that they will not be recoverable in the future.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021**f. 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. Bank overdrafts are shown as borrowings in current liabilities on the statement of financial position.

g. Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

h. Trade and Other Payables

Trade and other payables are initially measured at fair value and subsequently measured at cost using the effective interest method.

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

i. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from financing and investing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

j. Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

k. Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

l. Segment reporting

The Company operates in one business segment and one geographical segment, namely the mineral exploration industry in Australia. AASB 8 'Operating Segments' states that similar operating segments can be aggregated to form one reportable segment. Also, based on quantitative thresholds included in AASB 8, there is only one reportable segment, namely the mineral exploration industry. However, none of the individual operating segments currently meet any of the prescribed quantitative thresholds, and as such do not have to be reported separately. The Company has therefore decided to aggregate all of its reporting segments into one reportable operating segment.

The revenue and results of this segment are those of the Company as a whole and are set out in the condensed consolidated statement of profit or loss and other comprehensive income. The segment assets and liabilities are those of the Company and are set out in the condensed consolidated statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

m. Rounding of Amounts

The Parent Entity has applied the relief available to it under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. Accordingly, certain amounts in these financial statements (where specifically indicated) have been rounded to the nearest \$1.

n. Financial instruments

Initial recognition and measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Classification and subsequent measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the assets or liability, assuming the market participants acts in their economic best interests.

The consolidated entity does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

(i) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit and loss through the amortisation process and when the financial liability is derecognised.

Derivative instruments

The consolidated entity does not trade or hold derivatives.

Financial guarantees

The consolidated entity has no material financial guarantees.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flow expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

o. Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key estimates and judgements**(i) Exploration and evaluation expenditure**

Exploration and evaluation costs have been capitalised on the basis that activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised

p. New and Amended Accounting Policies Adopted by the Company**Initial adoption of AASB 2020-04: COVID-19-Related Rent Concessions**

AASB 108.28(a)–(d) AASB 2020-4: *Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions* amends AASB 16 by providing a practical expedient that permits lessees to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and, if certain conditions are met, account for those rent concessions as if they were not lease modifications.

Initial adoption of AASB 2018-6: *Amendments to Australian Accounting Standards – Definition of a Business*

AASB 2018-6 amends and narrows the definition of a business specified in AASB 3: *Business Combinations*, simplifying the determination of whether a transaction should be accounted for as a business combination or an asset acquisition. Entities may also perform a calculation and elect to treat certain acquisitions as acquisitions of assets.

The standards listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

NOTE 2: AUDITOR'S REMUNERATION

	Consolidated 31 December 2021 \$	Consolidated 30 June 2021 \$
Remuneration of the auditor is as follows:		
Auditing or reviewing the financial statements	2,500	4,000
Total auditor's remuneration	2,500	4,000

NOTE 3: CASH AND CASH EQUIVALENTS

	Consolidated 31 December 2021 \$	Consolidated 30 June 2021 \$
Cash at bank and in hand	1,823,799	-
Total cash and equivalents	1,823,799	-

NOTE 4: EXPLORATION AND EVALUATION

	Consolidated 31 December 2021 \$	Consolidated 30 June 2021 \$
Exploration and evaluation expenditure capitalised	316,112	142,117
<i>Reconciliation:</i>		
Opening Balance at incorporation	142,117	-
Additions	173,995	142,117
Closing balance	316,112	142,117

NOTE 5: TRADE AND OTHER PAYABLES

	Consolidated 31 December 2021 \$	Consolidated 30 June 2021 \$
Trade payables	106,572	23,831
Accrued expenses	12,500	7,000
	119,072	30,831

The average credit period on trade and other payables (excluding GST payable) is 1 month. No interest is payable on outstanding payables during this period.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

NOTE 6: BORROWINGS

	Consolidated 31 December 2021	Consolidated 30 June 2021
	\$	\$
Loan from related entity	231,578	143,342
	231,578	143,342

The received funding via a loan from Odette Geoscience Pty Ltd (Odette). Odette is a shareholder of Odette. The loan is unsecured, there is no interest payable on the loan.

NOTE 7: FUNDS RECEIVED FOR CAPITAL NOT ISSUED

	Consolidated 31 December 2021	Consolidated 30 June 2021
	\$	\$
Funds received for shares not yet issued	1,835,000	-
	1,835,000	-

As at 31 December 2021, the Company had received subscriptions of \$1,835,000 and funds of \$1,824,000 for fully paid ordinary shares in the Company, banked by Odette 6 Pty Ltd. The \$11,000 variance relates to shares being paid for by Odette Geoscience Pty Ltd on behalf of a subscriber and accounted for through borrowings. On 3 January 2022, the Company issued 18,350,000 fully paid ordinary shares at a deemed price of \$0.10 per share.

NOTE 8: ISSUED CAPITAL

	Consolidated 31 December 2021	Consolidated 30 June 2021
	\$	\$
44,100,745 fully paid ordinary shares	44,101	1
Total share capital	44,101	1

Reconciliation

Share issues	Date	Number of shares issued	Price per share	\$
Placement (Founders Raise)	12/11/2021	44,100,743	\$0.001	44,101
		44,100,743		44,101

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

NOTE 8: ISSUED CAPITAL (Continued)

Ordinary shareholders participate in dividends and the proceeds on winding up of the Parent Entity in proportion to the number of shares held. At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called; otherwise each shareholder has one vote on a show of hands.

Capital management

Management manages the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market.

There have been no changes in the capital structure or the objectives, policies, processes and strategy adopted by management to manage the capital of the Company from the previous year.

NOTE 9: COMMITMENTS

The Group has the following commitments for exploration expenditures on its granted tenements, as at 31 December 2021, as follows:

	Within 12 months (\$)
Tenement	
E63/2115	113,918
E69/3893	189,041
E69/3894	189,041
E69/3904	146,827
E69/3905	174,795
E69/3907	13,151
E63/2151	200,000
E63/2152	200,000
E63/2154	151,000
	<u>1,377,773</u>

NOTE 10: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

No contingent liabilities or contingent assets exist as at 31 December 2021.

NOTE 11: EVENTS AFTER THE REPORTING PERIOD

OD6 Metals Limited issued 18,350,000 shares for the Seed Raising on 3 January 2022, at a price of \$0.10 per share.

The following tenements have been granted since balance date:

Lease	Date Granted
E63/2115	4/02/2022
E69/3893	20/01/2022
E69/3894	20/01/2022
E69/3904	15/02/2022
E69/3905	15/02/2022
E69/3907	14/02/2022

On 11 March 2022, the Company changed its name from Odette Six Metals Limited to OD6 Metals Limited.

No further subsequent events are noted.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

NOTE 12: CONTROLLED ENTITIES

a. **Information about Principal Subsidiaries**

The subsidiaries listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's principal place of business is also its country of incorporation or registration.

Name of Subsidiary	Principal Place of Business	Ownership Interest Held by the Group
Odette Six Pty Ltd (OPSL)	Australia	100%
Grass Patch Pty Ltd (GPM)	Australia	100%

Each of OPSL and GPM (collectively, the Subsidiaries) were initially wholly owned subsidiaries of Odette Geoscience Pty Ltd (Odette Geoscience), and subsequently became wholly owned subsidiaries of the Company on 27 October 2021 following a corporate reorganisation (the Company and the Subsidiaries, collectively, the Group). Each subsidiary holds various mineral tenements which are prospective for rare earth elements.

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

b. **Significant Restrictions**

There are no significant restrictions over the Group's ability to access or use assets, and settle liabilities, of the Group.

NOTE 13: RELATED PARTY TRANSACTIONS

The Company's main related parties are as follows:

a. **Entities that are subject to common control outside the Company**

Entities that are subject to common control outside the Company are those entities over which the Company's immediate parent or ultimate parent exercises control. These entities are deemed "sister" entities (fellow subsidiaries) of the reporting entity.

b. **Controlled entities**

Controlled entities are entities over which OD6 Metals Limited has the power to govern the financial and operating policies so as to obtain benefits from their activities. As intercompany transactions and balances involving controlled entities are eliminated on consolidation, controlled entities are considered related parties only in the case of the Parent Entity's separate financial statements. A list of controlled entities is provided in Note 11.

c. **Key management personnel of the Company**

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Company or any of the Company's parent entities (as described in (a) above), directly or indirectly, including any director (whether executive or otherwise) of the entity, is considered key management personnel.

d. **Transactions and outstanding balances with related parties**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties (ie at arm's length) unless the terms and conditions disclosed below state otherwise. The following transactions occurred with related parties:

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

NOTE 13: RELATED PARTY TRANSACTIONS (CONTINUED)

	Consolidated 31-Dec-21 \$	Consolidated 30-Jun-21 \$
(i) <i>Entities exercising control over the Company</i>		
Outstanding balances:		
Loans – unsecured interest free	231,578	143,342
Odette Geoscience Pty Ltd		

(These loans are interest free – non-arm's length – loans are made to the subsidiaries, repayable in full on request ("bullet payment"))

(ii) <i>Entities subject to common control outside the Company</i>		
Transactions:		
Services rendered by Odette Geoscience Pty Ltd	93,742	21,665

Odette Geoscience Pty Ltd raised an invoice dated 31 December 2021 to on-charge administrative and technical expenditure, this invoice is a creditor at 31 December 2021.

NOTE 14: PARENT ENTITY NOTE

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 31 December 2021 \$
Loss after income tax	5,500
Total comprehensive loss	5,500

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

NOTE 14: PARENT ENTITY NOTE (CONTINUED)

Statement of financial position

	Parent 31 December 2021 \$
Total current assets	302
Total non-current assets	1,878,799
Total assets	1,879,101
Total current liabilities	5,500
Total liabilities	5,500
Net Assets	1,873,601
Equity	
Issued capital	44,101
Reserves	1,835,000
Accumulated losses	(5,500)
Total equity	1,873,601

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

The parent entity and some of its subsidiaries are party to a deed of cross guarantee under which each company guarantees the debts of the others. No deficiencies of assets exist in any of these subsidiaries.

Contingent liabilities

The parent entity had no contingent liabilities as at 31 December 2021.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 31 December 2021.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

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DIRECTORS' DECLARATION

In accordance with a resolution of the directors of OD6 Metals Limited, the directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 22, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
 - b. give a true and fair view of the financial position as at 31 December 2021 and of the performance for the period ended on that date of the Company and Consolidated Company.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.



Darren Holden
Chairman

Dated this 28th day of March 2022

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF OD6 METALS LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of OD6 Metals Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of OD6 Metals Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the OD6 Metals Limited financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

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

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Consolidated Entity incurred a net loss of \$47,839 during the half year ended 31 December 2021. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the OD6 Metals Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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



HALL CHADWICK WA AUDIT PTY LTD



MARK DELAURENTIS CA
Director

Dated Perth, Western Australia this 28th day of March 2022