

TECHGEN METALS LTD AND ITS CONTROLLED ENTITIES
A.B.N. 66 624 721 035

INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED
31 DECEMBER 2021

TECHGEN METALS LTD AND ITS CONTROLLED ENTITIES

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DIRECTORS' REPORT

Your directors present their report on TechGen Metals Ltd (“the Company”) and its controlled entities (“the Group”), for the half year ended 31 December 2021. The period of this interim financial report is for the period 1 July 2021 to 31 December 2021.

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

Andrew Jones
Ashley Hood
Maja McGuire
Rick (Sathiaseelan) Govender

The company secretary is Rick Govender.

The directors have been in office since the start of the half year to the date of this report unless otherwise stated.

Review of Operations and Principal Activities

The Group incurred a loss of \$971,633 for the half year (2020: \$109,327) relating mainly to administration costs incurred during the half year as well as share option expenses incurred.

The principal activity of the Group during the financial period, continued to be the exploration and evaluation of mineral resources with \$911,741 (2020: \$12,889) in exploration costs capitalised during the period. There was no significant change in the Group’s state of affairs.

Events Subsequent to Balance Date

No matters or circumstances have arisen since the end of the half-financial year which significantly affected or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in future financial periods.

Likely Developments

There are no likely developments in the operations of the Group that were not finalised at the date of this report.

Environmental Issues

The Group's operations are subject to environmental regulations in relation to its exploration activities. The Group is compliant with all aspects of these requirements. The Directors are not aware of any environmental law that is not being complied with.

Dividends and Share Options

No dividends were paid during the period and no recommendation is made as to the dividends. Refer to Note 5 of the financial report for information in relation to share options.

Directors’ and Auditor’s Indemnification

No indemnities have been given or insurance premiums paid, during or since the end of the financial period, for any person who is or has been an officer or auditor of the Company.

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DIRECTORS' REPORT

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 3.

Signed in accordance with a resolution of the Board of Directors:

Ashley Hood

Director

Dated this 25th day of February 2022

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

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2021, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

PKF BRISBANE AUDIT



TIM FOLLETT
PARTNER

25 FEBRUARY 2022
BRISBANE

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Note	Half year ended 31 December 2021 \$	Half year ended 31 December 2020 \$
Revenue			
Other income		-	-
Expenses			
Administration costs	2	(572,528)	(109,327)
Share-based payment expense	5	(399,105)	-
Profit / (loss) before income tax, attributable to members		(971,633)	(109,327)
Tax expense		-	-
Profit / (loss) for the period, attributable to members		(971,633)	(109,327)
Other comprehensive income		-	-
Total other comprehensive income for the period, net of tax, attributable to members		(971,633)	(109,327)
Earnings per share		Cents	Cents
Basic earnings per share		(1.85)	(0.57)
Diluted earnings per share		(1.78)	(0.55)

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	As at 31 December 2021 \$	As at 30 June 2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		585,747	1,808,644
Financial assets - term deposits		2,525,000	2,525,000
Other receivables		66,465	155,242
Prepayments		5,000	12,894
TOTAL CURRENT ASSETS		<u>3,182,212</u>	<u>4,501,780</u>
NON CURRENT ASSETS			
Property, plant and equipment		40,707	9,303
Exploration and evaluation assets	3	2,354,918	1,443,177
TOTAL NON-CURRENT ASSETS		<u>2,395,625</u>	<u>1,452,480</u>
TOTAL ASSETS		<u>5,577,837</u>	<u>5,954,260</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		227,113	31,008
TOTAL CURRENT LIABILITIES		<u>227,113</u>	<u>31,008</u>
NON-CURRENT LIABILITIES			
TOTAL NON CURRENT LIABILITIES		<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>227,113</u>	<u>31,008</u>
NET ASSETS/(LIABILITIES)		<u>5,350,724</u>	<u>5,923,252</u>
EQUITY			
Issued capital		7,379,559	7,379,559
Reserves		1,756,042	1,356,937
Accumulated losses		(3,784,877)	(2,813,244)
TOTAL EQUITY		<u>5,350,724</u>	<u>5,923,252</u>

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Note	Issued Capital	Reserves	Accumulated losses	Total
		\$		\$	\$
Balance at 1 July 2020		675,465	-	(796,952)	(121,487)
Profit or / (loss) for the period		-	-	(109,327)	(109,327)
Other comprehensive income for the period		-	-	-	-
Total comprehensive (loss) for the period		-	-	(109,327)	(109,327)
Transactions with owners, in their capacity as owners:					
Shares issued		627,094	-	-	627,094
Share buy-back		(150,000)	-	150,000	-
Balance at 31 December 2020		1,152,559	-	(756,279)	396,280
Balance at 1 July 2021		7,379,559	1,356,937	(2,813,244)	5,923,252
Profit or / (loss) for the year		-	-	(971,633)	(971,633)
Other comprehensive income for the period		-	-	-	-
Total comprehensive (loss) for the period		-	-	(971,633)	(971,633)
Transactions with owners, in their capacity as owners:					
Share-based payment expenses	5	-	399,105	-	399,105
Balance at 31 December 2021		7,379,559	1,756,042	(3,784,877)	5,350,724

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Half year ended 31 December 2021	Half year ended 31 December 2020
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	-	-
Payments to suppliers	(439,728)	(381,906)
Net cash provided by / (used in) operating activities	(439,728)	(381,906)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation	(636,409)	-
Payments for acquisition of tenements	(115,355)	(12,889)
Payments for acquisition of property, plant and equipment	(31,405)	-
Net cash provided by / (used in) investing activities	(783,169)	(12,889)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share (net of costs)	-	627,094
Net cash provided by / (used in) financing activities	-	627,094
Net increase / (decrease) in cash held	(1,222,897)	232,299
Cash at beginning of financial period	1,808,644	209
Cash at end of financial period	585,747	232,508

The accompanying notes form part of these financial statements.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS

1 Statement of Significant Accounting Policies

Basis of preparation of the half-year financial report

These consolidated interim financial statements and notes represent those of Techgen Metals Ltd and controlled entities and are presented in Australia dollars. The group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The financial statements were authorised for issue on 25 February 2022 by the Directors.

These consolidated general-purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

These financial statements do not include all the notes of the type normally included in an annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*. These financial statements have been prepared on the basis of historical cost, except for the statement of cashflows. Cost is based on the fair values of consideration in exchange for assets. The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New accounting standards and interpretations

The group 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. None of the new standards or amendments to standards that are mandatory for the first time materially affected any of the amounts recognised in the current period or any prior period.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS

2 Administration Costs

	31 December 2021	31 December 2020
	\$	\$
Consultancy fees	42,750	56,215
Directors fees	220,000	-
Broker and registry fees	91,252	-
Marketing fees	96,000	-
Conference and subscription fees	42,747	-
Accounting fees	14,151	34,500
Legal fees	7,325	15,094
Others	58,303	3,518
	<u>572,528</u>	<u>109,327</u>

**Exploration and Evaluation
Assets**

	31 December 2021	30 June 2021
	\$	\$
Opening balance	1,443,117	-
Additions during the period	911,741	1,443,117
	<u>2,354,918</u>	<u>1,443,117</u>

Trade and Other Payables

	31 December 2021	30 June 2021
	\$	\$
Trade and other payables	227,113	31,008
	<u>227,113</u>	<u>31,008</u>

Share Based Payments

During the period the company issued 4,000,000 options to a Corporate Advisor, VertCapital Pty Ltd. The directors have used a Black Scholes option pricing model to determine the valuation of these options to be \$399,105.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS

5 Share Based Payments (continued)

Share Options

	Consolidated			
	31 December 2021		30 June 2021	
	Number	Exercise Price	Number	Exercise Price
On issue at beginning of the period	13,833,334	-	-	-
Options issued during period	-	-	500,000	\$0.60
Options issued during period	-	-	13,333,334	\$0.30
Options issued during period	4,000,000	\$0.30	-	-
On issue at end of the period	17,833,334	-	13,833,334	-

At 31 December 2021 the Company had 17,833,334 (2020: 13,833,334) in options on issue under the following terms and conditions:

Number under option	Expiry date	Exercise price
500,000	7-Apr-23	\$0.60
3,333,334	7-Apr-24	\$0.30
10,000,000	7-Apr-24	\$0.30
4,000,000	16-Nov-24	\$0.30

Options exercisable as at 31 December 2021 17,833,334

6 Events After Balance Date

No other matters or circumstances have arisen since the end of the financial half-year which significantly affected or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in future financial periods.

7 Commitments and Contingencies

Exploration commitments

So as to maintain current rights to tenure of various exploration and mining tenements, the Company will be required to outlay amounts in respect of tenement rent to the relevant governing authorities and to meet certain annual exploration expenditure commitments. These outlays (exploration expenditure and rent), which arise in relation to granted tenements, inclusive of tenement applications granted subsequent to 31 December 2021, are as follows:

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NOTES TO THE INTERIM FINANCIAL STATEMENTS

7 Commitments and Contingencies (continued)

	31 December 2021	30 June 2021
	\$	\$
Exploration expenditure commitments payable:		
- Within one year	385,639	286,885
- Later than one year but not later than five years	3,153,153	2,943,331
	<u>3,538,792</u>	<u>3,230,216</u>
Lease commitments		
Office month to month lease rentals are as follows:		
- Within one year	25,992	23,640
- Later than one year but not later than five years	-	-
	<u>25,992</u>	<u>23,640</u>

8 Operating Segments

Identification of reportable operating segments

The Group is organised into one operating segment, being mining and exploration operations. 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 ('CODM')) in assessing performance and in determining the allocation of resources. The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements. The information reported to the CODM is on a monthly basis. The Group operates in one geographical segment being Australia, specifically, in the state of Western Australia.

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DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the financial statements and notes, as set out on pages 4 to 11 are in accordance with the *Corporations Act 2001* including:
 - (i) complying with Australian Accounting Standards 134: Interim Financial Reporting;
 - (ii) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half year ended on that date; 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.

This declaration is made in accordance with a resolution of the Board of Directors.

Director: Ashley Hood

Dated this 25th day of February 2022

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

Conclusion

We have reviewed the accompanying half-year financial report of TechGen Metals Limited ("the company"), which comprises the consolidated statement of financial position as at 31 December 2021, and 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 statement of accounting policies, other selected explanatory notes, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the half-year's end or from time to time during the financial half-year.

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 TechGen Metals Limited is not in accordance with the *Corporations Act 2001* including:-

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian 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 consolidated entity 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Independence

In conducting our review, we have complied with the auditor independence requirements of the *Corporations Act 2001*. In accordance with the *Corporations Act 2001*, we have given the directors of the company a written Auditor's Independence Declaration.

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 the Australian Accounting Standards and the *Corporations Regulations 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities 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.

PKF BRISBANE AUDIT



TIM FOLLETT
PARTNER

25 FEBRUARY 2022
BRISBANE