



CULPEO
MINERALS

ABN 72 627 735 531

Interim Report
for the half-year ended 31 December 2020

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CORPORATE DIRECTORY

Culpeo Minerals Limited is an Australian public unlisted company focused on the acquisition, exploration and development of commercially significant resource projects in Chile, with a focus on copper. For more details visit www.culpeominerals.com.au.

DIRECTORS

Mr Geoffrey McNamara
(Non-Executive Chairman)

Mr Zeffron Reeves
(Non-Executive Director)

Mr Maxwell Tuesley
(Non-Executive Director)

Mr Paul Schmeide
(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 half-year ended 31 December 2020.

Directors

The following persons were Directors of Culpeo Minerals Limited who held office during or since the end of the half-year and until the date of this report are as below. Directors are in office for this entire period unless otherwise stated.

Geoffrey McNamara	Non-Executive Chairman
Zeffron Reeves	Non-Executive Director
Maxwell Tuesley	Non-Executive Director (<i>appointed 27 October 2020</i>)
Paul Schmeide	Non-Executive Director (<i>appointed 1 April 2021</i>)

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.

Operating results

The loss, after tax, attributable to the Group for the financial half-year ended 31 December 2020, amounted to \$526,223 (2019: \$88,756).

Review of Operations

Overview

Culpeo Mineral Limited's (**Culpeo**) focus during the half-year ended 31 December 2020 has been on the acquisition of the Petacas Copper Project (**Petacas**) and initial due diligence on the Quelon Copper Project (**Quelon**), both located in Chile.

Petacas Project

Petacas is located near the city of Copiapo, in the Atacama Region of Chile, approximately 760 km north of Santiago and approximately 55km east of the Pacific Ocean, refer Figure 1. Access to Petacas is via a secondary road in good condition, approximately 10km from the main national highway.

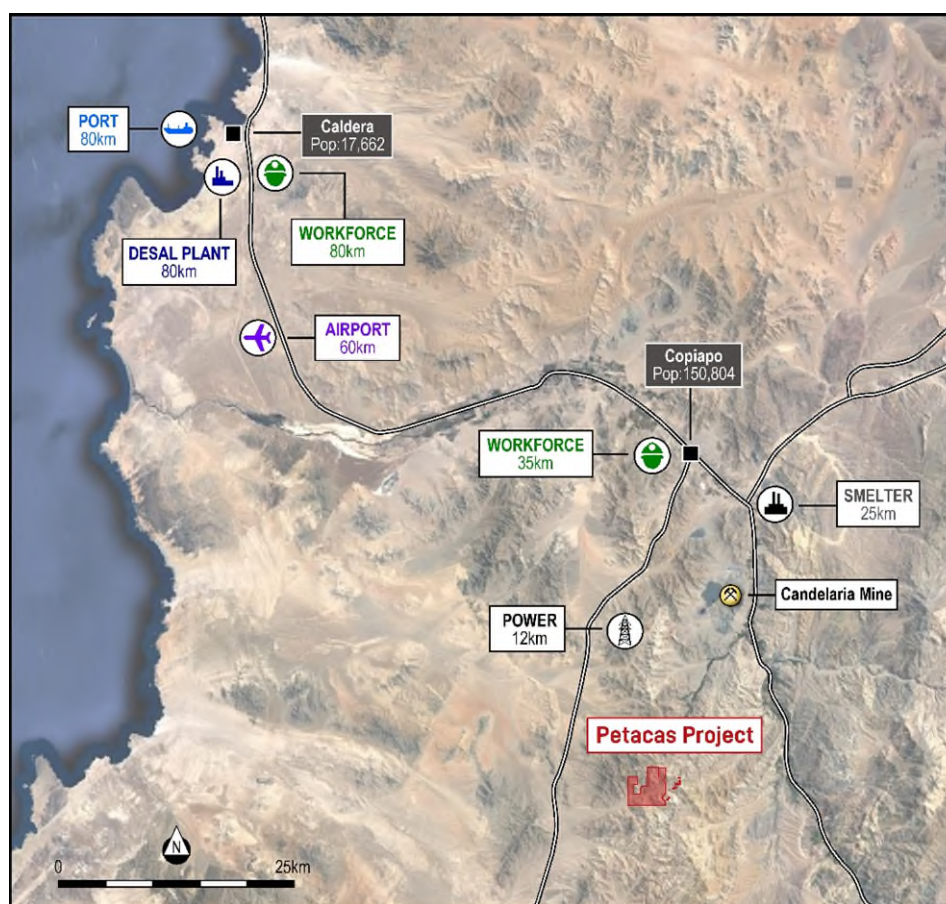


Figure 1: Location of Petacas showing proximity to existing infrastructure and population centres.

Petacas lies approximately 20km south south-west of the Candelaria Iron Oxide Copper Gold (**IOCG**) deposit and within a well-recognised IOCG belt along the Atacama Fault zone. IOCG deposits in northern Chile formed in the Late Jurassic to Early Cretaceous (~163 to 100 Ma), a period characterised by two cycles of volcanic arc magmatism and associated back-arc extension, that resulted in several back-arc basins being developed.

Candelaria is the largest IOCG deposit in the region and hosted at the top of a lower Andesite unit. Regional geological mapping indicates that the surface geology at Petacas is mostly comprised of limestones of the Nantocco Formation, with the Candelaria host rocks situated in the footwall. Petacas has potential to host IOCG style deposits associated with younger intrusives that intersect these calcareous sediments. Exploration targets also include porphyry Cu-Au and related skarn style mineral deposits.

Culpeo continued to progress the acquisition of Petacas during the half-year period, with its ownership now at 50%. Post the end of the period, Culpeo undertook a geophysical survey which resulted in an increased ownership interest of 58% of Petacas.

A Gradient Array Induced Polarization Surveying (**GAIP**) geophysics program was completed at Petacas on the 1st of February 2021 and has identified several new undrilled chargeability anomalies, further confirms the prospectivity of the concessions, refer Figure 2.

Further to this survey, a Dipole Dipole traverse was completed over one of the larger GAIP anomalies, initial interpretation is that this anomaly may represent a larger body of copper mineralisation. Drill planning will be undertaken once the GAIP and Dipole Dipole surveys are finalised.

In conjunction with the geophysical work a substantial mapping and surface sampling program is planned to be completed in early 2021. All historical drilling and surface sampling is being compiled and this data will be integrated with the planned mapping and ongoing geophysical programs.

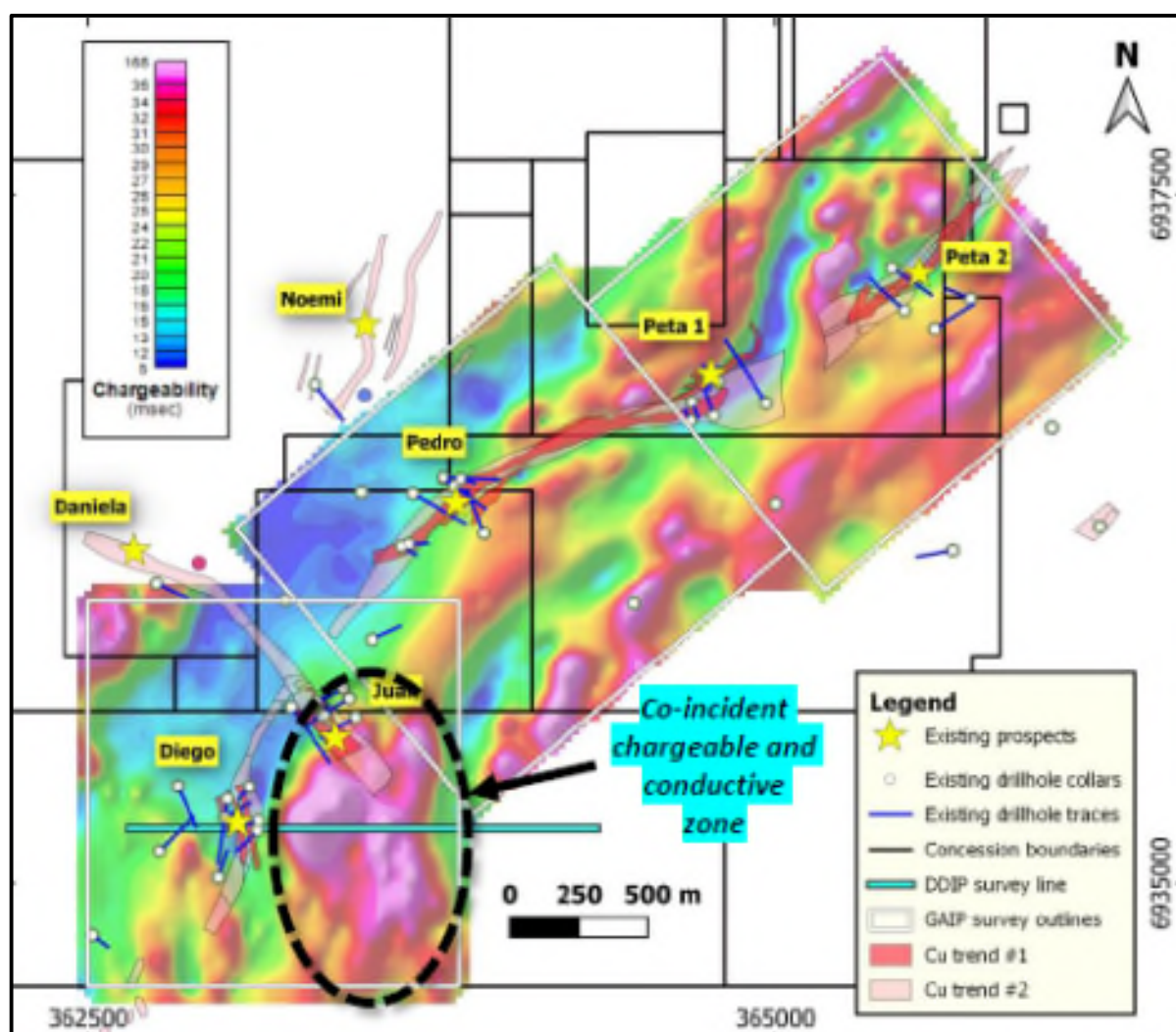


Figure 2: GAIP chargeability image with NW sun angle shading, along with Cu-Au mineralised trends, existing prospects and drillhole collars and traces.

Quelon Project

Subsequent to 31 December 2020, Culpeo entered into an agreement to acquire up to 85% of Quelon which is approximately 20km north of the City of Illapel and 240km's north of Santiago, refer Figure 3.

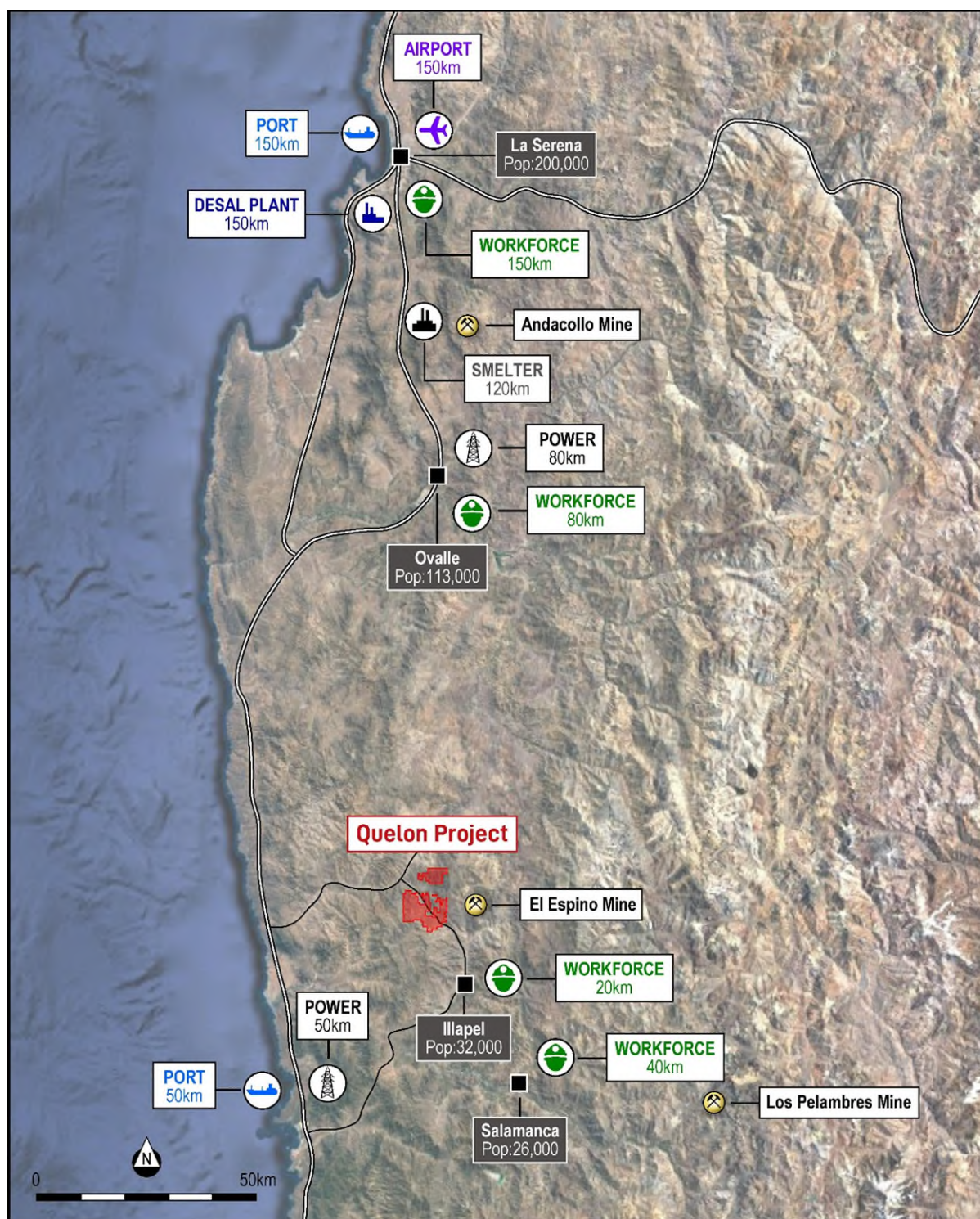


Figure 3: Location map of Quelon showing proximity to existing infrastructure and population centres.

Quelon is approximately 8km west of the El Espino Copper-Gold Project (123Mt @ 0.66% Cu and 0.24g/t Au López et al., 2014) owned by the Chilean mining company Pucobre. Quelon consists of multiple outcropping copper targets with up to 3.0% Cu, which have been sampled at surface. Previous explorers conducted both ground magnetic and IP surveys, with several drill ready targets identified, over a strike length of 10 kilometres.

CORPORATE

During the period, the Company completed a capital raise of \$806,000, which enabled the acquisition of a 50% interest in Petacas.

Pursuant to the terms of the Petacas acquisition, Culpeo has the option to acquire an additional 35% of the project, for a total interest of 85%, via expenditure into the project and modest cash and/or share payments. Upon Culpeo earning 85% of Petacas, the vendor will retain a 15% interest, but will be required to contribute their portion of exploration/development expenditure or they will continue to be diluted.

During the period, Culpeo appointed Mr. Max Tuesley as a Non-Executive Director. Mr Tuesley has extensive copper exploration, development and production experience and has significant experience working on projects with IOCG and porphyry related copper mineralisation. It is proposed Mr Tuesley will transition to the Managing Director role in due course to progress the ASX listing.

Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Maxwell Tuesley (BSc (Hons) Economic Geology, MAusIMM (No 111470)). Mr Tuesley is a member of the Australian Institute of Mining and Metallurgy and is a Director of the Company. Mr Tuesley has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Tuesley consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

The information in this report that relates to Geophysical Results is based on information compiled by Dr Jayson Meyers who is a Fellow of the Australian Institute of Geoscientists. Dr Meyers is a consultant to Culpeo Minerals Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Meyers consents to the inclusion in this report of the matters based on information provided by him and in the form and context in which it appears. Dr Meyers does not hold any securities in the Company.

References

López, G.; Hitzman, M.; Nelson, E. 2014. Alteration patterns and structural controls of the El Espino IOCG mining district, Chile. *Mineralium Deposita* 49 (2): 235-259.

COVID-19 impact

All the Company's staff and contractors, including those on site at the Petacas Project in Chile are safe. The Company has implemented procedures to ensure all staff and contractors remain safe and healthy during the COVID-19 pandemic, including regular testing, altered rosters and strict quarantining procedures. As at the date of this report, the Company's operations at the Petacas Project have not been directly affected by COVID-19 restrictions in Chile, however the Company continues to monitor this closely with the health and wellbeing of all staff and contractors a priority.

Significant changes in the state of affairs

On 9 September 2020, the Company bid to acquire 50% of the issued capital of Petacas SpA, a Chilean entity which holds 100% of the Petacas Project for the consideration of USD\$300,000.

On 30 November 2020, the Company completed the acquisition of Atacama Holdings Pty Ltd, an Australian entity which owns 100% of the Chilean entity, Minera Panga SpA for the consideration of 5,000,000 fully paid ordinary shares.

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

Matters subsequent to the end of the half-year

In February 2021, the Company raised \$770,000 before costs via a placement to sophisticated and professional investors.

On 16 March 2021, the Company entered into an Agreement to acquire the Quelon SCM (Quelon Project), a gold and copper project located in Chile. Summary of the terms are as follows:

Share Purchase Option	Issued Capital Increase	Consideration (USD)	Expiry date
First	10%	\$50,000	16 Mar 2022
Second	15%	\$100,000	16 Mar 2023
Third	50%	\$100,000	16 Mar 2024
Fourth	70%	\$250,000	16 Mar 2025
Fifth	85%	\$750,000	16 Mar 2026

On 1 April 2021, Mr Paul Schmeide was appointed non-executive director of the Company. Mr Schmeide is a mining engineer with over 20 years of experience in mining and exploration through senior operational and management positions.

Other than as discussed above, no other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Auditor's independence declaration

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

Auditors

RSM Australia Partners continues in office in accordance with section 307C of the Corporations Act 2001.

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

On behalf of the Directors



 Geoff McNamara
 Non-Executive Chairman
 11 June 2021

RSM Australia Partners

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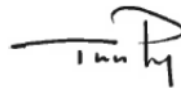
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Culpeo Minerals 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:

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



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 11 June 2021

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Culpeo Minerals Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2020

		Consolidated	
		Half-Year Ended 31 December 2020 \$	Half-Year Ended 31 December 2019 \$
Other revenue		11	-
Administration expenses		(7,673)	(12,336)
Consulting expenses		(41,255)	(2,522)
Corporate and compliance expenses		(44,161)	(26,900)
Employee related expenses		(46,500)	(30,000)
Equity based payments	5	(98,054)	-
Financial expenses		(8,413)	(14,885)
Legal and professional fees		(38,915)	-
Impairment of assets		(7,292)	(2,113)
Impairment of exploration assets		(225,180)	-
Foreign currency translation		(8,791)	-
Loss before income tax from continuing operations		(526,223)	(88,756)
Income tax expense		-	-
Loss after tax		(526,223)	(88,756)
Other comprehensive loss			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		26,670	986
Other comprehensive loss for the period, net of tax		(499,553)	(87,770)
Total comprehensive loss for the period		(499,553)	(87,770)
Loss attributable to:			
Non-controlling interests		(520,371)	-
Members of the parent		(5,852)	(88,756)
		(526,223)	(88,756)
Total comprehensive loss attributable to:			
Non-controlling interests		4,469	-
Members of the parent		(504,022)	(87,770)
		(499,553)	(87,770)
Basic loss per share	6	(0.73)	(0.44)

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 31 December 2020

		Consolidated	
		As at	As at
		31 December	30 June
		2020	2020
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		319,202	10,222
Trade and other receivables		2,731	2,217
TOTAL CURRENT ASSETS		321,933	12,439
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	2	805,068	-
TOTAL NON-CURRENT ASSETS		805,068	-
TOTAL ASSETS		1,127,001	12,439
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		272,797	265,831
Borrowings		185,876	348,132
TOTAL CURRENT LIABILITIES		458,673	613,963
NON-CURRENT LIABILITIES			
Deferred taxes payable		255,239	-
TOTAL CURRENT LIABILITIES		255,239	613,963
TOTAL LIABILITIES		713,912	613,963
NET ASSETS/(LIABILITIES)		413,089	(601,524)
EQUITY			
Issued capital	3	1,678,517	371,333
Reserves	4	10,162	(6,187)
Accumulated losses		(1,487,041)	(966,670)
Equity attributable to owners of the company		201,638	(601,524)
Non-controlling interest		211,451	-
TOTAL EQUITY		413,089	(601,524)

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 half-year ended 31 December 2020

	Issued Capital	Accumulated Losses	Foreign Currency Reserve	Non- controlling interest	Total Equity
CONSOLIDATED	\$	\$	\$	\$	\$
Balance at 1 July 2020	371,333	(966,670)	(6,187)	-	(601,524)
Loss for the period	-	(520,371)	-	(5,852)	(526,223)
Exchange differences arising on translation of foreign currency	-	-	16,349	10,321	26,670
Total comprehensive loss for the period	-	(520,371)	16,349	4,469	(499,553)
Non-controlling interest at acquisition date	-	-	-	206,982	206,982
Shares issued in lieu of salaries	200,000	-	-	-	200,000
Acquisition of Petacas project	125,000	-	-	-	125,000
Shares issued on partial loan conversions	176,184	-	-	-	176,184
Placement	806,000	-	-	-	806,000
Balance at 31 December 2020	1,678,517	(1,487,041)	10,162	211,451	413,089

	Issued Capital	Accumulated Losses	Foreign Currency Reserve	Other Reserve	Total Equity
CONSOLIDATED	\$	\$	\$	\$	\$
Balance at 1 July 2019	371,333	(804,253)	(5,504)	-	(438,424)
Loss for the period	-	(88,756)	-	-	(88,756)
Exchange differences arising on translation of foreign currency	-	-	(986)	-	(986)
Total comprehensive loss for the period	-	(88,756)	(986)	-	(89,742)
Balance at 31 December 2019	371,333	(893,009)	(6,490)	-	(528,166)

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

Culpeo Minerals Limited
Consolidated Statement of Cash Flows
For the half-year ended 31 December 2020

	Half-Year Ended 31 December 2020 \$	Half-Year Ended 31 December 2019 \$
Cash flows from operating activities		
Payments to suppliers and employees	(183,782)	(48,527)
Net cash flows used in operating activities	(183,782)	(48,527)
Cash flows from investing activities		
Payments for exploration and evaluation	(15,662)	(993)
Payments for acquisition of Petacas project	(413,964)	-
Cash received on acquisition of Petacas project	106,830	-
Net cash flows used in investing activities	(322,796)	(993)
Cash flows from financing activities		
Proceeds from share issue	806,000	-
Proceeds from borrowings	-	53,522
Net cash flows from financing activities	806,000	53,522
Net increase in cash and cash equivalents	299,422	4,002
Cash and cash equivalents at beginning of the financial period	10,222	671
Effect of exchange rate changes on cash and cash equivalents	9,558	-
Cash and cash equivalents at end of the financial period	319,202	4,673

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

Note 1. Statement of Significant Accounting Policies

Statement of compliance

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

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

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

New or amended Accounting Standards and Interpretations adopted

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.

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 \$526,223 and had net cash outflows from operating activities and investing activities of \$183,782 and \$322,796 respectively for the half-year ended 31 December 2020. As at that date, the consolidated entity had net current liabilities of \$136,740.

The consolidated entity has not generated significant revenues from operations and the directors have prepared cash flow forecasts which indicate that the current cash resources will not be sufficient to fund planned exploration expenditure, other principal activities and working capital requirements without the raising of additional capital.

The Company is in the process of undertaking an Initial Public Offering to raise \$6,000,000 at the time of signing these financial statements. Based on the consolidated entity's cash flow forecasts and achieving the funding referred to above, the directors are confident that the consolidated entity will be able to continue as a going concern. The directors are also confident they are able to manage discretionary spending to ensure that cash is available to meet debts as and when they fall due.

Should the Company be unable to raise the required funding, there is a material uncertainty whether the consolidated entity will be able to continue as a going concern and therefore, whether it will be able to realise its assets and discharge its liabilities in the normal course of business.

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

	31 December 2020	30 June 2020
	\$	\$
Note 2. Exploration and evaluation expenditure		
Costs carried forward in respect of areas of interests:	-	-
Acquisition of Petacas project ¹	805,068	-
Acquisition of Panga project ²	225,180	-
Impairment of exploration and evaluation	(225,180)	-
	<u>805,068</u>	<u>-</u>

¹On 11 September 2020, the Company acquired 50% of the issued capital of Petacas project, a gold and copper project wholly owned by Las Petacas SpA.

<i>Purchase consideration:</i>	\$
Cash payments (US\$300,000)	413,964
Total consideration	<u>413,964</u>
<i>Identifiable assets/(liabilities) acquired:</i>	
Cash	106,830
Exploration tenements carrying value	559,862
Accrued expenses	(823)
Deferred tax liabilities	(251,905)
Net asset acquired	<u>413,964</u>
Net assets acquired attributable to Culpeo Minerals Limited	206,982
Net assets acquired attributable to non-controlling interest	206,982
	<u>413,964</u>

²On 30 November 2020, the Company acquired 100% of the issued capital of Atacama Holdings Pty Ltd, an Australian entity which owns 100% of the Chilean entity, Minera Panga SpA for the consideration of 5,000,000 fully paid ordinary shares at a deemed value of \$0.025 per share.

<i>Purchase consideration:</i>	\$
5,000,000 shares issued at \$0.025 per share	125,000
Total consideration	<u>125,000</u>
<i>Identifiable assets/(liabilities) acquired:</i>	
Cash	131
Exploration tenements carrying value	225,180
Trade and other payables	(100,311)
Net asset acquired	<u>125,000</u>

Note 3. Issued capital

72,287,360 (30 June 2020: 20,000,000) issued and fully paid ordinary shares

**31 December
2020
\$**

**30 June
2020
\$**

1,678,517

371,033

1,678,517

371,033

**30 June
2020
Number**

**30 June
2020
\$**

Movement in ordinary shares on issue
Balance as at 1 July 2019

20,000,000

371,333

Balance as at 30 June 2020

20,000,000

371,333

**31 December
2020
Number**

**31 December
2020
\$**

Movement in ordinary shares on issue
Balance as at 1 July 2020

20,000,000

371,333

Placement

32,240,000

806,000

Shares issued to Director in lieu of remuneration

8,000,000

200,000

Consideration for the acquisition of Atacama Holdings (Panga project)

5,000,000

125,000

Shares issued on conversion of borrowings

7,047,360

176,184

Balance as at 31 December 2020

72,287,360

1,678,517

Refer Note 5 for share based payment details.

**31 December
2020
\$**

**30 June
2020
\$**

Note 4. Reserves

Movement in Foreign Currency Reserve

Opening balance

(6,187)

-

Foreign currency translation

16,349

(6,187)

Balance at end of the period/year

10,162

(6,187)

Foreign Currency Translation Reserve:

Foreign currency translation reserve records exchange differences arising on translation of the subsidiaries' functional currency (Chilean Dollars) into presentation currency at balance date.

Note 5. Equity Based Payments

Equity based payments included in the Statement of Financial Position for the half-year are as follows:

	31 December 2020 \$	31 December 2019 \$
Shares issued to the vendor of the Panga project included in exploration and evaluation expenditure at fair value of \$0.025 per share	125,000	-
Shares issued in lieu of accrued remuneration to a director ¹ at fair value of \$0.025 per share	100,000	-
Shares issued to Tanamera Pte Ltd, an entity related to Geoffrey McNamara as partial settlement of borrowings at fair value of \$0.025 per share ¹	119,773	-
Shares issued to Walz Superannuation as settlement of borrowings at fair value of \$0.025 per share ²	56,411	-

Equity based payments included in the Statement of Profit or Loss and Other Comprehensive Income for the period are detailed below:

	31 December 2020 \$	31 December 2019 \$
Share issued included in profit or loss as equity based payments expense		
Shares issued in lieu of remuneration to the In-Country Manager	98,054	-
Total included in profit or loss as equity based payments expense	98,054	-

- 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 \$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. On 24 November 2020, the Company issued 4,790,920 fully paid ordinary shares as partial settlement of the loan outstanding including interest accrued. Interest expense for the period of \$6,399 (2019: \$14,885) has been included in profit or loss for the period.
- On 15 August 2019, the Company entered into a Loan Agreement with Walz Super Pty Ltd ("Walz"), by which Walz would make available up to \$50,000 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. On 24 November 2020, the Company issued 2,256,440 fully paid ordinary shares as full settlement of the loan outstanding including interest accrued. Interest expense for the period of \$2,014 has been included in profit or loss for the period.

	31 December 2020 \$	31 December 2019 \$
Note 6. Earnings Per Share		
Loss used in the calculation of basic loss per share	(526,223)	(88,756)
	Number of Shares	Number of Shares
(a) Weighted average number of ordinary shares outstanding during the reporting period used in calculation of basic loss per share:	45,790,353	20,000,000
Basic and diluted loss per share (cents per share)	(0.73)	(0.44)

Note 7. Segment Reporting

Culpeo Minerals Limited operates predominantly in one industry being the mining exploration and evaluation industry in Chile, with its corporate function located in Australia.

Segment Information

Identification of reportable segments

The Company has identified its operating segments based on the internal reports that are reviewed and used by the chief operating decision maker (being the Board of Directors) in assessing performance and determining the allocation of resources.

The Company is managed primarily on the basis of evaluation of its gold and copper exploration tenements in Chile and its corporate activities. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics.

Types of reportable segments

(i) Exploration and evaluation

Segment assets, including acquisition cost of exploration licenses and all expenses related to the licenses in Chile are reported in this segment.

(ii) Corporate

Corporate, including treasury, corporate and regulatory expenses arising from operating an entity. Segment assets, including cash and cash equivalents are reported in this segment.

Note 7. Segment Reporting (cont.)

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

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

Segment assets

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

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Segment liabilities include trade and other payables.

31 December 2020

Corporate	Exploration and Evaluation	Total
\$	\$	\$

(i) Segment performance

Segment revenue	-	11	11
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Segment results	(109,002)	(417,221)	(526,223)
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Included within segment results:

• Interest expense	(8,413)	-	(8,413)
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Segment assets	121,261	1,005,740	1,127,001
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Total assets			1,127,001
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Segment liabilities	(347,291)	(366,621)	(713,912)
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Total liabilities			(713,912)
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Note 7. Segment Reporting (cont.)

31 December 2019

Corporate	Exploration and Evaluation	Total
\$	\$	\$

(i) Segment performance

Segment revenue	-	-	-
Segment results	(73,905)	(14,851)	(88,756)

Included within segment results:

• Interest expense	(14,885)	-	(14,885)
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Segment assets	2,955	33,926	36,881
Total assets			36,881

Segment liabilities	(528,856)	(36,191)	(565,047)
Total liabilities			(565,047)

(ii) Revenue by geographical region

There was no revenue attributable to external customers for the half-year ended 31 December 2020 (2019: Nil).

(iii) Assets by geographical region

Non-current assets by geographical region are as follows.

	31 December 2020	31 December 2019
	\$	\$
Australia	-	-
Chile	805,068	-
	<u>805,068</u>	<u>-</u>

Note 8. 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 is entitled to claim back the IVA tax it has paid on all Chilean purchases. As at 31 December 2020, the IVA tax receivable is approximately \$7,292. The contingent asset was not recognised as a receivable at 31 December 2020 as receipt of the amount is dependent upon the Company meeting the IVA refund conditions stipulated by the relevant taxation authorities in Chile.

Note 9. Contingent liabilities

There are no contingent liabilities as at 31 December 2020 and 30 June 2020.

Note 10. Commitments for expenditure

There are no commitments as at 31 December 2020 and 30 June 2020.

Note 11. Events after reporting period

In February 2021, the Company raised \$770,000 before costs via a placement to sophisticated and professional investors.

On 16 March 2021, the Company entered into an Agreement to acquire the Quelon SCM (Quelon Project), a gold and copper project located in Chile. Summary of the terms are as follows:

Share Purchase Option	Issued Capital Increase	Consideration (USD)	Expiry date
First	10%	\$50,000	16 Mar 2022
Second	15%	\$100,000	16 Mar 2023
Third	50%	\$100,000	16 Mar 2024
Fourth	70%	\$250,000	16 Mar 2025
Fifth	85%	\$750,000	16 Mar 2026

On 1 April 2021, Mr Paul Schmeide was appointed non-executive director of the Company. Mr Schmeide is a mining engineer with over 20 years of experience in mining and exploration through senior operational and management positions.

As the impact of the Coronavirus (COVID-19) pandemic is ongoing, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than as discussed above, no other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the opinion of the Directors of Culpeo Minerals Limited ("the Company"):

1. the attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
 - a) complying with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b) giving 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 Company 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)(a) of the Corporations Act 2001.



Geoffrey Mcnamara
Non-Executive Chairman
11 June 2021

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Culpeo Minerals Limited which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and 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 of 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.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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*. As the auditor of Culpeo Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Culpeo Minerals Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1, which indicates that the consolidated entity incurred a loss of \$526,223 and had net cash outflows from operating activities and investing activities of \$183,782 and \$322,796 respectively for the half-year ended 31 December 2020. As at that date, the consolidated entity's had net current liabilities of \$136,740. 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 consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

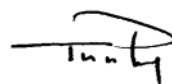
Conclusion

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 Culpeo Minerals Limited is not in accordance 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 *Corporations Regulations 2001*.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 11 June 2021