CULPEO MINERALS

ABN 72 627 735 531

Special Purpose Financial Report
for the period of 25 July 2018 to 30 June 2019

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CORPORATE DIRECTORY

Culpeo Minerals Limited is an Australian public company focused on the acquisition, exploration and development of commercially significant resource projects in Chile, with a focus on gold.

The Company was incorporated in Western Australia on 25 July 2018. Current relevant information is as follows:

DIRECTORS
Mr Geoffrey McNamara
(Non-Executive Chairman)

Mr Zeffron Reeves
(Non-Executive Director)

Mr Maxwell Tuesley
(Non-Executive Director)

COMPANY SECRETARY
Ms Shannon Coates

REGISTERED OFFICE
Suite 5
62 Ord Street
WEST PERTH WA 6005

AUDITORS
RSM Australia Partners
Level 32 Exchange Tower
2 The Esplanade
PERTH WA 6000

The Directors present their report, together with the financial statements, of the consolidated entity (referred to hereafter as the "consolidated entity" or "the group") consisting of Culpeo Minerals Limited (referred to hereafter as the "Company", "Culpeo" or "parent entity") and the entities it controlled at the end of, or during, the financial period 25 July 2018 to 30 June 2019.

Directors
The following persons were Directors of Culpeo Minerals Limited during the whole of the financial period and up to the date of this report:

Geoffrey McNamara – Non-Executive Chairman
Zeffron Reeves – Non-Executive Director
Maxwell Tuesley – Non-Executive Director *(appointed 28 October 2020)*

Peter Donkin – Non-Executive Director *(resigned 22 May 2019)*

Principal activities
The principal activities of the Company and its subsidiaries are the acquisition, exploration and development of commercially significant copper resource projects in Chile.

Dividends
No dividends were paid or declared since the start of the financial period. No recommendation for payment of dividends has been made.

Review of operations

Culpeo Minerals Ltd. (**Culpeo**)was incorporated on the 25th July 2018 with the purpose of exploring for and developing high grade copper projects, within the Coastal Cordillera of Chile.

Culpeo's strategy is to establish a portfolio of high-grade copper projects targeting proven district scale underexplored mineralised systems, focused on delineating open pittable copper resources.

In line with this strategy, during the period, Culpeo entered into an option agreement to acquire the Caldera Copper Project (**Caldera Project**) within Region III of Chile, approximately 100km north of the city of Copiapo.

The Caldera Project is the site of historical underground high-grade copper mines, and has been classified as an Iron Oxide Copper Gold (IOCG) related system.

High grade copper bodies occur as veins and lenses up to 60m wide with over 50km of copper bearing veins having been mapped with individual veins mapped for over 2km along strike.

Historic drilling has returned grades of up to 30% Cu, 30g/t Au and 1.50% Co and the Company believes the project has the potential to host a large IOCG style deposit.

No field work was conducted at Caldera during the period. As at the date of this report, the Company has relinquished its interest in the Caldera project.

Several other prospective projects were also reviewed during the period which have the potential to meet the Company's selection criteria, with a view to acquire an additional more advanced project.

Corporate activities
The Company was incorporated on 25 July 2018 issuing 20,000,000 fully paid ordinary shares.

The Company acquired its subsidiary, Culpeo Mining Chile SpA, on 25 July 2018.

Information on Directors

Geoffrey McNamara Non-Executive Chairman
BSc (Applied Geology), AusIMM, FINSIA, AICD
Mr McNamara is a geologist with over 25 years' of international resource sector experience as a geologist, project manager and fund manager. Previously he worked in Private Equity (FUM USD800 million) and as a Director of Societe General's Mining Finance Team in New York. Operational roles include Project Manager, Senior Mine Geologist and Mine Geologist for Ivanhoe Mines, Lion Ore International and Western Mining Corporation. Mr McNamara holds a Bachelors degree in Geology, a Graduate Diploma in Applied Finance and Investment from the Financial Services Institute of Australasia (FINSIA). He is a member of the Australian Institute of Company Directors (AICD) and the Australasian Institute of Mining and Metallurgy (AusIMM).

Zeffron Reeves Non-Executive Director
BSc (Hons) (Applied Geology), MBA, MAIG
Mr Reeves is a Geologist with over 20 years of experience in the resources sector working on resource projects from Greenfield's exploration, discovery, definition & feasibility, construction, production to closure. Currently Co-Founder & Managing Director of Tesoro Resources Limited which discovered the El Zorro gold project in Chile. He has also previously been Managing Director of ASX listed Metallum Ltd & held senior management positions with Cleveland Mining Ltd and Ashburton Minerals Ltd, developing projects in Australia, Chile & Brazil. Zeffron has a Bachelor of Applied Geology (Honours), a Masters of Business Administration from Curtin University & is a member of the Australia Institute of Geoscientists.

Peter Donkin Non-Executive Director (resigned 22 May 2019)
BEc, LLB., F Fin, MAICD
Mr Donkin has over 30 years' experience in finance, including 20 years arranging finance in the mining sector. Prior to leaving in early 2010 he was the Managing Director of the Mining Finance Division of Société Générale in Australia, having worked for that bank for 21 years in both their Sydney and London offices. Prior to that he was with the corporate and international banking division of the Royal Bank of Canada.

Maxwell Tuesley Non-Executive Director (appointed 28 October 2020)
BSc (Hons) (Econ Geol), AusIMM
Mr Tuesley is a highly experienced project manager and has spent over 25 years in grassroots, advanced mineral exploration and mine production, predominantly in gold, copper and base metals. He has worked in the Australia, Philippines, PNG, Laos, Mongolia and Sudan, including senior management positions at Glencore, B2Gold and Metals Exploration.

Mr. Tuesley holds an Honour's degree in Economic Geology from James Cook University in Australia and is a member of the Australian Institute of Mining and Metallurgy AusIMM).

Company Secretary

Shannon Coates
LLB, BJuris, AGIA, ACIS, GAICD
Ms Coates is a qualified lawyer with over 20 years' experience in corporate law and compliance. She is currently non-executive director of ASX listed companies Bellevue Gold Limited and Vmoto Limited and company secretary to a number of public unlisted and ASX listed companies, She has significant experience in a wide range of corporate and commercial matters, including strategy, remuneration, mergers and acquisitions, debt and equity capital markets, risk management and compliance, regulation and corporate governance, both in Australia and internationally. Ms Coates holds a Bachelor of Laws from Murdoch University, is a Chartered Secretary and a graduate of the AICD's Company Directors course. She is a past recipient of the West Australian Women in Mining scholarship and was selected for the AICD Chairman's Mentoring Program.

Meetings of Directors
The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the period ended 30 June 2019 were:

	Board meetings	
	Attended	**Eligible to attend**
Geoffrey McNamara	7	7
Zeffron Reeves	7	7
Peter Donkin[1]	6	6

1. Resigned 22 May 2019.

The full Board currently undertakes all audit and remuneration functions.

Shares
As at the date of this report, there are 72,287,360 fully paid ordinary shares on issue.

Options
At the date of this report, there are nil unissued ordinary shares of Culpeo Minerals Limited under option.

During the period ended 30 June 2019, nil shares were issued upon the exercise of options.

Significant changes in the state of affairs
There were no other significant changes in the state of affairs of the consolidated entity during the financial period.

Matters subsequent to the end of the financial period
Subsequent to 30 June 2019, the Company terminated the Caldera Project Option agreement.

On 4 September 2020, the Company completed a Placement issuing 31,000,000 fully paid ordinary shares at $0.025 per shares raising $775,000 before costs.

On 8 September 2020, the Company's wholly owned subsidiary, Culpeo Mining Chile SpA was successful in their bid acquiring 50% of the total issued capital of Las Petacas SpA, registered owner of the Petacas Copper Project in Chile, for the consideration of US$300,000.

On 12 October 2020, the Company completed a Placement issuing 1,240,000 fully paid ordinary shares at $0.025 per share raising $31,000 before costs.

On 28 October 2020, Mr Maxwell Tuesley was appointed as Non-Executive Director of the Company.

On 5 November 2020, the Company issued 8,000,000 fully paid ordinary shares at $0.025 per share in lieu of salaries and fees.

On 5 November 2020, the Company entered into a Binding Heads of Agreement to acquire 100% of the issued shares in Atacama Holdings Pty Ltd, an entity registered in Australia, owner of 100% of the issued shares in Metallum Chile Ltda, a company registered in Chile and the holder of Minera Panga SpA mineral concession located in the Atacama region of Chile for the consideration of 5,000,000 fully paid ordinary shares in the Company payable at settlement , which were subsequently issued on 12 November 2020.

On 30 November 2020, the Company issued 7,047,360 fully paid ordinary shares upon the conversion of loans from Tanamera Resources Pte Ltd, an entity associated with Geoffrey McNamara, and Walz Super Pty Ltd.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date.
Other than as discussed above, no other matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Future developments, prospects and business strategies
The consolidated entity intends to continue to seek out exploration, acquisition and development gold projects in Chile.

Environmental regulation
The consolidated entity is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work. The Directors of the consolidated entity are not aware of any breach of environmental regulations for the period under review.

Indemnity and insurance of officers
The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial period, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The Company has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial period, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

Geoffrey McNamara
Non-Executive Chairman
28 January 2021

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Culpeo Minerals Limited for the financial period 25 July 2018 to 30 June 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 28 January 2021

Culpeo Minerals Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the period 25 July 2018 to 30 June 2019

	Consolidated 25 July 2018 to 30 June 2019 $
Corporate and compliance expenses	(48,543)
Insurance expenses	(16,634)
Employee related expenses	(66,041)
Exploration expenses	(16,742)
Impairment of exploration assets	(621,553)
Impairment of assets	(1,009)
Interest and finance expenses	(12,080)
Consultancy expenses	(13,828)
Other expenses	(7,823)
Loss before income tax	**(804,253)**
Income tax expense	**-**
Loss after tax	**(804,253)**
Other comprehensive (loss)	
Items that may be reclassified to profit or loss:	
Exchange differences on translation of foreign operations	(5,504)
Other comprehensive (loss) for the period, net of tax	(5,504)
Total comprehensive loss for the period	**(809,757)**

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

Culpeo Minerals Limited
Consolidated Statement of Financial Position
As at 30 June 2019

	Note	Consolidated As at 30 June 2019 $
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	11	671
Trade and other receivables	3	21,081
TOTAL CURRENT ASSETS		**21,752**
TOTAL ASSETS		***21,752***
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	4a	195,511
Borrowings	4b	264,665
TOTAL CURRENT LIABILITIES		**460,176**
TOTAL LIABILITIES		***460,176***
NET LIABILITIES		**(438,424)**
EQUITY		
Issued capital	5	371,333
Reserves	6	(5,504)
Accumulated losses		(804,253)
TOTAL EQUITY		**(438,424)**

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

Culpeo Minerals Limited
Consolidated Statement of Changes in Equity
For the period 25 July 2018 to 30 June 2019

CONSOLIDATED	**Issued Capital** **$**	**Accumulated Losses** **$**	**Reserves** **$**	**Total Equity** **$**
Balance at incorporation, 25 July 2018	371,333	-	-	371,333
Loss for the period	-	(804,253)	-	(804,253)
Exchange differences arising on translation of foreign currency	-	-	(5,504)	(5,504)
Total comprehensive loss for the period	-	(804,253)	(5,504)	(809,757)
Balance at 30 June 2019	**371,333**	**(804,253)**	**(5,504)**	**(438,424)**

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

	Note	25 July 2018 to 30 June 2019 $
Cash flows from operating activities		
Payments to suppliers and employees		(59,391)
Payments for exploration and evaluation		(6,242)
Net cash flows used in operating activities	11	**(65,633)**
Cash flows from investing activities		
Payments for exploration and evaluation		(558,021)
Net cash flows used in investing activities		**(558,021)**
Cash flows from financing activities		
Proceeds from share issue at incorporation		371,333
Proceeds from borrowings		252,992
Net cash flows from financing activities		**624,325**
Net increase in cash and cash equivalents		671
Cash and cash equivalents at beginning of the financial period		-
Cash and cash equivalents at end of the financial period		**671**

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

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below.

New or amended Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The consolidated entity has adopted AASB 9 Financial Instruments and AASB 15 Revenue from Contract with Customers from 25 July 2018. There is no impact on transactions and balances recognised in the financial statements.

Basis of preparation
In the Directors' opinion, the consolidated entity is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of Culpeo Minerals Limited. The Directors have determined that the accounting policies adopted are appropriate to meet the needs of the owners of Culpeo Minerals Limited.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for for-profit oriented entities.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

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

As disclosed in the financial statements, the consolidated entity incurred a loss of $804,253 and had net cash outflows from operating and investing activities of $65,633 and $558,021 respectively for the period ended 30 June 2019. As at that date, the consolidated entity had net current liabilities and net liabilities of $438,424.

These factors indicate a material uncertainty which may cast significant doubt as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds to believe that the consolidated entity will be able to continue as a going concern, after consideration of the following factor:

1. The Directors are confident the consolidated entity has the ability to raise further funds through capital raisings as and when required to satisfy its operational expenditure commitments.

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Culpeo Minerals Limited ("Company" or "parent entity") as at 30 June 2019 and the results of all subsidiaries for the period ended 30 June 2019. Culpeo Minerals Limited and its subsidiaries together are referred to in these financial statements as the "consolidated entity".

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Foreign currency translation
The financial statements are presented in Australian dollars, which is Culpeo Minerals Limited's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the consolidated statement of financial position.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Other financial assets
Other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets
The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Other financial assets (continued)
For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Exploration and evaluation expenditure
Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the period in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Goods and Services Tax ("GST") and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the consolidated statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Employee benefits
Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Comparatives
There is no comparative information as the Company was only incorporated on 25 July 2018.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the reporting period ended 30 June 2019. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

The consolidated entity will adopt this standard from 1 July 2019 and its impact on adoption is not expected to have a material impact on transactions and balances recognized in the financial statements.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial period are discussed below.

Exploration and evaluation expenditure

Exploration and evaluation costs have been capitalised on the basis that the activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised.

	30 June 2019 $
Note 3. Trade and other receivables	
GST receivable	2,327
Prepayments	12,041
Other receivables	6,713
	21,081
Note 4. Current liabilities	
a. Trade and other payables	
Trade payables	125,059
Other payables	70,452
	195,511
b. Borrowings	
Loan - Tanamera Resources Pte Ltd	264,665
	264,665

On 4 November 2018, the Company entered into a Loan Agreement with Tanamera Resources Pte Ltd ("Tanamera"), an entity, in which Mr McNamara is a director, by which Tanamera would make available up to A$500,000 by way of an unsecured loan for a period of 12 months and interest accrued at a rate of 10% per annum on total outstanding principal. Interest expense for the period of $11,673 has been included in profit or loss for the period.

Note 5. Issued capital

	30 June 2019 $
20,000,000 issued and fully paid ordinary shares	371,333
	371,333

	30 June 2019 #	30 June 2019 $
Movement in ordinary shares on issue		
Shares issued at incorporation	20,000,000	371,333
	20,000,000	371,333

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 6. Reserves

At incorporation	-
Foreign currency translation	(5,504)
Balance at end of the period	(5,504)

Note 7. Contingent assets

All purchases in Chile are subject to the payment of the Impuesto al Valor Agregado ("IVA") which is a Value Added Tax. Culpeo Minerals Limited is entitled to claim back the IVA tax it has paid on all Chilean purchases. As at 30 June 2019, the IVA tax receivable is approximately $1,009. The contingent asset has not been recognised as a receivable at 30 June 2019 as receipt of the amount is dependent upon the Company meeting the IVA refund conditions stipulated by the relevant taxation authorities in Chile.

Note 8. Contingent liabilities

There are no contingent liabilities as at 30 June 2019.

Note 9. Commitments for expenditure

The Company has nil committed expenditure at 30 June 2019.

Note 10. Interest in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policies described in note 1:

Name	Country of incorporation	Ownership %
		2019
Culpeo Mining Chile SpA	Chile	100

Note 11. Cash flow information

Reconciliation of net loss after tax to the net cash outflows from operations:

	25 July 2018 to 30 June 2019 $
Net loss	**(804,253)**
Non-cash items	
Impairment of VAT receivable	1,009
Interest expense	11,673
Impairment of exploration assets	621,553
Other expense	3,116
Exchange difference	(73,161)
Changes in assets and liabilities	
Receivables and other assets	(21,081)
Payables and accruals	195,511
Net cash flows used in operating activities	**(65,633)**
Reconciliation of cash:	
Cash balances	671
	671

	30 June 2019 $

Note 12. Remuneration of auditors

During the financial period, the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the Company:

Audit services	9,000
	9,000

Note 13. Acquisition of subsidiary

On 25 July 2018, the Company acquired 100% of the issued capital of Culpeo Mining Chile SpA ("CMCS"). As CMCS held the option to acquire the Caldera Project, with no inputs or outputs being acquired, the acquisition was assessed as an asset acquisition rather than a business combination.

Cash consideration of $2,100 was issued to Inversiones Marlin Limitada, the sole shareholder of CMCS, for the acquisition of CMCS.

	$
Purchase consideration	
Fair value of consideration issued	2,100
	2,100
Net assets acquired	
Trade and other receivables	159,121
Trade and other payables	(159,121)
Deferred exploration expenditure	2,100
	2,100

Note 14. Events after reporting period

Subsequent to 30 June 2019, the Company terminated the Caldera Project Option agreement.

On 4 September 2020, the Company completed a Placement issuing 31,000,000 fully paid ordinary shares at $0.025 per shares raising $775,000 before costs.

On 8 September 2020, the Company's wholly owned subsidiary, Culpeo Mining Chile SpA was successful in their bid acquiring 50% of the total issued capital of Las Petacas SpA, registered owner of the Petacas Copper Project in Chile, for the consideration of US$300,000.

On 12 October 2020, the Company completed a Placement issuing 1,240,000 fully paid ordinary shares at $0.025 per share raising $31,000 before costs.

On 28 October 2020, Mr Maxwell Tuesley was appointed as Non-Executive Director of the Company.

On 5 November 2020, the Company issued 8,000,000 fully paid ordinary shares at $0.025 per share in lieu of salaries and fees.

On 5 November 2020, the Company entered into a Binding Heads of Agreement to acquire 100% of the issued shares in Atacama Holdings Pty Ltd, an entity registered in Australia, owner of 100% of the issued shares in Metallum Chile Ltda, a company registered in Chile and the holder of Minera Panga SpA mineral concession located in the Atacama region of Chile for the consideration of 5,000,000 fully paid ordinary shares in the Company payable at settlement , which were subsequently issued on 12 November 2020.

On 30 November 2020, the Company issued 7,047,360 fully paid ordinary shares upon the conversion of loans from Tanamera Resources Pte Ltd, an entity associated with Geoffrey McNamara, and Walz Super Pty Ltd.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date.
Other than as discussed above, no other matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

In the Directors' opinion:

- the consolidated entity is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the *Corporations Act 2001* requirements to prepare and distribute financial statements to the owners of Culpeo Minerals Limited;

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards to the extent as described in note 1 to the financial statements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the financial period ended 30 June 2019, and;

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Geoffrey McNamara
Non-Executive Chairman
28 January 2021

RSM

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CULPEO MINERALS LIMITED

Opinion

We have audited the financial report of Culpeo Minerals Limited (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, 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 financial period 25 July 2018 to 30 June 2019, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the financial period 25 July 2018 to 30 June 2019; and

(ii) Complying with Australian Accounting Standards to the extent described in Note 1 and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the 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 in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1, which indicates that the Group incurred a loss of $804,253 and had net cash outflows from operating and investing activities of $65,633 and $558,021 respectively for the financial period 25 July 2018 to 30 June 2019. As at that date, the Group had net current liabilities and net liabilities of $438,424. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the corporate directory and directors' report, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Corporations Act 2001 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

RSM

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 29 January 2021