

CHASE MINING CORPORATION LIMITED

HALF-YEAR REPORT 31 DECEMBER 2020

ABN 12 118 788 846



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HALF-YEAR REPORT - 31 DECEMBER 2020

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by Chase Mining Corporation Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

CHASE MINING CORPORATION LIMITED (ABN 12 118 788 846)

Corporate directory

Directors

Leon Pretorius	Executive Chairman and CEO
Julian Atkinson	Non-Executive Director
Charles Thomas	Non-Executive Director

Company Secretary

Suzanne Yeates

Principal Registered Office

Level 8, 46 Edward Street
Brisbane QLD 4000

Share Registry

Link Market Services Limited
Level 21, 10 Eagle Street
Brisbane QLD 4000
www.linkmarketservices.com.au

Auditor

BDO Audit Pty Ltd
Level 10, 12 Creek Street
Brisbane QLD 4000
www.bdo.com.au

Banker

National Australia Bank

Stock Exchange Listing

Australian Securities Exchange Ltd ("ASX")
ASX code: CML

Website

<https://www.chasemining.com.au>

CHASE MINING CORPORATION LIMITED (ABN 12 118 788 846)

Directors' report

Your directors present their report on Chase Mining Corporation Limited (referred to hereafter as the 'consolidated entity') for the half-year ended 31 December 2020.

Directors

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

Leon Pretorius
Charles Thomas
Julian Atkinson (appointed 6 November 2020)
Martin Kavanagh (ceased 5 November 2020)

Principal Activities

The principal activities of the Group during the half-year were:

- (a) the carrying out of mineral exploration activities on its mineral exploration tenements; and
- (b) assessing other business development and research opportunities associated with the minerals industry.

There were no significant changes in the principal activities during the half-year.

Review of Operations

The loss for the consolidated entity after providing for income tax amounted to \$335,544 (2019: \$432,245).

The Company has maintained its focus on progressing its two-pronged asset base approach, namely the Zeus Ni-Cu-PGE projects in Quebec Canada and the Torrington Topaz and Tungsten projects in NSW Australia. The latter includes the Topfibre – UNSW research into the production of mullite fibre from the topaz concentrate. Due to its portfolio of advanced exploration assets and COVID-19 related travel and other restrictions delaying progress in Quebec, the Company made a strategic investment to acquire 40% in the private Queensland focused advanced exploration Company Red Fox Resources Pty Limited.

At Zeus the Company undertook further diamond core drilling on the advanced Alotta project and in evaluating the historical reported highgrade gold below the previously mined nickel-copper deposit at the Lorraine Mine.

CHASE MINING CORPORATION LIMITED (ABN 12 118 788 846)

Alotta Project (Quebec): Three of the five diamond drill holes completed delineated extensions to the known highgrade Ni-Cu-PGE mineralisation, but failed to grow the resource potential of the mineralisation which remains limited in extent. The Company has commenced a desktop review of historic drilling and other exploration data within the greater Alotta, Delphi and Zullo (ADZ) claims area. This will continue in the first quarter 2021 and include Canadian consultants to potentially outline new drill targets. There also remains a limited number of lower order airborne EM anomalies from the Company's 2019 helicopter survey to be investigated. If successful in delineating new targets, the Company will undertake further drilling when weather permits in the second quarter 2021.

Lorraine Project (Quebec): The Company's focus within the area in 2020 was on the gold potential at depth below the Lorraine Mine. A 6-hole deep diamond drilling programme for 2,928m was completed in the third quarter 2020. Although the holes all intersected the original Footwall Contact Target Zone and also intersected additional deeper veining and brecciation and importantly intense silica-carbonate (\pm sulphides) alteration zones below the FCTZ, all assays failed to validate the historically reported high-grade gold mineralisation from the mine's 6th level (~300 vertical depth) development drives. This outcome was most disappointing, and the potential has been severely downgraded.

Similar to the ADZ area, the Company has commenced a desktop review of historic drilling and other exploration data within the greater Lorraine claims area away from the Lorraine Mine area. This will continue in the first quarter 2021 and include Canadian consultants to potentially outline new drill targets. There also remains a limited number of lower order airborne EM anomalies from the Company's 2019 helicopter survey to be investigated. If successful in delineating new targets, the Company will undertake further drilling when weather permits in the second quarter 2021.

Torrington (NSW Australia) and Topfibre – UNSW ARC Research Project

The topaz mullite fibre research programme continued unabated albeit somewhat hampered by the COVID-19 restrictions on the University campus.

COVID-19 also continues to impact on the physical advancement of the MLA associated EIS and other studies. Vehicular access to the area (especially the State Forest) is very limited due to fallen timber across the tracks after the devastating fires. This also poses a safety issue for anyone walking around in the forest as trees continue to fall.

Strategic investment in Red Fox Resources:

As announced on 3 November 2020, CML agreed to make a strategic investment to acquire 40% in the private Queensland focused advanced exploration Company Red Fox Resources Pty Limited which was completed and announced on the 23rd November 2020. This allows the Company to expand its exploration interests in Copper-Gold (\pm Cobalt), high-grade Gold and Silver-Lead-Zinc and expands its focus away from its existing Quebec and NSW activities.

More information on progress made from 30 June to 31 December 2020 is contained in the September and December 2020 quarterly activity reports (ASX Announcements dated 27 October 2020 and 25 January 2021) and other more detailed announcements.

CHASE MINING CORPORATION LIMITED (ABN 12 118 788 846)

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.

Subsequent events occurring after balance sheet date

On 28 January 2021 the Company issued 47,805,360 fully paid ordinary shares at \$0.016 per share, raising approximately \$765,000, under a placement first announced on 21 January 2021. A further 3,500,000 shares remain to be issued, subject to shareholder approval.

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

Auditor's Independence Declaration

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

This report is made in accordance with a resolution of Directors.



Leon Pretorius

Executive Chairman

Brisbane

19 February 2021

DECLARATION OF INDEPENDENCE BY A J WHYTE TO THE DIRECTORS OF CHASE MINING CORPORATION LIMITED

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

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

This declaration is in respect of Chase Mining Corporation Limited and the entities it controlled during the period.



A J WHYTE
Director

BDO Audit Pty Ltd

Brisbane, 19 February 2021

Consolidated statement of profit or loss and other Comprehensive income for the half-year ended 31 December 2020

	Notes	Half-year December 2020 \$	Half-year December 2019 \$
Income		51,943	15,483
Expenses			
Depreciation and amortisation expense		(2,597)	(4,510)
Employee benefits expense		(85,230)	(89,897)
Research and development expensed		(48,175)	(114,396)
Share of net profits of equity-accounted associates	6	(4,561)	-
Corporate advisory fees		-	(35,000)
Foreign currency expense		(121,621)	(15,074)
Administration expenses		(129,864)	(189,093)
Loss before income tax expense		(335,544)	(432,487)
Income tax benefit		-	-
Loss for the half-year		(335,544)	(432,487)
Other comprehensive income for the half-year, net of tax		10,151	242
Total comprehensive income for the half-year		(325,393)	(432,245)
		Cents	Cents
Earnings per share attributable to the ordinary equity holders of the Company:			
Basic earnings per share		(0.11)	(0.21)
Diluted earnings per share		(0.11)	(0.21)

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

Consolidated balance sheet

As at 31 December 2020

	Notes	31 December 2020 \$	30 June 2020 \$
ASSETS			
Current assets			
Cash and cash equivalents		812,630	2,390,056
Trade and other receivables		124,763	297,700
Total current assets		937,393	2,687,756
Non-current assets			
Plant and equipment		24,402	26,999
Exploration and evaluation assets	5	6,777,378	6,361,325
Investments accounted for using the equity method	6	595,439	-
Other receivables		36,100	36,100
Total non-current assets		7,433,319	6,424,424
Total assets		8,370,712	9,112,180
LIABILITIES			
Current liabilities			
Trade and other payables		129,435	535,424
Total current liabilities		129,435	535,424
Total liabilities		129,435	535,424
Net assets		8,241,277	8,576,756
EQUITY			
Contributed equity	7	12,856,287	12,866,373
Reserves		1,426,168	1,416,017
Accumulates losses		(6,041,178)	(5,705,634)
Total equity		8,241,277	8,576,756

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

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

	Reserves					Total
	Contributed equity	Accumulated losses	Share based payments reserve	Contingent consideration reserve	Foreign currency translation reserve	
Balance at 1 July 2019	\$ 11,524,777	\$ (4,487,152)	\$ 801,532	\$ 101,712	\$ 443	\$ 7,941,312
Loss for the year	-	(432,487)	-	-	-	(432,487)
Other comprehensive income	-	-	-	-	242	242
Total comprehensive income	-	(432,487)	-	-	242	(432,245)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs	-	-	-	-	-	-
Share based payments	-	-	37,704	-	-	37,704
Balance at 31 December 2019	11,524,777	(4,919,639)	839,236	101,712	685	7,546,771
Balance at 1 July 2020	12,866,373	(5,705,634)	(1,307,589)	(101,712)	6,716	8,576,756
Loss for the year	-	(335,544)	-	-	-	(335,544)
Other comprehensive income	-	-	-	-	10,151	10,151
Total comprehensive income	-	(335,544)	-	-	10,151	(325,393)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs	(10,086)	-	-	-	-	(10,086)
Share based payments	-	-	-	-	-	-
Balance at 31 December 2020	12,856,287	(6,041,178)	(1,307,589)	(101,712)	16,867	8,241,277

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

Consolidated statement of cash flows

For the half-year ended 31 December 2020

	Half-year December 2020 \$	Half-year December 2019 \$
Cash flows from operating activities		
Receipts from customers (GST inclusive)	26,683	29,787
Payments to suppliers and employees (GST inclusive)	(310,258)	(388,539)
Government incentives received	50,000	-
Interest received	1,943	22,480
Net cash outflow from operating activities	(231,632)	(336,272)
Cash flows from investing activities		
Payments for exploration and evaluation	(725,503)	(889,715)
Payment for investment in associate	(600,000)	-
Net cash outflow from investing activities	(1,325,503)	(889,715)
Cash flows from financing activities		
Proceeds on issue of shares	-	-
Payment of capital raising costs	(10,086)	-
Net cash inflow from financing activities	(10,086)	-
Net increase (decrease) in cash and cash equivalents	(1,567,221)	(1,225,987)
Effect of foreign currency translation	(10,205)	(5,922)
Cash and cash equivalents at the beginning of the half-year	2,390,056	2,747,635
Cash and cash equivalents at the end of the half-year	812,630	1,515,726*

* Includes cash and cash equivalents and short-term investments

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

Notes to the financial statements for the half-year ended 31 December 2020

Note 1 Corporate Information

Chase Mining Corporation Limited (the **Company**) is a company limited by shares, incorporated and domiciled in Australia. The Company's shares are listed on the Australian Securities Exchange.

The address of the registered office and principal place of business is set out in the Corporate Directory at the front of this report.

The financial statements are for the Group consisting of Chase Mining Corporation Limited and its subsidiaries (the **consolidated entity** or the **Group**).

Note 2 Summary of significant accounting policies

These general purpose interim 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.

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 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.

The half-year financial report of Chase Mining Corporation Limited for the six months ended 31 December 2020 was authorised for issue in accordance with a resolution of the directors on 19 February 2021, as required by the Corporation Act 2001.

Notes to the financial statements for the half-year ended 31 December 2020

Note 2 Basis of Preparation of Half-Year Financial Statements (continued)

a) 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 settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the Group achieved a net loss of \$335,544 and net operating cash outflows of \$231,632 for the half-year ended 31 December 2020. As at 31 December 2020 the Group had a cash balance inclusive of short term deposits of \$812,630.

The ability of the Group to maintain continuity of normal business activities and to pay its debts as and when they fall due is dependent on its ability to successfully raise additional capital and/or successful exploration and subsequent exploitation of areas of interest through sale or development. These circumstances give rise to the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

The directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- there is sufficient cash available at balance date for the Group to continue operating; and
- the Group has a proven history of successfully raising funds, including the placement announced on 21 January 2021.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial report. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

b) Investment in an Associate

Where the Group has the power to participate in (but not control) the financial and operating policy decisions of another entity, it is classified as an associate. An investment in an associate is initially recognised in the consolidated balance sheet at cost. Subsequently an investment in an associate is accounted for using the equity method, where the Group's share of post-acquisition profits and losses and other comprehensive income is recognised in the consolidated statement of profit and loss and other comprehensive income (except for losses in excess of the Group's investment in the associate unless there is an obligation to make good those losses).

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the investment in an associate.

Notes to the financial statements for the half-year ended 31 December 2020

Note 2 Basis of Preparation of Half-Year Financial Statements (continued)

Any premium paid for an investment in an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the investment in an associate. Where there is objective evidence that the investment in an associate has been impaired the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

c) Revenue and Other Income

Government subsidies are recognized where there is reasonable assurance that the entity will comply with the conditions attached to the grant and the grant will be received.

Note 3 Critical Accounting Estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the Group intend to commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. 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.

In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest or where activities have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Notes to the financial statements for the half-year ended 31 December 2020

Note 4 Segment information

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (Chief Operating Decision Makers) in assessing performance and determining the allocation of resources. The Group is managed primarily on a geographic basis that is the location of the respective areas of interest (tenements) in Australia and North America. Operating segments are determined on the basis of financial information reported to the Board, which is at the Group level. The Group does not have any products/services where it derives revenue.

In the current financial year, the board has identified two geographical segments being Australia and Canada.

Basis of accounting for purposes of reporting by operating segments

a. Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief operating decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

b. Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of the economic value from the asset. In most instances, segment assets are clearly identifiable on the basis of their nature and physical location.

c. Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables.

d. Unallocated items

The following items for revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Interest income
- Administrative and other expenses
- Share based payments
- Marketing and project development expenses
- Cash and cash equivalents

Notes to the financial statements for the half-year ended 31 December 2020

Note 4 Segment information (continued)

Segment performance

	Australia \$	Canada \$	Unallocated \$	Total \$
2020				
Segment revenue	-	-	-	-
Other income	50,000	-	-	50,000
Interest revenue	-	-	1,943	1,943
Total group revenue	50,000	-	1,943	51,943
Segment net profit / (loss) from continuing operations before tax	(52,736)	(127,402)	(155,406)	(335,544)

Segment assets

	Australia \$	Canada \$	Unallocated \$	Total \$
31 December 2020	3,602,844	3,850,683	917,185	8,370,712

Segment liabilities

	Australia \$	Canada \$	Unallocated \$	Total \$
31 December 2020	500	2,091	126,844	129,435

Geographical Segments

For the purposes of segment reporting, all segment activities relating to Topaz and Tungsten Exploration and Evaluation, and the Company's investment in Red Fox Resources Pty Ltd is carried out in Australia and all segment activities relating to Nickel-Copper Exploration and Evaluation is carried out in Canada.

Notes to the financial statements for the half-year ended 31 December 2020

Note 5 Exploration and evaluation assets

	31 December 2020 \$	30 June 2020 \$
Exploration and evaluation assets – at cost	<u>6,777,378</u>	<u>6,361,325</u>
The capitalised exploration and evaluation assets carried forward above have been determined as follows:		
Balance at the beginning of the period	6,361,325	5,144,827
Expenditure incurred during the period	416,053	1,242,854
Expenditure written off during the period	<u>-</u>	<u>(26,356)</u>
Balance at the end of the period	<u>6,777,378</u>	<u>6,361,325</u>

The recoverability of the carrying amount of the exploration and development expenditure is dependent upon the successful development and commercial exploitation or, alternatively, sale of the respective areas of interest.

Note 6 Investments accounted for using the equity method

	31 December 2020 \$	30 June 2020 \$
Investment in Associate	<u>595,439</u>	<u>-</u>

During the period Chase Mining Corporation acquired a 40% interest in Red Fox Resourced Pty Limited (Red Fox). Red Fox is an exploration Company with a Gold and Silver-Lead-Zinc focus, owning seven granted tenements covering 900 square kilometres.

Set out below is the associate of the Group as at 31 December 2020 which, in the opinion of the Directors, is material to the Group. The associate has share capital consisting solely of ordinary shares, which are held directly by the Group. Red Fox Resources Pty Ltd is incorporated in Australia and has its principal place of business in Australia. The proportion of ownership interest is the same as the proportion of voting power.

The Company does not have any commitments or contingent liabilities in respect of its investment in Red Fox Resources Pty Ltd.

Notes to the financial statements for the half-year ended 31 December 2020

Note 6 Investments accounted for using the equity method (continued)

	31 December 2020 \$	30 June 2020 \$
Balance at the beginning of the period	-	-
Investment acquired during the period	600,000	-
Share of loss after income tax	(4,561)	-
	<hr/>	<hr/>
Balance at the end of the period	595,439	-

The table below provides summarised financial information for the associate and reflects the amounts presented in the financial statements of the associate and not Chase Mining Corporation Limited's share of those amounts.

	31 December 2020 \$	30 June 2020 \$
Summarised balance sheet		
Current assets	607,442	-
Non-Current assets	885,446	-
	<hr/>	<hr/>
Total assets	1,492,888	-
	<hr/>	<hr/>
Current liabilities	4,290	-
Non-current liabilities	-	-
	<hr/>	<hr/>
Total liabilities	4,290	-
	<hr/>	<hr/>
Net assets	1,488,598	-
	<hr/>	<hr/>
Loss from continuing operations	11,402	-
	<hr/>	<hr/>
Reconciliation to carrying amounts:		
Net assets at date of acquisition	1,500,000	-
Loss for the period	(11,402)	-
	<hr/>	<hr/>
Closing net assets	1,488,598	-
	<hr/>	<hr/>
Group's share in %	40%	-
Group's share in \$	595,439	-
	<hr/>	<hr/>
Carrying amount	595,439	-

Notes to the financial statements for the half-year ended 31 December 2020

Note 7 Contributed Equity

	31 Dec 2020 Shares	30 June 2020 Shares	31 Dec 2020 \$	30 June 2020 \$
(a) Share capital				
Fully paid ordinary shares	318,702,401	318,702,401	12,856,287	12,866,373

(b) Movements in ordinary share capital

Date	Details	Note	Number of Shares	Issue Price	\$
1 July 2020	Opening balance		318,702,401	-	12,866,373
	Share issue expenses		-	-	(10,086)
31 December 2020	Closing balance		318,702,401		12,856,287

Note 8 Contingent assets and liabilities

There were no contingent liabilities as at 31 December 2020.

Note 9 Commitments

(a) Exploration commitments

The Group has met all of its minimum expenditure commitments on its tenements.

(b) Other commitments

Zeus project - in the event of commercial production, the Group will pay royalty of 2.5% of net smelter returns to prospectors Fekete and Kiernicki on the Alotta Project claims and 2% net smelter returns to Aurora Platinum Corporation on the Lorraine Project claims.

Note 10 Related party transactions

Related party transactions were consistent with this reported in the previous annual financial report except for the following.

During the half-year period, the Group paid \$3,240 to Atkinson Corporate Lawyers for legal services provided on terms that were reasonable in the circumstances if the Group and Atkinson Corporate Lawyers were dealing at arm's length. Atkinson Corporate Lawyers is a law firm of which Julian Atkinson is the sole principal.

Note 11 Events subsequent to reporting date

On 28 January 2021 the Company issued 47,805,360 fully paid ordinary shares at \$0.016 per share, raising approximately \$765,000, under a placement first announced on 21 January 2021. A further 3,500,000 shares remain to be issued, subject to shareholder approval.

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

Directors' Declaration

The Directors of the Company declare that:

1. The financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated balance sheet, consolidated statement of cash flows, consolidated statement of changes in equity, and accompanying notes, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date.
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.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Leon Pretorius

Executive Chairman

Brisbane

19 February 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Chase Mining Corporation Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Chase Mining Corporation Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated balance sheet as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

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

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

Material uncertainty relating to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

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 is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 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.

BDO Audit Pty Ltd



A J Whyte
Director

Brisbane, 19 February 2021