



# Interim Financial Report

For the half-year ended 31 December 2020

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## DIRECTORS' REPORT

Your Directors submit the condensed consolidated financial statements of the Group for the half-year ended 31 December 2020. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows.

The names of Directors who held office during or since the end of the interim period and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated.

Will Burbury	Non-Executive Chairman
David Boyd	Managing Director
David Archer	Non-Executive Director

## REVIEW OF OPERATIONS

Carawine Resources Limited ("**Carawine**" or "**the Company**") is a dedicated exploration company focused on creating value for its shareholders through the exploration, discovery and development of mineral deposits. Based in Perth, Western Australia the Company is led by an experienced and successful team with a proven track record of discovery, value creation and corporate transactions.

The Company has five gold, copper and base metal exploration projects, each targeting high value deposits in highly prospective, active mineral provinces throughout Australia (Figure 1). In the 6 months to 31 December 2020, the Company acquired a major new gold exploration project named Tropicana North, located in the north-eastern goldfields of Western Australia, by the formation of the Thunderstruck Joint Venture between Carawine (90% interest) and Thunderstruck Investments Pty Ltd (10% interest) ("**Thunderstruck JV**"), and the acquisition of Phantom Resources Pty Ltd. These two acquisitions, combined with Carawine's other tenements in the region, give the Company a significant foothold in a Tier 1 gold province and a pipeline of early stage to advanced gold prospects (refer ASX announcement 3 September 2020). Soon after completing the acquisitions, the Company commenced its maiden drilling program at Tropicana North, which was completed subsequent to end of the period.

The Company also commenced diamond drilling at its Jamieson Project in northeast Victoria, with drill holes designed to test the M2 porphyry target south of the Hill 800 deposit, depth extensions to Hill 800 cold-copper mineralisation, and the high-grade zinc-gold horizon previously identified at Rhyolite Creek, located 5km south of Hill 800.

In the Fraser Range region of Western Australia several high-quality nickel-copper and gold targets were identified at Carawine's 100% owned Big Bang exploration licence in the Central Fraser Range, with exploration by other parties on neighbouring properties returning highly encouraging nickel-copper and gold results. The Company also increased its tenement holding in the Fraser Range with a number of tenement applications made within and along the south-eastern margin of the Central and northern Fraser Zone. Joint venture partners IGO Ltd continued exploration, completing ground geophysical and limited drilling programs across the Fraser Range JV tenements.

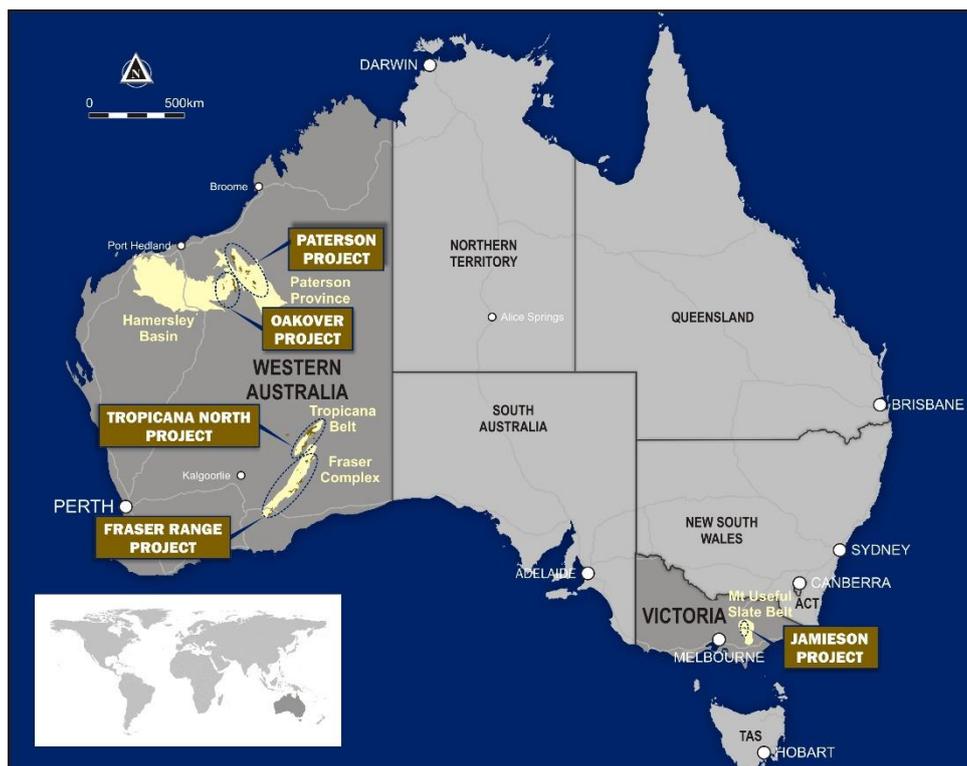


Figure 1: Location of Carawine's Projects throughout Australia.

Carawine's farm-in and joint venture partners in the Paterson Province of Western Australia, Rio Tinto Exploration Pty Ltd ("Rio Tinto") and Fortescue Metals Group Ltd ("Fortescue"), continued to advance exploration on the tenements with work comprising mostly target generation activities, with drilling and geophysical programs planned for 2021. In September 2020 the Company included the "Eider" exploration licence in the Coolbro Joint Venture with Fortescue (refer ASX announcement 18 September 2020). At the Oakover Project in Western Australia, an exclusive right was granted to Black Canyon Pty Ltd ("Black Canyon") to farm-in to the Oakover Project tenements, subject to Black Canyon receiving conditional approval to list on the ASX prior to 23 May 2021 (refer ASX announcement 23 December 2020).

During the reporting period the Company raised \$6 million through a placement of 30 million shares at an issue price of \$0.20 per share to institutional, sophisticated and professional investors. At the end of the reporting period the Company had cash reserves of approximately \$6.4 million. Further details of these activities are provided as follows.

## EXPLORATION ACTIVITIES

### TROPICANA NORTH PROJECT

During the period the Company announced the acquisition of a major new gold exploration project in the Tropicana and Yamarna regions of Western Australia's north-eastern goldfields, named the "Tropicana North Project." The project covers 80km strike of the Tropicana Belt, containing strike extensions of the same or similar rock units and structures to those hosting the large Tropicana gold mine operated by AngloGold Ashanti Australia Ltd ("AGA") in joint venture with IGO Ltd ("IGO").

The project is centred on two acquisitions completed during the period: the "Thunderstruck JV," which is a joint venture between Carawine (90%) and Thunderstruck Investments Pty Ltd (10%) with Carawine as manager; and the purchase of a 100% interest in four exploration licence applications in the region via the acquisition of Phantom Resources Pty Ltd ("Phantom"). Also included are seven additional tenement applications held by Carawine in the region.

With these tenements now combined into the one project, Tropicana North comprises two granted exploration licences ("Neale" and "Don King") (Thunderstruck JV), and eleven exploration licence applications held 100% by Carawine (Figure 2). Combined, these cover an area of more than 1,800km<sup>2</sup>, making Carawine the second-largest tenement holder in the region behind AGA.

Historic exploration comprising geophysical surveys, project-wide auger soil sampling and regional to prospect-scale drilling has identified several early-stage to advanced gold prospects, including numerous targets on the granted Thunderstruck JV tenements, providing Carawine with a pipeline of high-quality exploration targets on which to target its exploration programs.

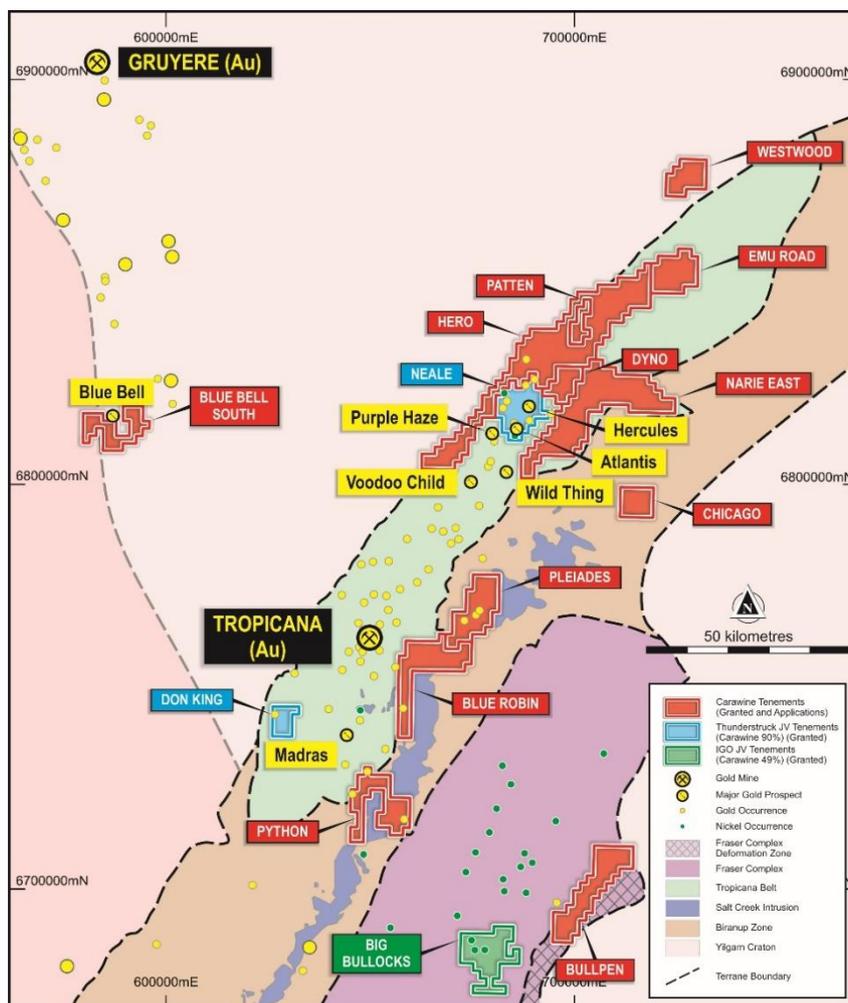


Figure 2: Tropicana North project geology, tenements, and prospects.

During and subsequent to the end of the quarter the Company completed its first, major drilling program at Tropicana North with reverse circulation ("RC") drilling at the Hercules and Atlantis prospects, and air core ("AC") drilling along the Hercules and Tropicana Shear Zones on the Neale and Don King tenements.

RC drilling at Hercules and Atlantis was recently completed with 20 holes drilled for a total 3,178m (11 holes/1,804m completed prior to 31 December 2020). The program targeted extensions to previously reported high-grade gold mineralisation at the Hercules and Atlantis prospects (Figure 3), for example:

- **10m @ 4.02g/t Au** from 127m (NLC155, Hercules)
  - **3m @ 12.0g/t Au** from 49m (NLC112, Hercules)
  - **15m @ 21.0 g/t Au** from 50m (NLC02779, Atlantis)
  - **9m @ 5.19g/t Au** from 63m (NLC032, Atlantis)
- (intervals above 0.3g/t Au cut-off, downhole widths, refer ASX announcement 3 September 2020)

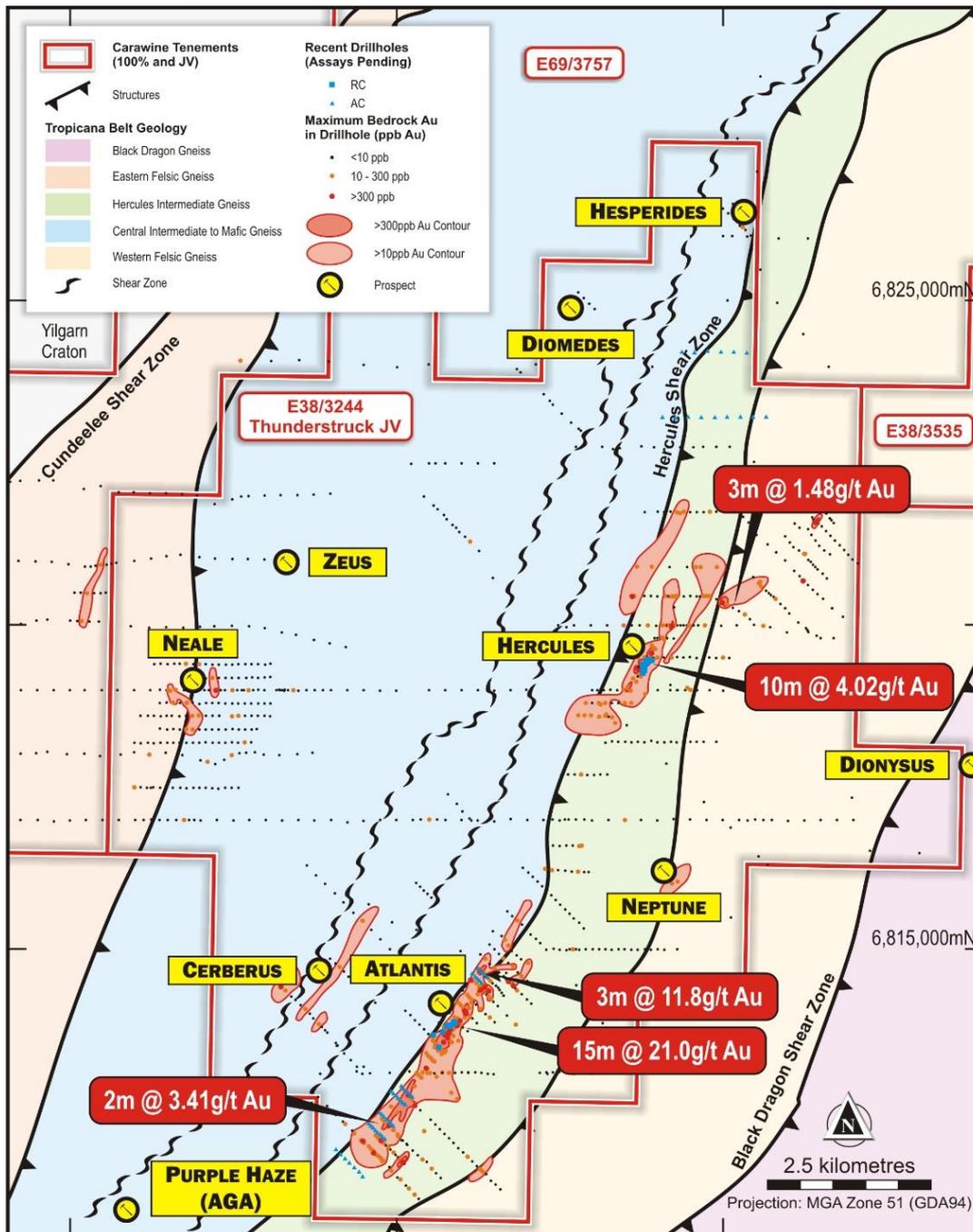


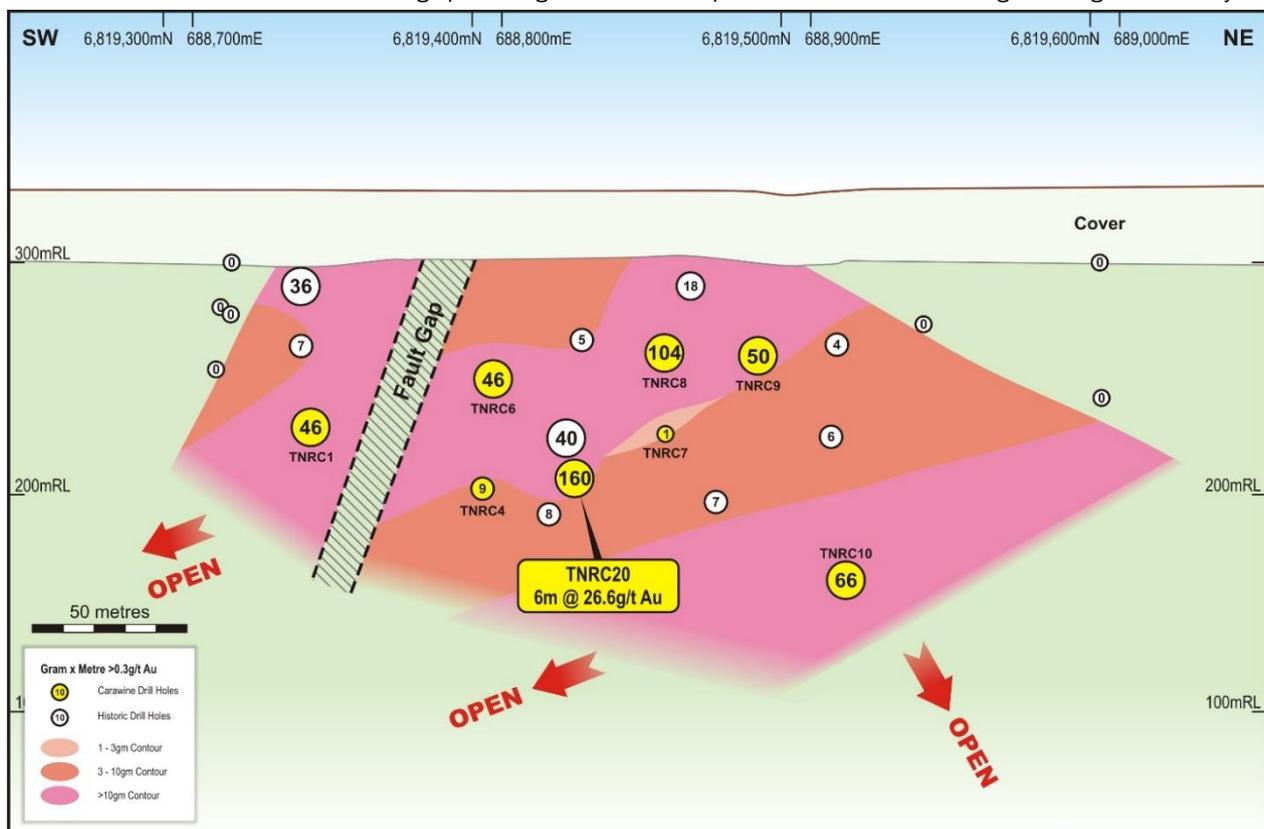
Figure 3: Neale tenement E38/3244 local geology, prospects drill hole locations

AC drilling at the Neale and Don King tenements was completed late in December 2020, with 80 holes drilled for a total 4,124m. Targets included near-surface gold anomalies along the Hercules Shear Zone and around historically reported high-grade gold intervals including 3m @ 11.8g/t Au from 47m (NLC02669) on the Neale tenement (Figure 3), and historic end-of-hole gold anomalism at Don King (refer ASX announcement 3 September 2020).

Assay results from these RC and AC drilling programs had started to be received from late February 2021, with excellent results returned from twelve RC holes drilled at the Hercules prospect, as follows (Figure 4) (refer ASX announcements 24 February and 3 March 2021):

- Combined interval of **37m @ 5.58g/t Au** from 84m<sup>1</sup> across three lodes in drill hole TNRC008:
  - **4m @ 25.9g/t Au** from 84m, including **3m @ 34.2g/t Au** from 84m (main zone)<sup>2</sup>
  - **3m @ 22.2g/t Au** from 101m, including **2m @ 33.0g/t Au** from 101m<sup>2</sup>
  - **3m @ 10.6g/t Au** from 118m, including **2m @ 15.6g/t Au** from 118m<sup>2</sup>
- Combined interval of **18m @ 11.3g/t Au** from 136m<sup>1\*</sup> across two lodes in drill hole TNRC020:
  - **6m @ 26.6g/t Au** from 136m, including **4m @ 39.7g/t Au** from 138m (main zone)<sup>2</sup>
  - **4m @ 10.4g/t Au** from 150m, including **1m @ 40.1g/t Au** from 153m<sup>2\*</sup>
- Additional high-grade gold intersections extend mineralisation along strike and at depth:
  - **3m @ 15.2g/t Au** from 125m, including **2m @ 22.4g/t Au** from 125m (drill hole TNRC001)<sup>2</sup>
  - **3m @ 15.4g/t Au** from 111m, including **2m @ 22.7g/t Au** from 111m (drill hole TNRC006)<sup>2</sup>
  - **5m @ 10.0g/t Au** from 86m (drill hole TNRC009)<sup>2</sup>
  - **5m @ 13.1g/t Au** from 207m, including **3m @ 21.5g/t Au** from 208m (drill hole TNRC010)<sup>2</sup>

From these results, additional new high-grade gold lodes have been discovered parallel to the main zone (e.g. drill holes TNRC008 and TNRC020), defining a wider “blow-out” zone of mineralisation not identified in historic results. These multiple high-grade intersections and mineralisation remaining open along strike and at depth confirm Hercules as a significant gold discovery.



**Figure 4:** Hercules prospect long section along the main mineralised zone. The circle labels are of gram-metre intervals for the reported results from Carawine’s drill holes (yellow) and historic results (white).

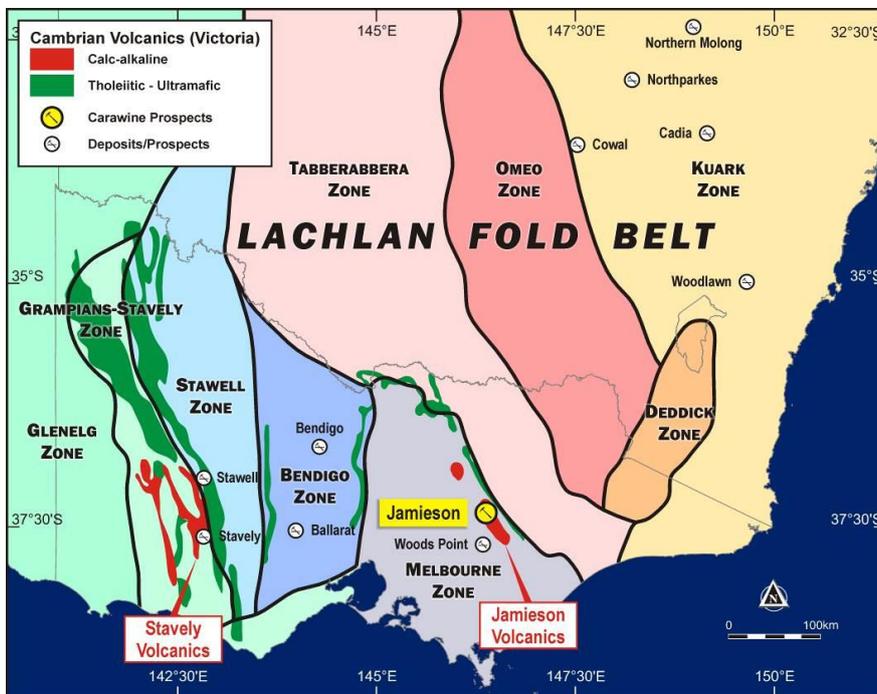
Additional work to further understand the style, orientation, mineralogy, grade distribution and geological setting of the mineralisation at Hercules will be required. A program of follow-up drilling, which may include RC and/or diamond drilling will be designed with a focus on extending mineralisation to the northeast and southwest where it appears the strike length of the mineralisation is increasing with depth (Figure 4).

Further exploration programs will also be designed and prioritised based on assay results from the completed RC and AC programs, and other untested targets. These programs may include follow-up RC drilling at Atlantis and RC or infill AC drilling of gold anomalies along the Hercules Shear Zone, as well as additional AC drilling along the Hercules Shear Zone and other areas of anomalous (>10ppb) gold identified from historic drilling (e.g. Neale, Cerberus and Neptune prospects) (Figure 3).

<sup>1</sup> Combined interval >0.3g/t Au, 6m max. internal waste (dilution); <sup>2</sup> Reported intervals >0.3g/t Au including >1g/t Au; 1m min. width, 2m max. internal waste. \*incomplete interval, samples 154m to 159m missing, re-split samples from retained drill spoil required; All intervals reported are downhole widths, refer ASX announcements 24 February 2021 and 3 March 2021 for further details.

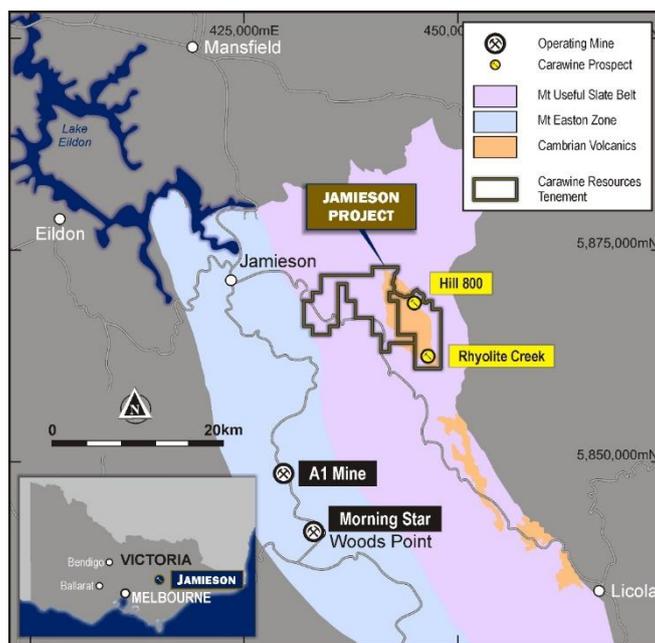
**JAMIESON PROJECT**

The Jamieson Project is located on unrestricted crown land within the Mt Useful Slate Belt geological province in northeast Victoria, Australia. The region was founded on gold in the 1850s, with several gold mines that have operated or are currently in production. Carawine is advancing two main prospect areas at the Jamieson Project: Hill 800 and Rhyolite Creek, and regionally searching for porphyry-related gold-copper mineralisation.



**Figure 5:** Location of the Jamieson project within the Lachlan Fold Belt of southeast Australia<sup>2</sup>.

The project comprises granted exploration licences EL5523 and EL6622, which cover an area of 120km<sup>2</sup> over Ordovician and Silurian aged sediments and Cambrian age volcanic rocks in the Mt Useful Slate Belt geological province, part of the Lachlan Fold Belt. The focus of Carawine’s work is the Jamieson Volcanics “window” comprising Cambrian-aged calc-alkaline volcanic rocks which have a genetic link with the Stavely Volcanics in western Victoria and the Mt Read Volcanics in western Tasmania, host to several world-class gold, copper and base metal deposits (Figure 5).



**Figure 6:** Jamieson project tenements and local geology.

<sup>2</sup> modified from: Huston, D.L., Champion, D.C., Mernagh, T.P., Downes, P.M., Jones, P., Carr, G., Forster, D. and David, V., 2016. *Metallogensis and geodynamics of the Lachlan Orogen: New (and old) insights from spatial and temporal variations in lead isotopes*. Ore Geology Reviews 76 (2016) 257–267 and; VandenBerg, A.H.M., Willman, C.E., Maher, S., Simons, B.A., Cayley, R.A., Taylor, D.H., Morand, V.J., Moore, D.H. and Radojkovic, A., 2000. *The Tasman Fold Belt System in Victoria*. Geological Survey of Victoria Special Publication.

Hill 800 is the most advanced prospect, with drilling to date returning outstanding widths and grades of gold and copper mineralisation, e.g., 93m @ 3.25g/t Au from 2m, including 31m @ 6.64g/t Au from 58m (H8DD006) and 11m @ 13.9g/t Au from 278m including 2m @ 74.8g/t Au, 0.4% Cu from 290m (H8DD022) (Figure 7, refer ASX announcements 27 May 2019 and 14 May 2020).

The Rhyolite Creek prospect is about five kilometres south of Hill 800 and includes a potential large tonnage, low-grade gold-copper target and a high-grade porphyry-related or seafloor position VMS gold and base-metal target (refer ASX announcements 15 July 2019 and 29 January 2020).

During the period a diamond drilling program commenced targeting porphyry-related gold and copper mineralisation at and around the Hill 800 deposit, and the high-grade zinc-gold horizon at the Rhyolite Creek prospect. To date, four diamond drill holes H8DD023 to H8DD025 (at Hill 800 and surrounds) and RCDD006 (at Rhyolite Creek) have been completed to total depths of 2,016.7m, with two holes completed and the third hole in progress during the reporting period, comprising 771m of drilling, and the remainder completed subsequent to the end of the reporting period.

The first drill hole of the program, H8DD023, was drilled to test the M2 copper-gold porphyry magnetic anomaly about 700m south of Hill 800. H8DD023 was previously drilled to 200m downhole depth, testing the M14 anomaly (refer ASX announcement 14 May 2020), with the recent drilling extending the hole depth to 662.8m. Preliminary geological logging of H8DD023 recognised alteration zones, vein types and sulphide mineralisation consistent with the outer propylitic zone of the Jamieson copper-gold porphyry exploration model (refer ASX announcements 3 December 2019 and 8 December 2020).

The next two holes drilled in the program, H8DD024 and H8DD025, were designed to test down-plunge from a high-grade gold interval reported earlier in 2020 of 11m @ 13.9g/t Au from 278m including 2m @ 74.8g/t Au, 0.4% Cu from 290m in drill hole H8DD022 (Figure 7) (refer ASX announcement 14 May 2020).

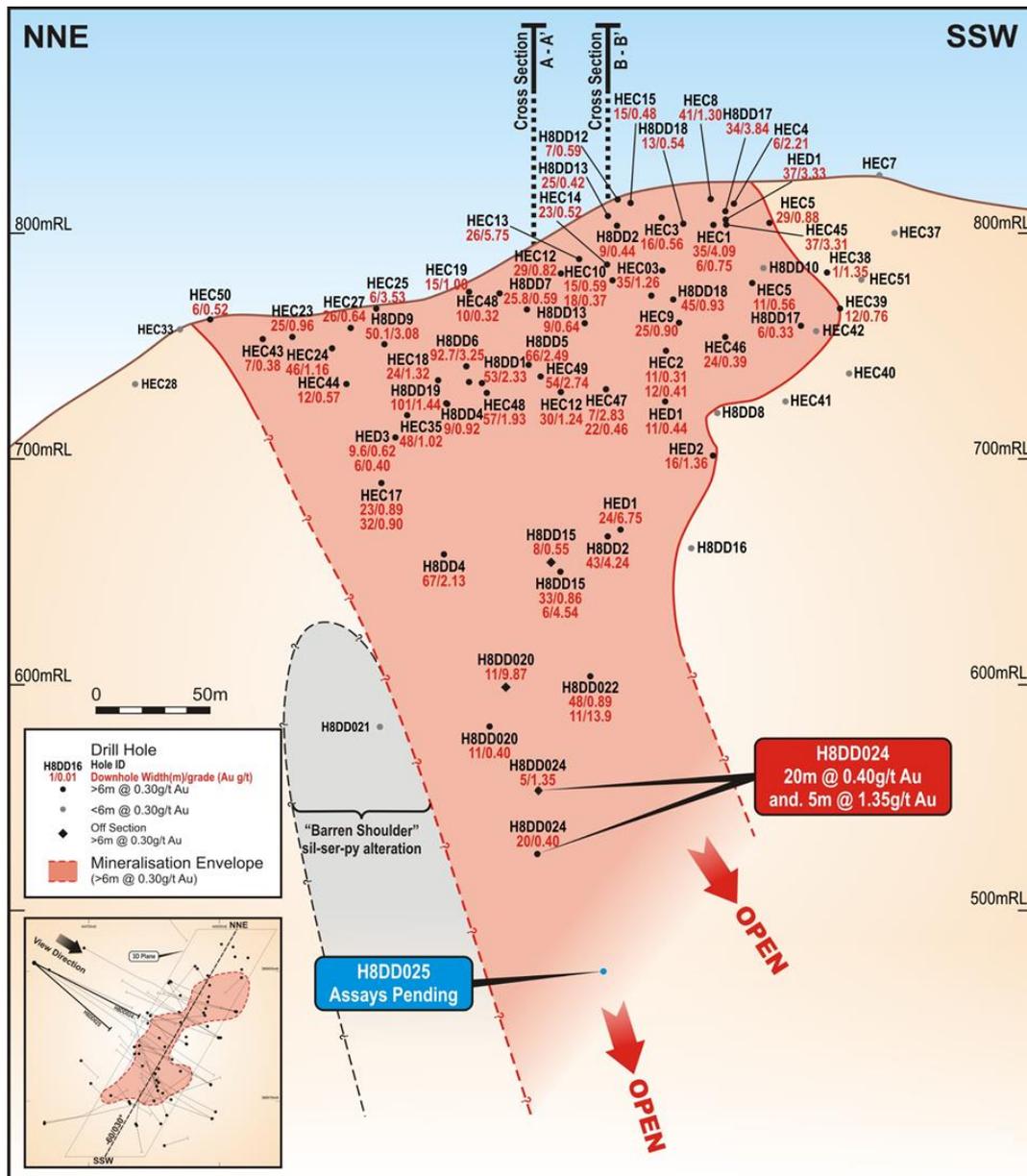


Figure 7: Hill 800 long projection in plane of mineralisation, looking southeast.

Assay results from drill holes H8DD023 and H8DD024 were received subsequent to the end of the reporting period, with drill hole H8DD024 returning an interval of 20m @ 0.4g/t Au from 291m (0.3g/t Au cut-off), including: 1m @ 1.27g/t Au, 0.4% Cu from 291m and 2m @ 1.55g/t Au from 299m (1g/t Au cut-off) (Figure 7). These intervals extend the Hill 800 main zone mineralisation by 65m down-dip, at lower grades than were targeted but consistent with assay results from other drill holes along the northern edge of the deposit (e.g. drill hole H8DD020). The results confirm a southerly plunge to the Hill 800 mineralisation, which remains open at depth and to the south (refer ASX announcement 9 March 2021).

Drill hole H8DD023 returned no significant gold or copper intervals, however assay results including anomalous gold, copper and pathfinder elements, and petrographic work confirm that the drill hole intersected alteration consistent with the outer “propylitic” zone of the Company’s copper-gold porphyry exploration model (refer ASX announcement 9 March 2021). This information will now be used to refine the exploration model before designing and prioritising additional drill holes targeting the copper-gold porphyry source to the Hill 800 mineralisation.

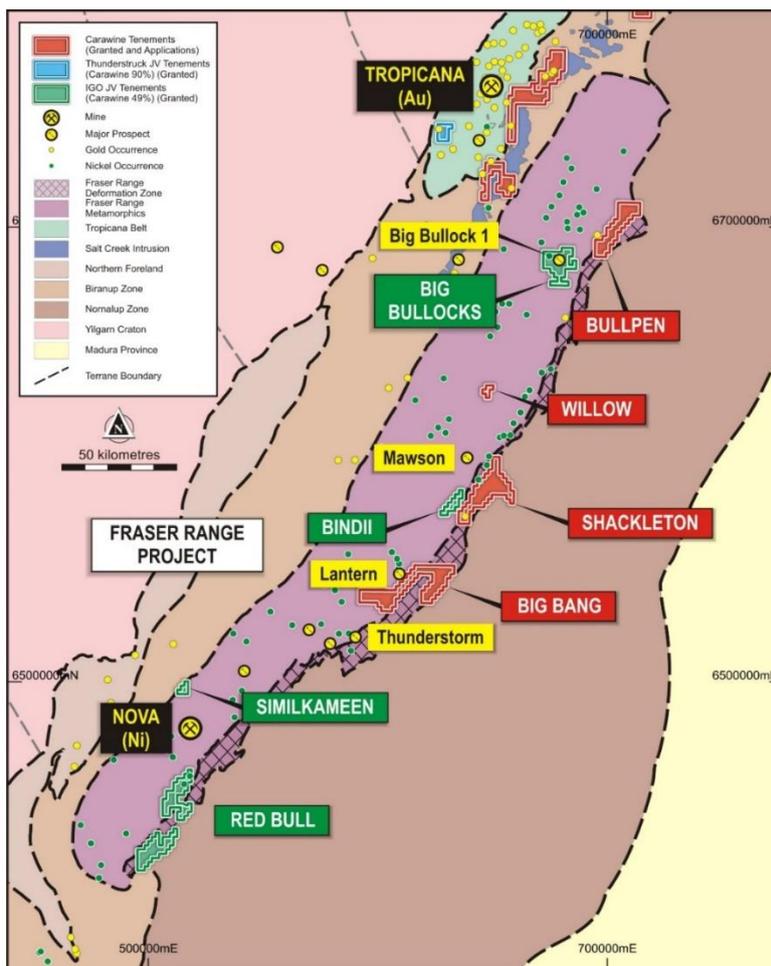
Assay results for drill holes H8DD025 and RCD006 have not yet been received.

Further drilling is expected at the Jamieson Project during 2021 at one or more of the Hill 800, Rhyolite Creek and other porphyry copper-gold targets. Drill holes are expected to be designed and prioritised after all results from the recently completed program have been received.

**FRASER RANGE PROJECT**

Carawine’s Fraser Range Project includes six granted exploration licences in five areas: Red Bull, Bindii, Big Bullocks, Similkameen and Big Bang; and three active exploration licence applications Willow, Bullpen and Shackleton in the Fraser Range region of Western Australia.

The project is considered highly prospective for magmatic nickel-sulphide deposits such as IGO Ltd’s (ASX:IGO; “IGO”) Nova-Bollinger nickel-copper-cobalt deposit, and two recent significant discoveries in the Central Fraser region by Legend Mining Limited (ASX:LEG; “Legend”) at their Mawson prospect, and Galileo Mining Limited (ASX:GAL; “Galileo”) with their Lantern group of prospects (Figure 8).



**Figure 8: Fraser Range Project tenements**

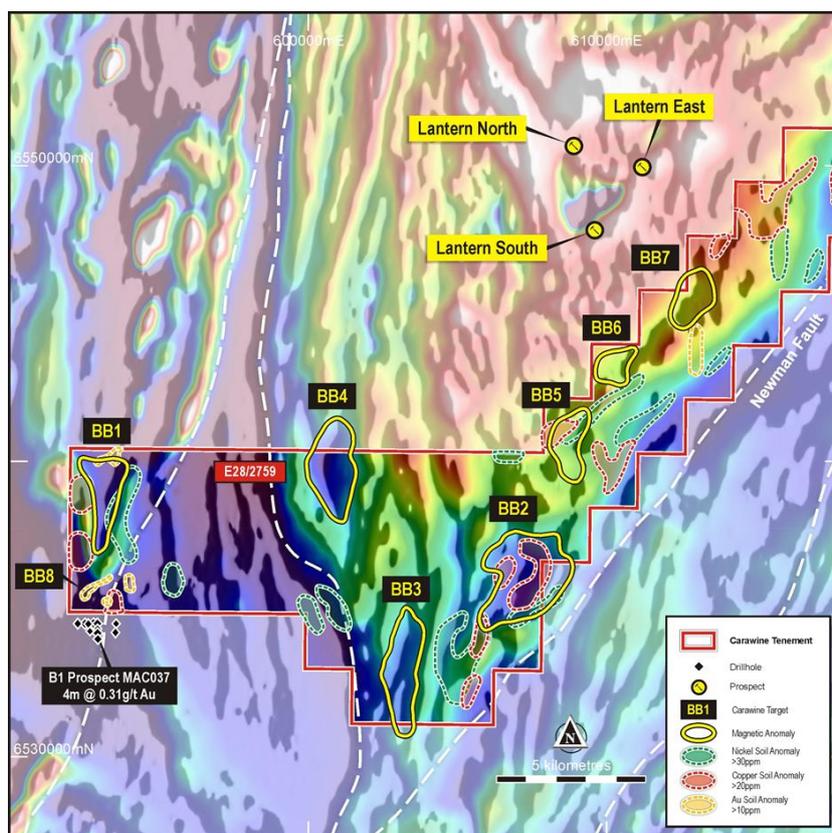
Carawine has a joint venture with IGO over the Red Bull, Bindii, Big Bullocks and Similkameen tenements (the “Fraser Range Joint Venture” or “FRJV”). IGO is managing and operating the joint venture, and currently holds a 51% interest acquired in November 2016. IGO can earn an additional 19% interest in the tenements by spending a total of \$5 million in the five year period prior to November 2021.

During the reporting period, Carawine identified several nickel-copper and gold targets on its 100%-owned Big Bang tenement from open-file aeromagnetic data and historic surface geochemical samples and increased its tenement coverage in the region with one new exploration licence application ("Shackleton") near Legend Mining's Mawson nickel discovery in the Northern Fraser Range. IGO advanced exploration on the Fraser Range JV tenements with ground geophysical and air core drilling programs on the Red Bull, Similkameen and Big Bullocks tenements.

*Carawine Tenements (100% Interest)*

Carawine's Big Bang tenement is in the highly active Central Fraser Range region, bordering tenements with recent gold and nickel-copper discoveries made by IGO at Thunderstorm<sup>3</sup> and Galileo's Lantern<sup>4</sup> prospects respectively, and is just 50km south of Legend's Mawson nickel-copper discovery (Figure 8).

In September 2020, the Company identified nine new prospects targeting nickel-copper, gold and iron oxide copper gold ("IOCG") deposits within the tenement, including seven targets considered prospective for magmatic Ni-Cu mineralisation (Figure 9) (refer ASX announcement 15 September 2020). Initial planning for a heritage survey ahead of site preparation and drilling has begun, with drilling expected late Q2 2021. This program received approval through the Western Australian Government's Exploration Incentive Scheme ("EIS") for co-funding of direct drilling costs up to a total \$150,000.



**Figure 9:** Big Bang Fraser Range Metamorphics, western targets on magnetic image (RTP)

*Fraser Range Joint Venture (IGO 51%, earning to 70%)*

During the period IGO completed the following exploration activities: AC drilling at Similkameen (E28/2563), 402 ground-based moving loop electromagnetic ("MLEM") stations at the Big Bullocks and Motueka prospects at Big Bullocks (E39/1733). No significant results were reported from these programs.

Also during the reporting period, IGO surveyed 131 MLEM stations over the Red Bull tenement E69/3052. An additional 86 MLEM stations are planned within both Red Bull tenements (E69/3052 and E69/3033) over airborne electromagnetic ("AEM") and coincident magnetic/gravity anomalies, with results to be interpreted and reported upon completion of the surveys during H1 2021.

IGO plans to continue work on the Fraser Range JV tenements during 2021 with the MLEM surveys at Red Bull and an interpretation of previous AC results which may lead to the design and survey of additional MLEM surveys and/or infill AC drilling.

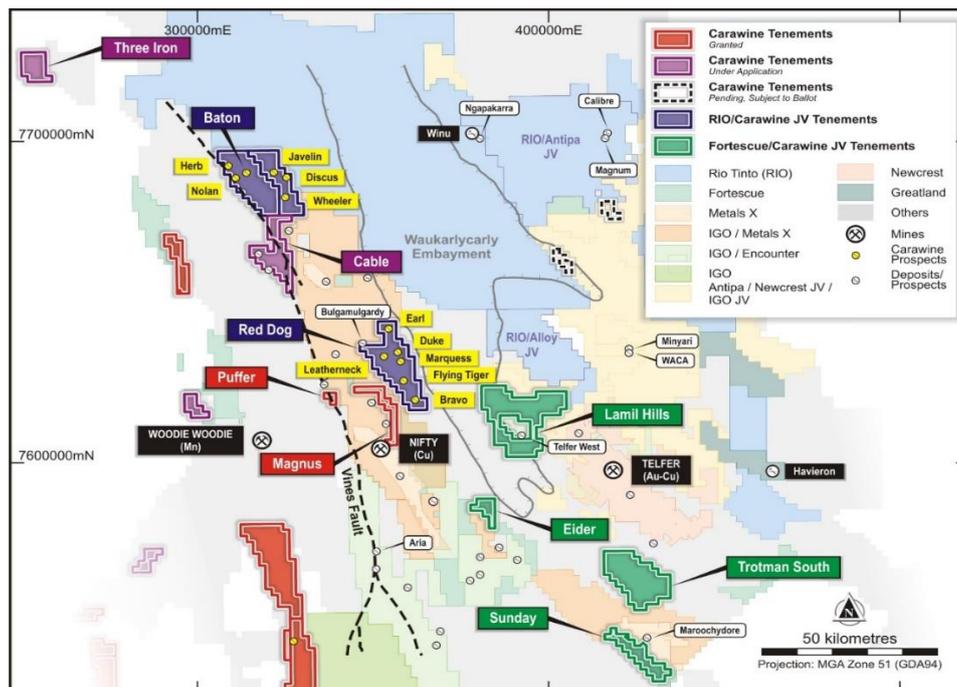
<sup>3</sup> Rumble Resources Ltd (ASX:RTR) ASX announcement 6 May 2020

<sup>4</sup> Galileo Mining Ltd (ASX:GAL) ASX announcement 9 September 2020

**PATERSON PROJECT**

The Company's Paterson Project is located in the Paterson Province of Western Australia, host to the world-class Telfer gold and copper deposit (Newcrest Mining Ltd) and the Nifty copper and Maroochydore copper-cobalt deposits (Metals X Ltd<sup>5</sup>). Recent discoveries in the region include Rio Tinto's Winu copper-gold deposit and Ngapakarra gold prospect<sup>6</sup>, and Havieron, an intrusion-related gold and copper deposit discovered by AIM-listed Greatland Gold PLC ("Greatland"), now being advanced in joint venture with Newcrest Mining Ltd (Figure 10).

The project comprises nine granted exploration licences and four active exploration licence applications (two subject to ballot) over an area of about 1,500km<sup>2</sup> across ten tenement groups. These are named Red Dog and Baton (West Paterson JV tenements); Lamil Hills, Trotman South, Eider and Sunday (Coolbro JV tenements), and; Cable, Puffer, Magnus and Three Iron (Carawine 100%). These tenements contain host formations and structures common to the major mineral deposits in the area and were selected based on their proximity to known mineralisation, shallow depth to basement, hosting prospective stratigraphy and geophysical anomalies.



**Figure 10:** Carawine's Paterson tenements in relation to selected other tenement holders in the region.

*Carawine Tenements (100% - no farm-in agreement)*

Carawine holds two granted exploration licences ("Puffer" and "Magnus") and one active exploration licence application ("Cable") in the Paterson region which are not subject to ballot, farm-in or joint venture agreements (Figure 10). Evaluation and target generation work continued on these tenements during the period, with the results to be used to enable the Company to assess whether to explore these tenements in its own right, or seek exploration partners as it has done for its other Paterson tenements.

In September 2020, the "Eider" tenement E45/5528 was added to the Coolbro JV (see below).

*Coolbro JV (Fortescue earning to 51%)*

Carawine has a farm-in and joint venture agreement with FMG Resources Pty Ltd, a wholly owned subsidiary of Fortescue Metals Group Ltd ("Fortescue") (ASX:FMG), whereby Fortescue has the right to earn up to 75% interest in the Lamil Hills, Trotman South, Sunday and Eider tenements by spending \$6.1 million in seven years from November 2019 (the "Coolbro JV").

During the period, Fortescue completed initial interpretations of compiled surface and drilling data to assist with target generation, along with a geological and logistical reconnaissance trip to the JV tenure for preliminary assessments of stratigraphy, regolith and logistical requirements for future exploration programs. Planning for a helicopterborne Versatile Time Domain Electromagnetic ("VTEM") survey over the Coolbro JV tenements was finalised, with the survey expected to commence during H1 2021.

In September 2020, the Company and Fortescue amended the Coolbro JV agreement to add the Eider tenement (E45/5528) to the Coolbro JV tenements in consideration for \$50,000 cash and an increase in the Stage 1 earn-in amount for the Coolbro JV by \$100,000 to \$1.6 million, resulting in a revised total earn-in amount of up to \$6.1 million to earn a 75% interest in the Coolbro JV tenements. Eider will be included in the upcoming VTEM survey, with a minimum of 60-line kilometres to be flown, and a minimum of 1,000 metres of drilling completed on Eider before earning a 51% interest as part of the amended agreement (refer ASX announcement 18 September 2020).

<sup>5</sup> Cyprium Metals Limited (ASX:CYM) to acquire these deposits from Metals X, refer ASX:CYM announcement 10 February 2021.  
<sup>6</sup> Rio Tinto (ASX:RIO) ASX announcement "Rio Tinto reveals maiden Resource at Winu and new discovery" 28 July 2020

Exploration is proposed to continue in 2021 with the VTEM survey, Native Title access notifications, regolith and surface mapping programs and orientation surveys for surface sampling programs and planning for test HVSR (Passive Seismic) survey lines scheduled for the first quarter of 2021 onwards.

*West Paterson JV (Rio Tinto Exploration, earn-in right up to 80%)*

Carawine has a farm-in and joint venture agreement with Rio Tinto Exploration Pty Ltd (“Rio Tinto Exploration” or “RTX”), a wholly owned subsidiary of Rio Tinto Limited (ASX:RIO), whereby RTX has the right to earn up to an 80% interest in the Baton and Red Dog tenements by spending \$5.5 million in six years from October 2019 to earn 70% interest and then sole funding to a prescribed milestone (the “West Paterson JV”).

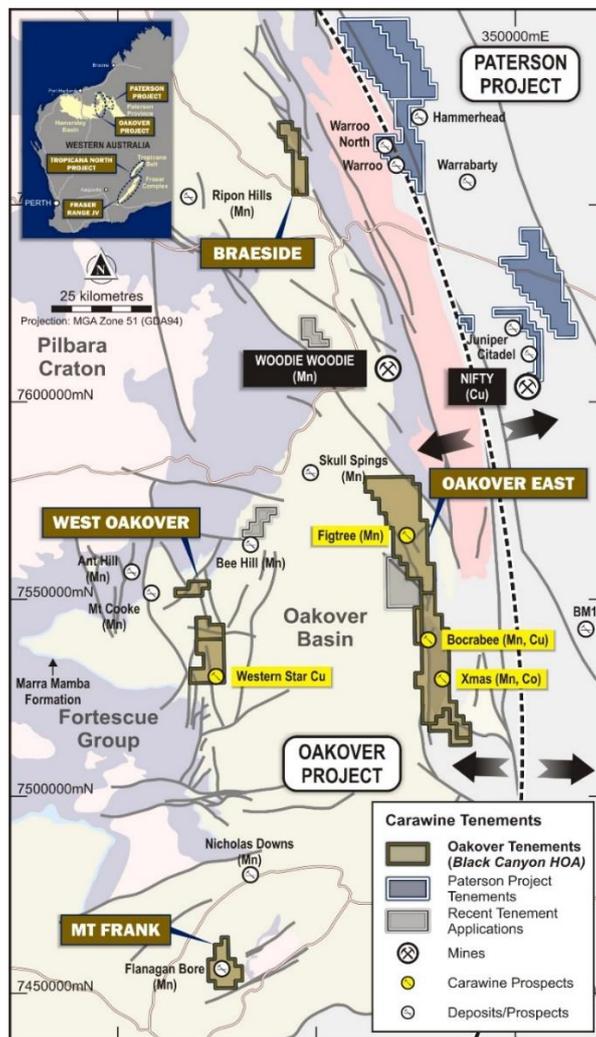
During the period planning for an initial drill programme and related earthworks to test targets on the Baton tenements continued with the program now expected to be completed in Q3 2021. A total of 10-15 combined air core / reverse circulation drill holes for a total of around 2,000m of drilling are planned, with the drill targets including the Javelin, Discus and Wheeler coincident magnetic/gravity anomalies.

Planning also progressed for a heritage survey to facilitate field activities on previously identified target areas (including Earl, Duke and Marquess targets) on the Red Dog tenement, with survey timing in 2021 yet to be finalised. Target prospectivity review work is also ongoing.

**OAKOVER PROJECT**

Neighbouring the Paterson Project and located about 200km northeast of Newman in the Eastern Pilbara region of Western Australia, the Oakover Project comprises eight granted exploration licences and three exploration licence applications with a total area of about 950km<sup>2</sup>, held 100% by the Company.

Along the eastern edge of the Oakover Basin the tenement holding includes sediment-hosted copper occurrences at Bocrabee, and numerous high-grade “Woodie-Woodie” style manganese prospects (typical Mn >45%, Fe<5%) in the Fig Tree area (30km south of Consolidated Minerals’ Woodie Woodie mine). The western Oakover tenements are considered prospective for copper and “Balfour” style manganese deposits (medium grade Mn/Fe), including the Western Star copper prospect and historic Davis River manganese occurrences (Figure 11).



**Figure 11:** Oakover Project location and regional geology

In December 2020, the Company executed a binding Heads of Agreement ("Agreement") with Black Canyon Pty Ltd ("Black Canyon"), giving Black Canyon the exclusive right to farm-in to the eight granted exploration licences in the Oakover Project (the "Tenements"), subject to the satisfaction of certain conditions precedent including Black Canyon completing a capital raising sufficient to satisfy the conditions for listing on ASX and receiving conditional approval to be admitted to the official list of the ASX. Under the terms of the Agreement, Black Canyon are to make a A\$50,000 non-refundable cash payment to Carawine within 30 days of the date of the Agreement in consideration for Carawine granting to Black Canyon five months exclusivity over the Tenements in order to satisfy the conditions precedent under the Agreement. This payment was received subsequent to the end of the reporting period. For further details refer to the Company's ASX announcement dated 23 December 2020.

The Agreement provides Black Canyon with a large tenement package in a world-class manganese district and allows Carawine to focus on gold and copper exploration at its Jamieson and Tropicana North Projects, and nickel exploration at its Fraser Range Project, whilst also retaining exposure to the benefits of any discovery from the Oakover Project. Further details of the Agreement are contained within the Company's ASX announcement dated 23 December 2020.

During the period the Company made three exploration licence applications at the Oakover Project. These applications are considered prospective primarily for manganese and are not subject to the Black Canyon Agreement.

### **CORPORATE ACTIVITIES**

#### *Share Placement Completed*

On 28 September 2020, the Company announced a placement to raise a total of \$6.0 million (before costs) through a two-tranche placement of approximately 30 million ordinary shares ("Shares") at an issue price of 20 cents per Share ("the Placement"). The issue price represented a 13.2% discount on the 30-day volume weighted average price of the Company's traded shares prior to the announcement. The first tranche ("Tranche 1"), comprising the issue of 18 million Shares to raise \$3.6 million (before costs), was completed on 5 October 2020.

The second tranche ("Tranche 2"), comprising the issue of 12 million Shares to raise \$2.4 million (before costs), was completed during the quarter on 26 November 2020, following approval at the Company's Annual General Meeting held on 17 November 2020. For further details refer to the Company's ASX announcements dated 28 September and 26 November 2020.

#### *Appointment/Resignation of Company Secretary*

Also announced during the period, Mr Sam Smart was appointed to the position of Company Secretary, replacing Ms Rebecca Broughton, effective 1 January 2021. Mr Smart holds a Bachelor of Laws and a Master of Business Administration and has considerable experience advising companies on all aspects of corporate law. Mr Smart has held both director and company secretary positions with ASX-listed companies.

The Board acknowledged and thanked Ms Broughton for her significant contribution to the Company during her time as Company Secretary.

### **Auditor's Independence Declaration**

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Group with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 15 and forms part of this Directors' report for the half-year ended 31 December 2020.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.



Mr David Boyd  
Managing Director

11 MARCH 2021

## COMPLIANCE STATEMENTS

### REPORTING OF EXPLORATION RESULTS AND PREVIOUSLY REPORTED INFORMATION

The information in this report that relates to Exploration Results is based on information compiled by Mr Michael Cawood, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Cawood holds shares and options in and is a full-time employee of Carawine Resources Ltd and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activities being 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' (the "JORC Code (2012)"). Mr Cawood consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

This report includes information that relates to Exploration Results prepared and first disclosed under the JORC Code (2012) and extracted from the Group's previous ASX announcements, with the Competent Person for the relevant original market announcement indicated in brackets, as follows:

- Jamieson: "Jamieson Project Assay Results Received" 9 March 2021 (M Cawood)
- Tropicana North: "Outstanding Results Continue with Latest High-Grade Intersections at Hercules" 3 March 2021 (M Cawood)
- Tropicana North: "Multiple High-Grade Intersections Confirm Exciting New Gold Discovery at Hercules" 24 February 2021 (M Cawood)
- Jamieson: "Porphyry Alteration at Jamieson, Tropicana North Drilling Update" 8 December 2020 (M Cawood)
- Fraser Range: Nickel and Gold Targets Outlined at the Big Bang Project in the Fraser Range" 15 September 2020 (M Cawood)
- Tropicana North: Carawine Acquires New Gold Project in Western Australia" 3 September 2020 (M Cawood)
- Jamieson: "High Gold Grades at Hill 800 Continue" 14 May 2020 (M Cawood)
- Jamieson: "Jamieson Project Drilling Progress Update" 29 January 2020 (M Cawood)
- Jamieson: "New Porphyry Copper-Gold Targets in Victoria" 3 December 2019 (M Cawood)
- Jamieson: "New Gold Prospects Defined at Jamieson" 15 July 2019 (M Cawood)
- Jamieson: "Gold Zone Extended with Latest Results from Hill 800" 27 May 2019 (M Cawood)

Copies of these announcements are available from the ASX Announcements page of the Group's website: [www.carawine.com.au](http://www.carawine.com.au)

The Group confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements. Where the information relates to Exploration Results the Group confirms that the form and context in which the competent person's findings are presented have not been materially modified from the relevant original market announcements.

### FORWARD LOOKING AND CAUTIONARY STATEMENTS

Some statements in this report regarding estimates or future events are forward-looking statements. They include indications of, and guidance on, future earnings, cash flow, costs and financial performance. Forward-looking statements include, but are not limited to, statements preceded by words such as "planned", "expected", "projected", "estimated", "may", "scheduled", "intends", "anticipates", "believes", "potential", "predict", "foresee", "proposed", "aim", "target", "opportunity", "could", "nominal", "conceptual" and similar expressions. Forward-looking statements, opinions and estimates included in this report are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance. Forward-looking statements may be affected by a range of variables that could cause actual results to differ from estimated results and may cause the Group's actual performance and financial results in future periods to materially differ from any projections of future performance or results expressed or implied by such forward-looking statements. So, there can be no assurance that actual outcomes will not materially differ from these forward-looking statements.

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Carawine Resources Limited for the half-year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Perth, Western Australia  
11 March 2021



**D I Buckley**  
Partner

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**

	Notes	31 December 2020 \$	31 December 2019 \$
<b>Continuing operations</b>			
Other Income		16,612	9,397
Employee benefits expense		(127,290)	(120,901)
Depreciation expense		(5,637)	(9,237)
Share-based payments	6	56,878	(98,860)
Deferred exploration expenditure written off	2	(118,510)	(563,949)
Exploration and evaluation expenditure		(139,713)	-
Other expenses		(331,449)	(282,577)
<b>Loss before income tax</b>		<b>(649,109)</b>	<b>(1,066,127)</b>
Income tax benefit	7	-	219,180
<b>Loss after tax from continuing operations</b>		<b>(649,109)</b>	<b>(846,947)</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the period</b>		<b>(649,109)</b>	<b>(846,947)</b>
Basic loss per share		(0.01)	(0.01)
Dilutive loss per share		(0.01)	(0.01)

The accompanying notes form part of these financial statements

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2020

	Notes	31 December 2020 \$	30 June 2020 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents		6,379,522	1,770,860
Trade and other receivables		128,569	157,097
<b>Total Current Assets</b>		<b>6,508,091</b>	<b>1,927,957</b>
<b>Non-Current Assets</b>			
Plant and equipment		36,655	27,201
Deferred exploration and evaluation expenditure	2	8,857,952	7,895,409
<b>Total Non-Current Assets</b>		<b>8,894,607</b>	<b>7,922,610</b>
<b>Total Assets</b>		<b>15,402,698</b>	<b>9,850,567</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	3	307,286	147,163
Employee benefits	4	172,494	112,483
<b>Total Current Liabilities</b>		<b>479,780</b>	<b>259,646</b>
<b>Total Liabilities</b>		<b>479,780</b>	<b>259,646</b>
<b>Net Assets</b>		<b>14,922,918</b>	<b>9,590,921</b>
<b>Equity</b>			
Issued capital	5	18,250,256	12,212,272
Reserves		435,497	492,375
Accumulated losses		(3,762,835)	(3,113,726)
<b>Total Equity</b>		<b>14,922,918</b>	<b>9,590,921</b>

The accompanying notes form part of these financial statements

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Issued Capital	Accumulated Losses	Reserves	Total Equity
	\$	\$	\$	\$
<b>Balance at 1 July 2019</b>	9,315,305	(1,870,738)	289,125	7,733,692
Loss for the period	-	(846,947)	-	(846,947)
<b>Total comprehensive loss for the period</b>	-	(846,947)	-	(846,947)
Shares issued during the half-year	3,000,000	-	-	3,000,000
Share issue costs	(110,305)	-	-	(110,305)
Deferred tax benefit of share issue costs	6,860	-	-	6,860
Share-based payments	-	-	98,860	98,860
Transfer of lapsed performance rights	-	39,200	(39,200)	-
<b>Balance at 31 December 2019</b>	<b>12,211,860</b>	<b>(2,678,485)</b>	<b>348,785</b>	<b>9,882,160</b>

	Issued Capital	Accumulated Losses	Reserves	Total Equity
	\$	\$	\$	\$
<b>Balance at 1 July 2020</b>	12,212,272	(3,113,726)	492,375	9,590,921
Loss for the period	-	(649,109)	-	(649,109)
<b>Total comprehensive loss for the period</b>	-	(649,109)	-	(649,109)
Shares issued during the half-year	6,420,309	-	-	6,420,309
Share issue costs	(382,325)	-	-	(382,325)
Share-based payments	-	-	(56,878)	(56,878)
<b>Balance at 31 December 2020</b>	<b>18,250,256</b>	<b>(3,762,835)</b>	<b>435,497</b>	<b>14,922,918</b>

The accompanying notes form part of these financial statements

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	31 December 2020 \$	31 December 2019 \$
Notes	Inflows/(Outflows)	
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(450,012)	(328,646)
Interest received	8,990	6,333
Finance costs	(2,902)	-
Government grants	50,000	-
Net cash outflows operating activities	<u>(393,924)</u>	<u>(322,313)</u>
<b>Cash flows from investing activities</b>		
Payments for exploration and evaluation expenditure	(665,563)	(1,060,004)
Refund of tenement application	10,038	-
Proceeds from JV agreements	55,000	325,000
Acquisition of subsidiary, net of cash	11 (19,377)	-
Purchase of plant and equipment	(1,496)	(1,680)
Net cash outflows investing activities	<u>(621,398)</u>	<u>(736,684)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	6,000,000	3,000,000
Proceeds from exercise of options	6,309	-
Payments for share issue costs	(382,325)	(103,881)
Net cash inflows from financing activities	<u>5,623,984</u>	<u>2,896,119</u>
Net increase in cash held	4,608,662	1,837,122
Cash and cash equivalents at the beginning of the period	<u>1,770,860</u>	<u>1,207,927</u>
<b>Cash and cash equivalents at the end of the period</b>	<b><u>6,379,522</u></b>	<b><u>3,045,049</u></b>

The accompanying notes form part of these financial statements

## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of Preparation

These interim financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 Interim Financial Reporting.

This condensed consolidated interim report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2020 and any public announcements made by the Group during the half year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The Group is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

### (b) Statement of Compliance

The interim financial statements were authorised for issue on 11 March 2021.

The interim financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

### (c) Accounting policies and methods of computation

The Group's accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half-year except for the impact of the new and revised standards effective 1 July 2020 outlined in Note 1(d) below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

### (d) Adoption of new and revised standards

#### *Standards and Interpretations applicable to 31 December 2020*

In the period ended 31 December 2020, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting periods beginning on or after 1 July 2020. As a result of this review, the Directors have determined that there is no material impact of new Standards and Interpretations issued and, therefore, no change is necessary to the Group's accounting policies.

#### *Standards and Interpretations in issue not yet adopted*

The Directors have also reviewed all Standards and Interpretations in issue not yet adopted for the period ended 31 December 2020. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to the Group's accounting policies.

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(e) Significant accounting judgements and key estimates**

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2020.

**(f) Going concern**

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

**NOTE 2: DEFERRED EXPLORATION AND EVALUATION EXPENDITURE**

	Half-year to 31 December 2020	Year to 30 June 2020
Costs carried forward in respect of areas of interest:	\$	\$
<b>Exploration and evaluation phase – at cost</b>		
Balance at beginning of period	7,895,409	6,910,913
Expenditure incurred	1,131,053	1,943,511
JV payments for Paterson tenements	(50,000)	(325,000)
Exploration expenditure written off <sup>1</sup>	(118,510)	(634,015)
<b>Total deferred exploration and evaluation expenditure</b>	<b>8,857,952</b>	<b>7,895,409</b>

<sup>1</sup> Capitalised exploration expenditure relating to the surrender of exploration licences or where rights to tenure is not current, have been written off in full during the period.

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent upon the successful development and commercial exploitation or sale of the respective areas.

**NOTE 3: TRADE AND OTHER PAYABLES**

	31 December 2020	30 June 2020
	\$	\$
Trade creditors	192,523	80,106
Accruals	95,538	27,673
Other creditors	19,225	39,384
	<b>307,286</b>	<b>147,163</b>

**NOTE 4: PROVISIONS**

	31 December 2020	30 June 2020
	\$	\$
Employee benefits	<b>172,494</b>	<b>112,483</b>

**NOTE 5: ISSUED CAPITAL**

	31 December 2020	30 June 2020
Ordinary shares	\$	\$
Issued and fully paid	<b>18,250,256</b>	<b>12,212,272</b>

	No.		\$	
	Half-year to 31 December 2020	Year to 30 June 2020	Half-year to 31 December 2020	Year to 30 June 2020
<i>Movements in ordinary shares on issue</i>				
At start of period	77,268,871	55,838,926	12,212,272	9,315,305
Issue of fully paid ordinary shares at \$0.14 each	-	21,428,572	-	3,000,000
Issue of fully paid ordinary shares at \$0.20 each	30,000,000	-	6,000,000	-
Issue of fully paid ordinary shares at \$0.24 each	1,000,000	-	240,000	-
Issue of fully paid ordinary shares at \$0.29 each	600,000	-	174,000	-
Exercise of unlisted options at \$0.30 each	21,031	1,373	6,309	412
Share issue costs	-	-	(382,325)	(110,305)
Unwinding on deferred tax benefit of share issue costs	-	-	-	6,860
	<b>108,889,902</b>	<b>77,268,871</b>	<b>18,250,256</b>	<b>12,212,272</b>

**NOTE 6: SHARE-BASED PAYMENT PLANS**

**Options**

The following ESOP Options pursuant to the Group's ESOP were issued during the period:

	Number	Grant date	Expiry date	Exercise price	Fair value at grant date	Vesting date
SERIES 5	375,000	14/12/2020	14/12/2023	\$0.40	\$57,464	14/12/2021
SERIES 6	375,000	14/12/2020	14/12/2023	\$0.40	\$57,464	14/12/2022

The fair value of the equity-settled share options granted under the Group's ESOP is estimated as at the date of grant using the Black-Scholes model taking into account the terms and conditions upon which the options were granted; and the following inputs:

	SERIES 5	SERIES 6
Dividend yield (%)	-	-
Expected volatility (%)	114	114
Risk-free interest rate (%)	0.12	0.12
Expected life of option (years)	3	3
Exercise price (cents)	40	40
Grant date share price (cents)	25	25

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

**NOTE 6: SHARE-BASED PAYMENT PLANS (continued)**

**Performance Rights**

The following performance rights were in place in the current period and were subject to the Group's Performance Rights plan:

	Number	Number lapsed during the period	Grant date	Expiry date	Fair value at grant date	Share price at grant date
SERIES 1 <sup>1</sup>	550,000	550,000	12/12/2017	12/12/2022	\$288,450	\$0.20
SERIES 2 <sup>2</sup>	225,000	225,000	12/02/2018	12/12/2021	\$103,500	\$0.23

<sup>1</sup>During the period ended 31 December 2020, 550,000 performance rights lapsed without vesting due to not meeting vesting conditions. The remaining 550,000 performance rights have the following conditions attached:

- i. 550,000 Rights: the achievement of a JORC Inferred Resources of >250,000oz gold equivalent across any of the Group's Projects (for a total resource inventory of at least 500,000oz gold equivalent) within 4 years of the grant date.

<sup>2</sup>During the period ended 31 December 2020, 225,000 performance rights lapsed without vesting due to not meeting vesting conditions. The remaining 225,000 performance rights have the following conditions attached:

- i. 225,000 Rights: the achievement of an additional JORC Inferred Resources of >250,000oz gold equivalent across any of the Group's Projects (for a total resource inventory of at least 500,000oz gold equivalent) within 4 years of the grant date.

**NOTE 7: INCOME TAX**

	31 December 2020	30 June 2020
	\$	\$
The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:		
Accounting loss before income tax	(649,109)	(1,501,368)
Income tax benefit calculated at 30% (2020: 30%)	(194,733)	(450,410)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	(17,063)	72,735
Other non-deductible expenses	251	645
Other non-assessable income	-	(30,000)
Deferred tax assets and liabilities not recognised	211,545	187,850
Income tax (benefit)/expense reported in the statement of comprehensive income	-	(219,180)
Income tax charged/(credited) directly to equity		
Adjustment to opening balance of equity		
Share issue costs	(114,698)	(33,092)
Amount not recognised	114,698	33,092
Income tax charged/(credited) directly to equity	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. The tax rate used in the previous reporting period was 30%.

**Deferred Tax Balances**

At 31 December 2020, net deferred tax assets of \$540,326 have been reversed in terms of AASB112 Income Taxes. The Company does not currently have foreseeable future taxable profits against which the deductible temporary differences and unused tax losses comprising this net deferred tax amount may be utilised.

**NOTE 7: INCOME TAX (continued)**

**Unrecognised deferred tax assets and (liabilities)**

Deferred tax assets and (liabilities) have not been recognised in respect of the following items:

	31 December 2020	30 June 2020
	\$	\$
Deductible temporary differences	73,975	38,095
Tax losses	2,923,267	2,420,379
Share issue costs	200,469	124,232
Exploration and evaluation expenditure	(2,657,385)	(2,368,622)
	<b>540,326</b>	<b>214,083</b>

In addition to the assessed loss and other net future income tax deductions on which deferred tax has not been recognised at 31 December 2020 as set out in the table above, the Company also has accumulated capital losses of \$20,000 on which deferred tax has not been recognised. Such capital losses may only be utilised against potential future capital gains.

**NOTE 8: DIVIDENDS**

No dividends were paid or declared during the half-year ended 31 December 2020.

**NOTE 9: CONTINGENT LIABILITIES**

The Directors are of the opinion that there are no contingent liabilities as at 31 December 2020 (2019: nil).

**NOTE 10: FINANCIAL INSTRUMENTS**

The carrying amounts of financial assets and liabilities at balance date are considered to be a reasonable approximation of their fair value.

**NOTE 11: ASSET ACQUISITION**

On 19 November 2020, Carawine Resources Ltd acquired Phantom Resources Pty Ltd ("Phantom"). Phantom is the holder of 100% of four exploration license applications being tenements E39/2150, E69/3756, E69/3757 and E69/3769. These tenements are located within the Tropicana Belt or the Biranup Zone. The acquisition involved Carawine purchasing all shares in Phantom from the shareholders of Phantom in consideration for the issue of 600,000 Carawine shares to the Phantom shareholders, and repayment of a \$20,000 loan to one Phantom shareholder who is not a related party of Carawine. This transaction was approved by Carawine shareholders on 17 November 2020 at the Group's Annual General Meeting. The acquisition of Phantom by Carawine has been treated as an asset acquisition, therefore, no goodwill has been recognised. The excess consideration over net assets acquired at balance date were recognised in profit or loss as the applications cannot be capitalised under AASB 6 *Exploration for and Evaluation of Mineral Resources*.

<b>Purchase consideration</b>	<b>\$</b>
Shares in Carawine Resources Ltd (600,000 shares at \$0.29 per share)	174,000
Cash paid	20,000
	<u>194,000</u>

The identifiable assets and liabilities recognised as a result of the acquisition are as follows:

<b>Fair value of identifiable assets and liabilities at acquisition</b>	<b>\$</b>
Cash and cash equivalents	623
Net asset	<u>623</u>

**NOTE 11: ASSET ACQUISITION (continued)**

<b>Purchase consideration - outflow of cash to acquire subsidiary, net of cash</b>	<b>\$</b>
Cash consideration	20,000
Less: Cash acquired	(623)
Net outflow of cash – investing activities	<u>19,377</u>

**NOTE 12: EVENTS SUBSEQUENT TO REPORTING DATE**

On 24 February 2021, the Group entered into a new lease agreement for Unit 3, 38 Industry St, Malaga.

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

**DIRECTORS' DECLARATION**

In the opinion of the Directors of Carawine Resources Limited ('the Group'):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
  - a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - b. 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 then ended; and
2. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.



Mr David Boyd  
Managing Director

11 MARCH 2021

## **INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of Carawine Resources Limited

### **Report on the Condensed Half-Year Financial Report**

#### *Conclusion*

We have reviewed the accompanying half-year financial report of Carawine Resources Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2020, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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

- (a) giving 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) 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 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.

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*Auditor's responsibility for the review of the financial report*

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

*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



**HLB Mann Judd**  
**Chartered Accountants**

**Perth, Western Australia**  
**11 March 2021**



**D I Buckley**  
**Partner**