

Metallica Minerals Limited

ACN 076 696 092

Interim Financial Report - 31 December 2020

Metallica Minerals Limited
Corporate directory
31 December 2020

Directors	T Psaros - Executive Chairman A Gillies - Non-executive Director S Waddell - Executive Director
Company secretary	S Waddell
Registered office and principal place of business	71 Lytton Road East Brisbane QLD 4169 Phone: (07) 3249 3000
Share register	Link Market Services Limited Level 21, 10 Eagle Street Brisbane QLD 4001 Phone: 1300 554 474
Auditor	Moore Australia Audit Level 12, 10 Eagle Street Brisbane QLD 4000
Solicitors	Colin Biggers & Paisley Pty Ltd Level 35, Waterfront Place 1 Eagle Street Brisbane QLD 4000
Stock exchange listing	Metallica Minerals Limited shares are listed on the Australian Securities Exchange (ASX code: MLM)
Website	www.metallicaminerals.com.au
Corporate Governance Statement	www.metallicaminerals.com.au/corporate-governance

Competent Person Statement

The information in this report that relates to Mineral Resources at the Cape Flattery Silica Sands Project is based on information and modelling carried out by Dale Brown, Senior Mining Engineer, Ausrocks Pty Ltd who is a competent person and a Member of the Australasian Institute of Mining & Metallurgy. Dale Brown is employed by Ausrocks Pty Ltd who have been engaged by Metallica Minerals Ltd to prepare an independent report, there is no conflict of interest between the parties.

Dale Brown has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity for which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code):

Dale Brown consents to the inclusion in the report on the matters based on their information in the form and context in which it appears.

Metallica Minerals Limited
Directors' report
31 December 2020

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Metallica Minerals Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

Directors

The following persons were directors of Metallica Minerals Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Theo Psaros
 Scott Waddell
 Andrew Gillies

Principal activities

During the financial half-year, the principal activities of the consolidated entity consisted of mineral exploration, evaluation and progressing the development of its Cape Flattery Silica Sands Project. The consolidated entity sold its subsidiary companies, Oresome Australia Pty Ltd, Oresome Bauxite Pty Ltd and their respective 50% interest holdings in the Urquhart Bauxite joint venture (JV), which incurred a loss of \$1,999,754. There were no other significant changes in the principal activities of the consolidated entity.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$2,567,495 (31 December 2019: \$1,220,870).

The 31 December 2020 consolidated loss includes the net loss of \$1,999,754 on disposal of the wholly-owned subsidiary companies, Oresome Australia Pty Ltd, Oresome Bauxite Pty Ltd and their respective 50% interest holdings in the JV.

The 31 December 2019 consolidated loss included the following significant expenses: legal fees of \$67,437 and Nornico administration expenses of \$201,028.

During the half-year ended 31 December 2020 the company:

(a) Continued to advance its Cape Flattery Silica Sands Project which included the following activities:

- Following consultation with Native Title Holders (being the Dingaal and Nguurruumungu Clans), signed a Conduct and Compensation Agreement with Hopevale Congress Aboriginal Corporation, the trustee and registered Native Title Freehold owner of the land.
- Successfully completed a 22-hole drilling program within the Eastern Target Area. The assay results are expected in early 2021. All drilling was undertaken with the permission from the Aboriginal Corporations.
- Announced a Maiden JORC Inferred resource of 12.85 million tonnes @99.28% SiO₂ based on the following:
 - From the 8 auger holes that were used in the resource estimate the SiO₂ percentage ranged from 95.01%-99.70%.
 - Inferred Resource in accordance with the JORC Code 2012 – A cut-off grade 98.4% has been defined based on the surrounding data.

These results show there is potential to produce a premium grade silica product using standard processing techniques.

The Cape Flattery Silica Eastern Inferred Resource Estimate is shown below:

	Silica Sand (Mt)	Silica Sand (Mm ³)	Density (t/m ³)	SiO ₂ %	Al ₂ O ₃ %	Fe ₂ O ₃ %	TiO ₂ %
Inferred Resource	12.85	8.03	1.6	99.28	0.201	0.161	0.226

See the Competent Person statement on the Corporate Directory page.

(b) Sold its Urquhart Bauxite Project

On 3 November 2020, the company entered into an agreement to sell its subsidiary companies Oresome Australia Pty Ltd and Oresome Bauxite Pty Ltd (Oresome), the 50% joint venture partner in the Urquhart Bauxite project. The sale proceeds comprise the following cash payments: \$50,000 on the announcement of the sale; \$50,000 within 30 days of the signing of the Share Sale Agreement, which is still outstanding as at the date of this report, and contingent consideration of \$200,000. Additionally, the company will be paid royalties based on bauxite and sand sales, and if at any time the acquirer transfers or disposes of the shares in Oresome, the profit (if any) on that sale will be shared 50% with Metallica Minerals Limited.

Metallica Minerals Limited
Directors' report
31 December 2020

(c) Received the final instalment of \$330,000 due on the sale of its 50% interest in the Heavy Mineral Sands (HMS) plant and the HMS tenements at Urquhart Point. For further information, see the company ASX releases on 5 August 2020 and 20 December 2019.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year, other than those noted above.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

The Coronavirus (COVID-19) pandemic is restricting access to some remote communities. However, there does not currently appear to be any significant impact upon solvency or going concern of the consolidated entity as at the reporting date or subsequent to the date of this report as a result of the pandemic.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Auditor's independence declaration

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



Theo Psaros
Chairman

18 February 2021
Brisbane

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Metallica Minerals Limited

As lead auditor for the review of Metallica Minerals Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the 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.

This declaration is in respect of Metallica Minerals Limited and the entities it controlled during the period.



Murray McDonald
Director - Audit and Assurance



Moore Australia Audit (QLD/NNSW)
Chartered Accountants

Brisbane
18 February 2021

Metallica Minerals Limited
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General information

The financial statements cover Metallica Minerals Limited as a consolidated entity consisting of Metallica Minerals Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Metallica Minerals Limited's functional and presentation currency.

Metallica Minerals Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

71 Lytton Road
East Brisbane
QLD 4169

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 18 February 2021. The directors have the power to amend and reissue the financial statements.

Metallica Minerals Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2020

	Note	31 Dec 2020 \$	31 Dec 2019 \$
Revenue	3	37,696	71,332
Other income	4	102,294	21,352
Interest revenue		6,847	17,145
Expenses			
Airfares and conferences		(11,045)	(9,411)
Employee benefits expense		(289,013)	(298,516)
Exploration costs		(230,209)	(322,934)
Depreciation and amortisation expense	8	(9,164)	(14,075)
Insurance		(41,569)	(36,091)
Listing fees and share register expenses		(21,828)	(35,794)
Impairment of exploration and evaluation expenditure, and plant and equipment		-	(152,672)
Legal fees	5	44,440	(67,437)
Marketing		-	(9,030)
Nornico administration expenses		-	(201,028)
Professional fees		(56,446)	(36,910)
Net loss on disposal of subsidiary and joint operation	15	(1,999,754)	-
Rental expenses		(47,286)	(70,620)
Other expenses		(52,458)	(76,181)
Total expenses		<u>(2,714,332)</u>	<u>(1,330,699)</u>
Loss before income tax expense		(2,567,495)	(1,220,870)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Metallica Minerals Limited		(2,567,495)	(1,220,870)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Metallica Minerals Limited		<u>(2,567,495)</u>	<u>(1,220,870)</u>
		Cents	Cents
Basic earnings per share		(0.79)	(0.38)
Diluted earnings per share		(0.79)	(0.38)

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

Metallica Minerals Limited
Consolidated statement of financial position
As at 31 December 2020

	Note	31 Dec 2020	30 June 2020
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	6	2,406,194	2,797,535
Trade and other receivables	7	62,182	363,004
Total current assets		<u>2,468,376</u>	<u>3,160,539</u>
Non-current assets			
Property, plant and equipment	8	11,495	23,364
Exploration and evaluation assets	9	175,460	2,090,729
Other non-current assets		33,138	54,493
Total non-current assets		<u>220,093</u>	<u>2,168,586</u>
Total assets		<u>2,688,469</u>	<u>5,329,125</u>
Liabilities			
Current liabilities			
Trade and other payables	10	200,328	259,719
Employee benefits		82,051	109,509
Total current liabilities		<u>282,379</u>	<u>369,228</u>
Total liabilities		<u>282,379</u>	<u>369,228</u>
Net assets		<u>2,406,090</u>	<u>4,959,897</u>
Equity			
Issued capital		36,442,827	36,436,227
Reserves		8,165,651	8,158,563
Accumulated losses		(42,202,388)	(39,634,893)
Total equity		<u>2,406,090</u>	<u>4,959,897</u>

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

Metallica Minerals Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2020

	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2019	36,436,227	8,150,463	(39,113,553)	5,473,137
Loss after income tax expense for the half-year	-	-	(1,220,870)	(1,220,870)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(1,220,870)	(1,220,870)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	302	-	302
Balance at 31 December 2019	<u>36,436,227</u>	<u>8,150,765</u>	<u>(40,334,423)</u>	<u>4,252,569</u>
	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2020	36,436,227	8,158,563	(39,634,893)	4,959,897
Loss after income tax expense for the half-year	-	-	(2,567,495)	(2,567,495)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(2,567,495)	(2,567,495)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	7,088	-	7,088
Shares issued for services rendered	6,600	-	-	6,600
Balance at 31 December 2020	<u>36,442,827</u>	<u>8,165,651</u>	<u>(42,202,388)</u>	<u>2,406,090</u>

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

Metallica Minerals Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2020

Note	31 Dec 2020	31 Dec 2019
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	22,384	30,326
Payments to suppliers and employees (inclusive of GST)	(756,339)	(1,193,032)
	(733,955)	(1,162,706)
Interest received	6,847	17,145
Other revenue	139,990	71,332
Net cash used in operating activities	(587,118)	(1,074,229)
Cash flows from investing activities		
Payments for property, plant and equipment	-	(529)
Payments for exploration and evaluation assets	9 (175,460)	(113,661)
Payments for security deposits	(500)	(3,500)
Sale proceeds - HMS plant and tenements	330,000	100,000
Proceeds from disposal of investments	-	75,495
Proceeds from disposal of property, plant and equipment	-	4,500
Proceeds from disposal of subsidiary and joint operation	15 41,737	-
Net cash from investing activities	195,777	62,305
Cash flows from financing activities		
Net cash from financing activities	-	-
Net decrease in cash and cash equivalents	(391,341)	(1,011,924)
Cash and cash equivalents at the beginning of the financial half-year	2,797,535	3,044,672
Cash and cash equivalents at the end of the financial half-year	6 2,406,194	2,032,748

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

Metallica Minerals Limited
Notes to the consolidated financial statements
31 December 2020

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 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.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

New and revised standards have been issued by the AASB and are effective for the half year. However, there are no material changes to the policies that affect measurement of the results or financial position of the consolidated entity.

Going concern

For the half-year ended 31 December 2020 the consolidated entity incurred a loss of \$2,567,495 after income tax and net cash outflows from operating activities of \$587,118. The net loss before income tax includes a net loss of \$1,999,754 on disposal of the subsidiary companies Oresome Australia Pty Ltd, Oresome Bauxite Pty Ltd and their respective 50% interest holdings in the Urquhart Bauxite joint venture (JV).

The Coronavirus (COVID-19) pandemic is restricting access to some remote communities. However, there does not currently appear to be any significant impact upon solvency or going concern of the consolidated entity as at the reporting date or subsequent to the date of this report as a result of the pandemic.

The Directors have concluded that the going concern basis of preparation of the financial statements is appropriate and any uncertainty regarding going concern is mitigated by the following:

- At 31 December 2020 the consolidated entity had net current assets of \$2,185,997 (30 June 2020: \$2,791,311) and total net assets of \$2,406,090 (30 June 2020: \$4,959,897). Cash and cash equivalents at 31 December 2020 amounted to \$2,406,194 (30 June 2020: \$2,797,535).
- If additional cash is required outside of current cash holdings, the consolidated entity is expected to be in a position to complete capital raising with no foreseeable challenges as they have a proven history of successfully raising funds.

Based on the above, the Directors are of the opinion that at the date of signature of the financial report there are reasonable and supportable grounds to believe that the consolidated entity will be able to meet its liabilities from its assets in the ordinary course of business, for a period of not less than 12 months from the date of this financial report and has accordingly prepared the financial report on a going concern basis.

Note 2. Operating segments

Identification of reportable operating segments

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the parent entity's Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The consolidated entity is managed primarily on a geographic basis that is the location of the respective areas of interest (tenements) in Australia. Operating segments are determined on the basis of financial information reported to the Board which is at the consolidated entity level.

The consolidated entity does not have any products/services it derives revenue from.

Management currently identifies the consolidated entity as having only one operating segment, being exploration and development of mine projects in Australia. All significant operating decisions are based upon analysis of the consolidated entity as one segment. The financial results from the segment are equivalent to the financial statements of the consolidated entity as a whole.

Metallica Minerals Limited
Notes to the consolidated financial statements
31 December 2020

Note 3. Revenue

	31 Dec 2020	31 Dec 2019
	\$	\$
Royalty	-	20,314
Other revenue	37,696	51,018
Revenue	<u>37,696</u>	<u>71,332</u>

Note 4. Other income

	31 Dec 2020	31 Dec 2019
	\$	\$
Net fair value gain on financial assets at fair value through profit or loss	-	16,852
Net gain on disposal of property, plant and equipment	-	4,500
Government COVID-19 support	102,294	-
Other income	<u>102,294</u>	<u>21,352</u>

Note 5. Expenses

	31 Dec 2020	31 Dec 2019
	\$	\$
Loss before income tax includes the following specific expenses:		
<i>Legal fees</i>		
Legal fee expense	55,560	67,437
Reversal of prior year accrual	(100,000)	-
	<u>(44,440)</u>	<u>67,437</u>

Note 6. Current assets - cash and cash equivalents

	31 Dec 2020	30 June 2020
	\$	\$
Cash on hand	50	50
Cash at bank	369,234	468,323
Cash on deposit	2,036,910	2,329,162
	<u>2,406,194</u>	<u>2,797,535</u>

Metallica Minerals Limited
Notes to the consolidated financial statements
31 December 2020

Note 7. Current assets - trade and other receivables

	31 Dec 2020 \$	30 June 2020 \$
Trade receivables	-	20,600
Loans to other parties	186,017	186,017
Less: Allowance for expected credit losses	(186,017)	(186,017)
	-	-
Other receivables	55,372	12,404
Deferred sales proceeds - HMS plant and tenements	-	330,000
BAS receivable	6,810	-
	<u>62,182</u>	<u>363,004</u>

Note 8. Non-current assets - property, plant and equipment

	31 Dec 2020 \$	30 June 2020 \$
Plant and equipment - at cost	861,749	888,340
Less: Accumulated depreciation	(850,254)	(848,591)
Less: Impairment	-	(16,385)
	<u>11,495</u>	<u>23,364</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	Plant and Equipment \$	Total \$
Balance at 1 July 2020	23,364	23,364
Disposal of subsidiary and joint operation (note 15)	(2,705)	(2,705)
Depreciation expense	(9,164)	(9,164)
	<u>11,495</u>	<u>11,495</u>

Note 9. Non-current assets - exploration and evaluation assets

	31 Dec 2020 \$	30 June 2020 \$
Exploration and evaluation - at cost	<u>175,460</u>	<u>2,090,729</u>

Metallica Minerals Limited
Notes to the consolidated financial statements
31 December 2020

Note 9. Non-current assets - exploration and evaluation assets (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	Exploration and evaluation \$	Total \$
Balance at 1 July 2020	2,090,729	2,090,729
Additions	175,460	175,460
Disposal of subsidiary and joint operation (note 15)	(2,090,729)	(2,090,729)
Balance at 31 December 2020	<u>175,460</u>	<u>175,460</u>

Note 10. Current liabilities - trade and other payables

	31 Dec 2020 \$	30 June 2020 \$
Trade payables and accruals	140,194	202,623
BAS payable	(1,997)	41,346
Other payables	<u>62,131</u>	<u>15,750</u>
	<u>200,328</u>	<u>259,719</u>

Note 11. Contingent assets

In respect of the disposal of the SCONI Project in September 2017, additional consideration of \$2,500,000 in cash or shares in Australian Mines Limited (the Production Payment), will be payable to the company on commencement of commercial production. This additional consideration has not been recognised in the 31 December 2020 financial statements, as the receipt of the additional consideration is not virtually certain. The commencement of commercial production from the SCONI Project requires favourable commodity prices and markets, availability of significant funding and various government approvals.

Refer to note 15 for contingent assets related to the sale of the Oresome company and joint venture.

Note 12. Contingent liabilities

There have been no changes to the contingent liabilities noted in the 2020 annual financial report.

Note 13. Interests in joint operations

The consolidated entity has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications. Information relating to joint operations that are material to the consolidated entity are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest	
		31 Dec 2020 %	30 June 2020 %
Oresome Joint Venture	Australia	-	50%

Metallica Minerals Limited
Notes to the consolidated financial statements
31 December 2020

Note 13. Interests in joint operations (continued)

The company entered into an agreement to sell its wholly-owned subsidiary companies Oresome Australia Pty Ltd, Oresome Bauxite Pty Ltd and their respective 50% interest holdings in the Urquhart Bauxite joint venture (JV). The sale proceeds comprise the following cash payments: \$50,000 on the announcement of the sale; \$50,000 within 30 days of the signing of the Share Sale Agreement, which is still outstanding at the date of this report, and contingent consideration of \$200,000. Additionally, the company will be paid royalties based on bauxite and sandstone sales. If at any time the acquirer transfers or disposes of the shares in Oresome, the profit (if any) on that sale will be shared 50% with Metallica Minerals Limited (refer note 15).

Note 14. Events after the reporting period

The Coronavirus (COVID-19) pandemic is restricting access to some remote communities. However, there does not currently appear to be any significant impact upon solvency or going concern of the consolidated entity as at the reporting date or subsequent to the date of this report as a result of the pandemic.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 15. Disposal of subsidiary and joint operation

On 3 November 2020, the consolidated entity disposed of its wholly-owned subsidiaries Oresome Australia Pty Ltd, Oresome Bauxite Pty Ltd and their respective 50% interest holdings in the Urquhart Bauxite joint venture (JV). The sale proceeds comprise the following cash payments: \$50,000 on the announcement of the sale; \$50,000 within 30 days of the signing of the Share Sale Agreement, which is still outstanding at the date of this report, and contingent consideration of \$200,000. Additionally, the company will be paid royalties based on bauxite and sandstone sales. If at any time the acquirer transfers or disposes of the shares in Oresome, the profit (if any) on that sale will be shared 50% with Metallica Minerals Limited. The fair value of the contingent consideration has been assessed as nil.

	31 Dec 2020
	\$
Consideration received/receivable	
Cash received	50,000
Cash receivable	50,000
	<hr/>
Total consideration received/receivable	100,000
	<hr/>
	31 Dec 2020
	\$
Book values of net assets over which control was lost	
Cash and cash equivalents	8,263
Security deposits	21,855
Exploration and evaluation assets	2,090,729
Property, plant and equipment	2,705
Other payables	(9,303)
Employee provisions	(14,495)
	<hr/>
Net assets derecognised	2,099,754
	<hr/>
	31 Dec 2020
(Gain)/loss on disposal of subsidiary and joint operation	
Consideration received/receivable	(100,000)
Net assets disposed of	2,099,754
	<hr/>
Net loss on disposal of subsidiary and joint operation	1,999,754
	<hr/>

Metallica Minerals Limited
Notes to the consolidated financial statements
31 December 2020

Note 15. Disposal of subsidiary and joint operation (continued)

	31 Dec 2020
	\$
Net cash inflow/(outflow) arising on disposal	
Cash consideration received	50,000
Cash and cash equivalents disposed of	<u>(8,263)</u>
	<u><u>41,737</u></u>

Metallica Minerals Limited
Directors' declaration
31 December 2020

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standards, 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 2020 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



Theo Psaros
Chairman

18 February 2021
Brisbane

Independent Auditor's Review Report

To the members of Metallica Minerals Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the financial report of Metallica Minerals Limited (the company and its subsidiaries "the Group") which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of 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 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 that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard 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 Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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.

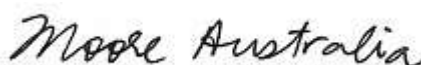
Auditor's Responsibility for the Review of the Financial Report

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 Group's financial position as at 31 December 2020 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.



Murray McDonald
Director - Audit and Assurance



Moore Australia Audit (QLD/NNSW)
Chartered Accountants

Brisbane
18 February 2021