



COPPERMOLY
A.B.N. 54 126 490 855
Limited

CONSOLIDATED INTERIM FINANCIAL REPORT

HALF-YEAR ENDED 31 DECEMBER 2020

COPPERMOLY LIMITED & ITS CONTROLLED ENTITIES

A.B.N. 54 126 490 855

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Corporate Directory

Coppermoly Limited (ABN 54 126 490 855)

Executive Director

Dr Wanfu Huang

Non-Executive Directors

Mr Jincheng Yao

Mr Kevin Grice

Mr Zule Lin

Mr Xuan Jian

Company Secretary

Mr Stephen Kelly

Registered office

Unit 2, 42 Morrow Street, TARINGA, QLD,
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Competent Person Statement

The information in this report relating to the Indicated and Inferred Resource Estimates for the Mt Nakru Project is based on, and fairly represents, a Report compiled by Mr Ian Taylor. Mr Taylor is a Member of The Australasian Institute of Mining and Metallurgy and is employed by Mining Associates Pty Ltd. Mr Taylor has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity 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'. Mr Taylor consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Results is based on information compiled by Dr Wanfu Huang, who is a Member and Registered Professional Geologist with the Australian Institute of Geoscientists. Dr Huang has sufficient experience which is relevant to the style of mineralisation under consideration and to the activities undertaken 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'. Dr Huang is the full time Managing Director at Coppermoly and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

DIRECTORS' REPORT (continued)

DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Coppermoly Limited and the entity it controlled at the end of, or during, the half-year ended 31 December 2020.

DIRECTORS

The following persons were directors of Coppermoly Limited during the half-year and up to the date of this report:

Kevin Grice
Dr Wanfu Huang
Zule Lin
Jincheng Yao
Xuan Jian

REVIEW OF EXPLORATION ACTIVITIES

Due to the COVID-19 pandemic and the related restrictions on the ability of Australian based personnel to travel to PNG to oversee exploration programs, during the half-year the Company deferred all significant planned exploration activities including the proposed drilling program at Mt Nakru.

The Company remains well funded to resume exploration activities when circumstances allow.

The following is a summary of the current status of the Company's mineral exploration projects.

Mt Nakru (EL 1043)

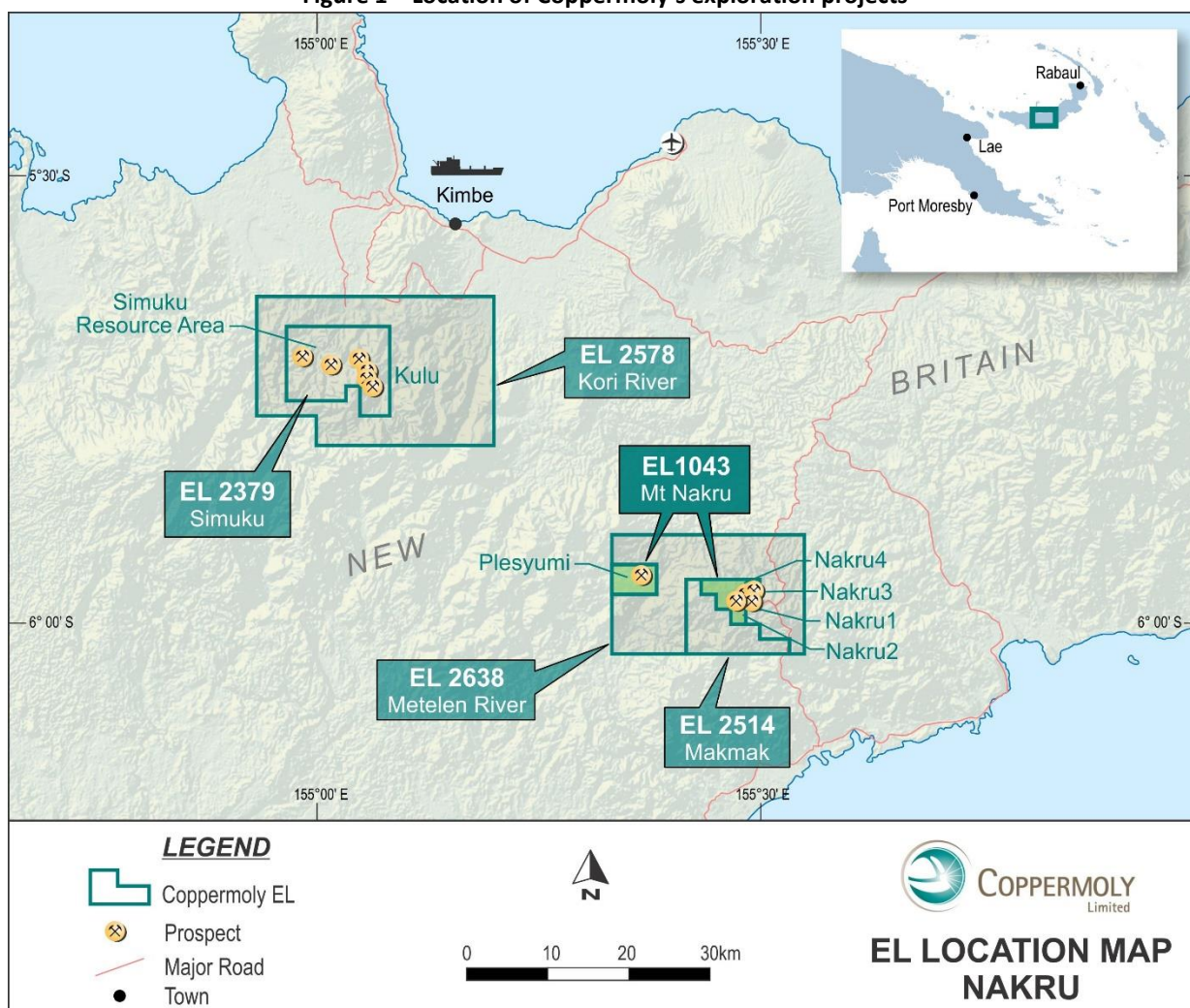
The Mt Nakru Cu-Au project (EL 1043) comprises two known deposits, Nakru 1 and Nakru 2, which are 1.5km apart. The Mt Nakru Project hosts Mineral Resources, classified in accordance with JORC (2012), which were estimated by Mining Associates in February 2019 and are summarised in Table 1.¹ High-grade copper-zinc mineralisation has also been exposed at surface at the Nakru 2 North-West and Nakru 3 Prospects.

Table 1. Nakru Project Indicated and Inferred Mineral Resource Estimate, Feb 2019 (> 0.3% Cu)

Resource	Mineralised	Grade			Metal		
Category	Tonnes (millions)	Copper %	Gold g/t	Silver g/t	Copper (kt)	Gold (koz)	Silver (koz)
Indicated	7.03	1.00	0.28	1.81	70	64	409
Inferred	34.36	0.69	0.21	1.55	239	237	1,707
Total	41.39	0.75	0.23	1.59	309	300	2,116

A planned exploration drilling program at Mt Nakru to define the strike length and depth extent of the currently exposed massive and disseminated sulphides has been deferred pending the lifting of COVID-19 related restrictions on travel between Australia and Papua New Guinea.

¹. See Coppermoly ASX Announcement 28 February 2019. The Company is not aware of any new information or data that materially affects the information included in the referenced ASX announcement and confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Figure 1 – Location of Coppermoly's exploration projects

The Mt Nakru exploration licence, EL 1043, expired on 8 December 2020. The Company has lodged a renewal application for the Mt Nakru exploration licence. The renewal process is proceeding in accordance with the established regulatory processes in PNG. The Company believes it has complied with all license conditions, including minimum expenditure requirements, and is not aware of any matters or circumstances that have arisen that would result in the Company's application for renewal of the exploration licences not being granted in the ordinary course of business.

Simuku (EL 2379)

The Simuku Project comprises Exploration Licence 2379 on the island of New Britain in Papua New Guinea (Figure 1). Mineralisation at Simuku is copper-molybdenum-gold porphyry style associated with the Simuku-Kulu Intrusive Complex, which is Upper Oligocene in age. Three and potentially four porphyry copper-molybdenum-gold prospects, spaced along a 3 to 4 km, north to northeast trending zone, have been recognised on the Simuku Project.

Table 2 details the Simuku Mineral Resource, which reported in March 2020 at a 0.2% copper cut off

Table 2 - Simuku Mineral Resource Statement²

Category	Mt	Cu %	Au g/t	Ag ppm	Mo ppm	Cut-Off
Inferred	373.6	0.31	0.05	2.1	59	0.2% Cu

² See Coppermoly ASX Announcement 4 March 2020 for full details of the Simuku Mineral Resource Estimate. The Company is not aware of any new information or data that materially affects the information included in the referenced ASX announcement and confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

DIRECTORS' REPORT (continued)

Coppermoly's exploration strategy is to investigate areas adjacent to the Simuku Mineral Resource for similar styles of mineralisation in order to expand the overall Mineral Resource. Recent geophysical studies completed by the Company have outlined target areas in close proximity to the Simuku Mineral Resource for follow up exploration.

No significant exploration activity was undertaken on the Simuku project during the half-year.

Mak Mak (EL2514)

Mak Mak is a greenfields exploration tenement that lies proximal to the Nakru tenement. There are several sites within the tenement where rock chip and stream sediment samples have returned elevated copper and gold.

No significant exploration activity was undertaken on the Mak Mak project during the quarter.

Kori River (EL2578)

EL2578 is valid for an initial term of 2 years expiring February 2021.

During the half-year the Company lodged a renewal application for the Kori River exploration licence. The renewal process is proceeding in accordance with the established regulatory processes in PNG. The Company believes it has complied with all license conditions, including minimum expenditure requirements, and is not aware of any matters or circumstances that have arisen that would result in the Company's application for renewal of the exploration licences not being granted in the ordinary course of business.

No significant exploration activity was undertaken on EL2578 during the quarter.

Metelen River (EL2638)

Metelen River occupies an area of 246km² and is located adjacent to the Company's existing Mt Nakru and Mak Mak exploration licences.

No work was undertaken on EL2638 during the half-year.

REVIEW OF RESULTS

The loss after tax for the half-year ended 31 December 2020 was \$521,012 (2019: \$641,793 loss). The significant items affecting the loss after tax were:

- Employee benefits expense, including wages and director fees, of \$269,505; and
- Finance costs on the convertible note of \$90,108; and
- Business development costs of \$85,027 for the investigation of new project opportunities.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the period the following significant changes in the state of affairs of the Company occurred:

- On 16 December 2020 Jade Triumph International Limited agreed to further extend the maturity date for the convertible notes by twenty-four months to 19 December 2022. All other terms of the convertible notes remained unchanged.
- On 17 December 2020, the Company issued 30,790,575 fully paid shares to Directors at an issue price of \$0.014 in payment of accrued but unpaid Director fees for the period 1 April 2017 to 30 June 2020.
- On 17 December 2020, the Company issued 14,285,715 fully paid shares to Dr Wanfu Huang at an issue price of \$0.007 which under the terms of Dr Wanfu Huang's employment contract as Managing Director (which became effective 1 May 2019) entitled Dr Wanfu Huang to receive the shares on the first anniversary of his appointment as the Company's Managing Director.

DIRECTORS' REPORT (continued)

DIVIDENDS

No dividends were paid during the half-year and no recommendation is made as to payment of dividends.

IMPACT OF COVID-19

The outbreak of the COVID-19 pandemic in early 2020 and the subsequent travel and trade restrictions imposed by the governments of numerous countries including Australia and Papua New Guinea have caused disruption to businesses and economic activity. The Board and Management of the Group have considered the impact of the COVID-19 pandemic on the Group's operations and financial performance and have determined that the Group has not been materially impacted by the COVID-19 pandemic at this stage.

The Group received \$37,500 in cash boost grants from the Australian government during the half-year as part of the Australian government's, economic response to the COVID-19.

EVENTS AFTER THE REPORTING PERIOD

There have been no events since 31 December 2020 that impact upon the financial report.

SCHEDULE OF TENEMENTS

As at 31 December 2020 the Group had interests in the following mineral exploration licences:

Project	Tenement	Location	Area (km ²)	Period Acquired
Mt Nakru ^{^^} *	EL 1043	West New Britain	47	Jan 2008
Simuku *	EL 2379	West New Britain	122	Jan 2008
Makmak	EL 2514	West New Britain	269	Sep 2017
Kori River ^{^^}	EL 2578	West New Britain	396	Feb 2019
Metelen River	ELA 2638	West New Britain	246	May 2020

* Two of the Company's exploration licences, EL 1043 Mt Nakru and EL 2379 Simuku, together known as the West New Britain Projects (**WNB Projects**), were previously subject to a farm-in agreement with Barrick (PD) Australia Ltd (**Barrick**), a subsidiary of Barrick Gold Corporation. Barrick earned a 72% interest in the WNB Projects by spending more than \$20 million on exploration. In July 2013 Coppermoly entered into an agreement with Barrick to reacquire 100% ownership of the WNB Projects' licences on a staged basis. Barrick still holds a nominal 28% interest in the WNB Projects, which the Company has a binding agreement to acquire, completion of which will be affected on the payment of a further \$4.5 million to Barrick within 6 months following the commencement of commercial production at the WNB Projects. Barrick do not have to contribute any further costs for exploration or development of the WNB Projects nor are they entitled to any profits from the projects.

^{^^} During the reporting period, the Company lodged a renewal application for the Mt Nakru tenement which expired during the period and the Kori River tenement which expired shortly after the period in February 2021, having reached the end of their statutory 2-year terms. The renewal process is proceeding in accordance with the established regulatory processes in PNG. The Company believes it has complied with all license conditions, including minimum expenditure requirements, and is not aware of any matters or circumstances that have arisen that would result in the Company's application for renewal of the exploration licences not being granted in the ordinary course of business.

DIRECTORS' REPORT (continued)

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* immediately follows this report.

This report is made in accordance with a resolution of the directors.

A handwritten signature in dark ink, appearing to read 'KJG', with a small dot at the end.

Kevin Grice
Director
Brisbane, Qld
Dated: 15 March 2021

AUDITOR'S INDEPENDENCE DECLARATION



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DECLARATION OF INDEPENDENCE BY T J KENDALL TO THE DIRECTORS OF COPPERMOLY LIMITED

As lead auditor for the review of Coppermoly 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 Coppermoly Limited and the entities it controlled during the period.

A handwritten signature in black ink that reads 'T J Kendall'.

T J Kendall
Director

BDO Audit Pty Ltd

Brisbane, 15 March 2021

COPPERMOLY LIMITED & ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

		Half – year	
		2020	2019
		\$	\$
Other income			
	4	38,576	3,200
		38,576	3,200
Employee benefits expense		(269,505)	(317,139)
Corporate compliance and shareholder relations		(40,391)	(118,033)
Finance costs		(96,442)	(92,585)
Insurances		(22,012)	(28,398)
Depreciation		(23,436)	(19,049)
Business Development Costs		(85,027)	(18,698)
Office rental, communication and consumables		(20,117)	(18,178)
Other expenses		(2,658)	(32,913)
Loss before income tax		(521,012)	(644,993)
Income tax (expense) / benefit		-	-
Net Loss for the half-year		(521,012)	(641,793)
Other comprehensive income			
Items that will be reclassified to the profit or loss			
Exchange differences on translation of foreign operations		(2,088,543)	(129,417)
Income tax on items of other comprehensive income		-	-
Other comprehensive income for the half-year		(2,088,543)	(129,417)
Total comprehensive income for the half-year		(2,609,555)	(771,210)
		Cents	Cents
Basic and diluted loss per share		(0.02)	(0.03)

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

COPPERMOLY LIMITED & ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Notes	31-Dec-20 \$	30-Jun-20 \$
ASSETS			
Current Assets			
Cash and cash equivalents		3,974,623	4,623,149
Trade and other receivables		95,118	69,776
Total Current Assets		4,069,741	4,692,925
Non-Current Assets			
Receivables		15,122	17,211
Right-of-use assets	5	53,467	71,280
Property, plant and equipment		201,075	259,448
Mineral exploration and evaluation assets	6	15,005,798	16,797,885
Total Non-Current Assets		15,275,462	17,145,824
Total Assets		19,345,203	21,838,749
LIABILITIES			
Current Liabilities			
Trade and other payables		124,209	585,384
Lease Liabilities	7	38,706	35,287
Provisions		25,132	44,312
Borrowings	8	-	1,614,346
Total Current Liabilities		188,047	2,279,329
Non-Current Liabilities			
Lease Liabilities	7	21,986	42,392
Borrowings	8	1,530,729	-
Total Non-Current Liabilities		1,552,715	42,392
Total Liabilities		1,740,762	2,321,721
Net Assets		17,604,441	19,517,028
EQUITY			
Contributed equity	9	30,815,539	30,292,296
Reserves		566,113	2,480,931
Accumulated losses		(13,777,211)	(13,256,199)
Total Equity		17,604,441	19,517,028

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

COPPERMOLY LIMITED & ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Contributed Equity \$	Accumulated Losses \$	Reserves \$	Total \$
Balance at 1 July 2020	30,292,296	(13,256,199)	2,480,931	19,517,028
Comprehensive income for the half-year				
Loss for the half-year	-	(521,012)	-	(521,012)
Foreign currency translation difference, net of tax	-	-	(2,088,543)	(2,088,543)
Total Comprehensive Income	-	(521,012)	(2,088,543)	(2,609,555)
Transactions with owners in their capacity as owners				
Value of conversion rights on convertible notes	-	-	173,725	173,725
Contributions of equity	523,243	-	-	523,243
Costs of share issue	-	-	-	-
Total transactions with owners in their capacity as owners	523,243	-	173,725	696,968
Balance at 31 December 2020	30,815,539	(13,777,211)	566,113	17,604,441
Balance at 1 July 2019	24,288,516	(12,043,586)	2,608,012	14,852,942
Comprehensive income for the half-year				
Loss for the half-year	-	(641,793)	-	(641,793)
Foreign currency translation difference, net of tax	-	-	(129,417)	(129,417)
Total Comprehensive Income	-	(641,793)	(129,417)	(771,210)
Transactions with owners in their capacity as owners				
Contributions of equity	6,062,560	-	-	6,062,560
Costs of share issue	(58,780)	-	-	(58,780)
Total transactions with owners in their capacity as owners	6,003,780	-	-	6,003,780
Balance at 31 December 2019	30,292,296	(12,685,379)	2,478,595	20,085,512

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

COPPERMOLY LIMITED & ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Half-year	
	2020	2019
	\$	\$
Cash Flows from Operating Activities		
Interest received	1,076	3,200
Finance costs paid	(1,308)	(543)
Payments to suppliers and employees	(394,345)	(561,443)
Net cash outflow from operating activities	(394,577)	(558,786)
Cash Flows from Investing Activities		
Payments for exploration and evaluation activities	(225,163)	(946,211)
Payments for property, plant and equipment	(6,772)	(221,626)
Net cash outflow from investing activities	(231,935)	(1,167,837)
Cash Flows from Financing Activities		
Proceeds from issues of shares	-	6,062,560
Cost of share issues	-	(58,780)
Repayment of lease liabilities	(22,014)	(21,372)
Net cash inflow from financing activities	(22,014)	5,982,408
Net increase in cash and cash equivalents	(648,526)	4,255,785
Cash and cash equivalents at the beginning of the half-year	4,623,149	1,548,536
Exchange difference on cash	-	(3,396)
Cash and cash equivalents at the end of the half-year	3,974,623	5,800,925

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

COPPERMOLY LIMITED & ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 1. BASIS OF PREPARATION OF HALF-YEAR REPORT

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2020 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

These interim financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position, financing and investing activities of the consolidated entity as the full financial statements. Accordingly, these half-year 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 Coppermoly Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group's 2020 Annual Financial Report for the financial year ended 30 June 2020, except as stated below.

The Group adopted all new Accounting Standards and Interpretations effective for the half-year ended 31 December 2020. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

As at 31 December 2020, the Company held cash and cash equivalents of \$3,974,623, net current assets of \$3,881,694 and net assets of \$17,604,441. In the half-year ended 31 December 2020 cash outflows from operating and investing activities totalled \$626,512. The Directors consider that the Company's available cash reserves are sufficient to meet its expenditure commitments for the twelve month period following the date of these financial statements and that the application of the going concern basis in the preparation of these financial statements is appropriate.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic

NOTE 2. FAIR VALUE MEASUREMENTS

The carrying values of the Group's financial assets and financial liabilities approximate their fair values as at 31 December 2020.

COPPERMOLY LIMITED & ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 3. SEGMENT INFORMATION

a) Description of segments

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. Operating segments are determined based on financial information reported to the Board which is at the consolidated entity level. Accordingly, the consolidated entity is treated as one operating segment.

Therefore, management identifies the Group as having only one reportable segment. The financial results from this reportable segment are equivalent to the financial statements of the consolidated entity. There have been no changes in the operating segments during the period.

b) Entity-wide disclosures

The Group's geographical information is as follows:

		Australia	Papua New Guinea
		\$	\$
Non-current assets	31 December 2020	75,745	15,199,717
	30 June 2020	97,446	17,048,378

The Group operates primarily in mineral exploration locations in Papua New Guinea. The Group's corporate office is in Australia.

The Group does not have any products/services it derives material revenue from except interest which is mainly from Australia.

NOTE 4. REVENUE AND OTHER INCOME

	31-Dec-20	31-Dec-19
	\$	\$
Revenue and other income comprise the following items:		
Interest income	1,076	3,200
Government grants	37,500	-
	38,576	3,200

Government grants represent cash boost payments received from the Australian government as part of its fiscal response to the COVID-19 pandemic.

NOTE 5. RIGHT-OF-USE ASSETS

	31-Dec-20	30-Jun-20
	\$	\$
Land and buildings - right-of-use	106,880	106,880
Less: Accumulated depreciation	(53,413)	(35,600)
	53,467	71,280

The Group leases land and buildings for its commercial office under an agreement of between two to six years, including two options to extend. The lease includes an annual rent review of 3% or CPI, whichever is higher.

COPPERMOLY LIMITED & ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 6. MINERAL EXPLORATION AND EVALUATION ASSETS

	31-Dec-20	30-Jun-20
	\$	\$
Papua New Guinea		
Balance at the beginning of the half-year	16,797,885	15,212,895
Expenditure capitalised during the period	261,942	1,714,263
Foreign currency exchange differences	(2,054,029)	(129,273)
Balance at the end of the half-year	15,005,798	16,797,885

The ultimate recoupment of the costs carried forward for exploration and evaluation is dependent upon the successful development and commercial exploitation or sale of the respective areas of interest.

During the reporting period, the Company lodged renewal applications for the Mt Nakru and Kori River tenements. The renewal process is proceeding in accordance with the established regulatory processes in PNG. The Company believes it has complied with all license conditions, including minimum expenditure requirements, and is not aware of any matters or circumstances that have arisen that would result in the Company's application for renewal of the exploration licences not being granted in the ordinary course of business.

Two of the Company's exploration licences, EL 1043 Mt Nakru and EL 2379 Simuku, together known as the West New Britain Projects (**WNB Projects**), were previously subject to a farm-in agreement with Barrick (PD) Australia Ltd (**Barrick**), a subsidiary of Barrick Gold Corporation.. Barrick retains a nominal 28% interest in the WNB Projects, which the Company has a binding agreement to acquire, completion of which will be affected on the payment of a further \$4.5 million to Barrick within 6 months following the commencement of commercial production at the WNB Projects. Barrick do not have to contribute any further costs for exploration or development of the WNB Projects nor are they entitled to any profits from the projects.

NOTE 7. LEASE LIABILITIES

	31-Dec-20	30-Jun-20
	\$	\$
Opening balance	77,679	-
Additions	-	106,880
Interest expense	5,027	13,590
Lease payments	(22,014)	(42,791)
Total lease liability	60,692	77,679
Less: Current lease liability due to be settled within 12 months	(38,706)	(35,287)
Non-current lease liability	21,986	42,392

NOTE 8. BORROWINGS

	31-Dec-20	30-Jun-20
	\$	\$
Current	-	1,614,346
Non-current	1,530,729	-
Unsecured:		
Convertible notes (a)	1,031,413	1,157,260
Accrued interest	499,316	457,086
	1,530,729	1,614,346

COPPERMOLY LIMITED & ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 8. BORROWINGS (continued)

a. Convertible notes

The terms of the convertible notes are as follows:

	<u>Convertible notes</u>
Re-issue Date:	19 December 2020
Maturity Date:	19 December 2022
Number of Notes:	60,000,000
Note Face Value:	\$1,200,000
Conversion Price:	Convertible at the noteholder's option into 60,000,000 ordinary shares at a conversion price of \$0.02 per note.

Repayment upon maturity: The outstanding principle amounts of the convertible notes (being the outstanding issue price of the convertible notes to the extent that they have not been converted) will be repaid by the Company.

In prior financial periods, the original terms of the notes were varied to extend the Maturity Date to 19 December 2020. On 16 December 2020 the terms of the notes were again varied to further extend the maturity date to 19 December 2022.

The notes may be repaid by Coppermoly any time prior to the Maturity Date subject to Coppermoly paying the note holder a break fee equal to 5% of the repayment amount.

Interest: The convertible notes bear interest at 7%. The effective interest rate is 15%.

	31-Dec-20	30-Jun-20
	\$	\$
The convertible notes are presented in the consolidated statement of financial position as follows:		
Face value of notes issued	1,200,000	1,200,000
Equity portion	(625,822)	(452,097)
Cost of convertible note issue	(13,739)	(13,739)
Fair value of notes issued	560,439	734,164
Unwinding of interest expense	470,974	423,096
Convertible note liability	1,031,413	1,157,260

NOTE 9. CONTRIBUTED EQUITY

	Half-year ended 31-Dec-20	Half-year ended 31-Dec-19	Half-year ended 31-Dec-20	Half-year ended 31-Dec-19
	Number of Shares	Number of Shares	\$	\$
Opening Balance	2,127,213,969	1,723,043,311	30,292,296	24,288,516
Issues of ordinary shares during the half-year				
Shares issued in lieu of accrued directors fees	30,790,575	-	423,243	-
Shares issued to Managing Director as remuneration	14,285,715	-	100,000	-
Private Placement – Shenzhen Beilite Jades Ltd	-	404,170,658	-	6,062,560
Less costs of raising capital	-	-	-	(58,780)
Contributed Equity	2,172,290,259	2,127,213,969	30,815,539	30,292,296

On 17 December 2020, the Company issued 30,790,575 fully paid shares to Directors at an issue price of \$0.014 in payment of accrued but unpaid Director fees for the period 1 April 2017 to 30 June 2020.

COPPERMOLY LIMITED & ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 10. EARNINGS PER SHARE

The following reflects the operating loss after tax and number of shares used in the calculation of the basic and diluted earnings/(loss) per share.

Weighted average number of ordinary shares on issue	<u>2,130,643,687</u>	<u>2,059,120,019</u>
Loss attributable to Owners of Coppermoly Limited	<u>(521,012)</u>	<u>(641,793)</u>

NOTE 11. CONTINGENCIES

There have been no changes in contingent liabilities since the end of the previous annual reporting period (30 June 2020).

NOTE 12. EVENTS AFTER THE REPORTING PERIOD

There have been no events since 31 December 2020 that impact upon the financial report.

COPPERMOLY LIMITED & ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

DIRECTORS' DECLARATION

In the directors' opinion:

- (a) the attached financial statements and notes set out on pages 9 to 17 are in accordance with the *Corporations Act 2001*, and:
 - (i) comply with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
 - (ii) 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; and
- (b) there are reasonable grounds to believe that Coppermoly Limited 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 directors.



Kevin Grice

Director

Brisbane Qld

Dated: 15 March 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Coppermoly Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Coppermoly 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 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 statement of 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.

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 financial 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

BDO


T J Kendall

Director

Brisbane, 15 March 2021