

**CAPRICE RESOURCES LTD**

**ABN 96 624 970 725**

**AND CONTROLLED ENTITY**

**INTERIM CONSOLIDATED FINANCIAL REPORT**

**FOR THE HALF YEAR ENDED**

**31 DECEMBER 2021**



# **CAPRICE RESOURCES LTD AND CONTROLLED ENTITY**

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# CAPRICE RESOURCES LTD AND CONTROLLED ENTITY

## DIRECTORS' REPORT

The Directors present their report together with the interim consolidated financial report of Caprice Resources Ltd and its controlled entity (**the Group**) for the half year ended 31 December 2021 and the independent auditor's review report thereon.

### Directors

The names of the Directors in office at any time during or since the end of the half year are:

David Church (Non-Executive Chairman)  
Andrew Muir (Managing Director)  
Michael Caruso (Non-Executive Director)  
Adam Miethke (Non-Executive Director)  
Scott Patrizi (Non-Executive Director) – resigned 11 August 2021

### Principal Activities

The principal activities of the Group are mining and mineral exploration. No significant change in the nature of these activities occurred during the half year.

### Review of Operations

During the half year, the Group:

- acquired 80% interest in the Cuddingwarra and Big Bell South Projects in WA;
- acquired 100% interest in the Yungaro Project in WA, expansion of the Northampton Project;
- received first results from drilling program on The Island demonstrating the high-grade potential of the Island Gold Project;
- completed targeting studies for Cuddingwarra and Fleece Pool group of tenements; and
- undertook a site visit and reconnaissance inspection of the new ground at Northampton.

### Financial Results

The loss of the Group for the period ending 31 December 2021 was \$727,161 (31 December 2020: \$1,577,813). During the half year, total expenses amounted to \$727,269 (31 December 2020: \$1,589,339).

Cash and cash equivalents amounted to \$1,350,955 as at 31 December 2021 (30 June 2021: \$3,315,439).

### Significant Changes in the State of Affairs

During the period, Caprice Resources Ltd acquired an 80% interest in the Cuddingwarra and Big Bell South Projects in WA, and a 100% interest in the Yungara Project in WA. The Company has recognised lease accounting for the new office lease and office equipment lease. There were no other significant changes in the state of affairs of the Group during the financial half year.

### Events Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial half year that significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years, other than the following:

- the Company raised \$2,000,000 (before costs) via a placement of 12,500,000 shares at \$0.16 per share (with one free attaching unquoted option per two shares subject to shareholder approval) to institutional and sophisticated investors, and Directors (subject to shareholder approval).

# **CAPRICE RESOURCES LTD AND CONTROLLED ENTITY**

## **DIRECTORS' REPORT (continued)**

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

A copy of the auditor's independence declaration as required under s 307C of the *Corporations Act 2001* is set out on page 3.

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

A handwritten signature in blue ink, appearing to read 'Andrew Muir', is positioned above the printed name and title.

**Andrew Muir**  
**Managing Director**

Dated this 14<sup>th</sup> day of March 2022

**RSM Australia Partners**

Level 32 Exchange Tower, 2 The Esplanade Perth WA 6000

GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100

F +61 (0) 8 9261 9111

[www.rsm.com.au](http://www.rsm.com.au)

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Caprice Resources Limited for the half year ended 31 December 2021, 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**

RSM AUSTRALIA PARTNERS

*Al Whyte*

ALASDAIR WHYTE  
Partner

Perth, WA  
Dated: 14 March 2022

# CAPRICE RESOURCES LTD AND CONTROLLED ENTITY

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Note	31 Dec 2021	31 Dec 2020
		\$	\$
<b>Income</b>			
Interest income		108	999
Other income		-	10,527
<b>Total income</b>		108	11,526
<b>Expenses</b>			
Administration expenses		(177,182)	(122,058)
Consultants and management expenses		(339,551)	(164,358)
Depreciation and amortisation		(19,464)	(512)
Financial costs		(3,058)	-
Share based payments expense	6	(111,712)	(1,191,468)
Exploration costs expensed or written off		(54,226)	-
Transaction costs		(22,076)	(110,943)
<b>Total expenses</b>		(727,269)	(1,589,339)
<b>Loss before income tax for the half year</b>		(727,161)	(1,577,813)
Income tax expense		-	-
<b>Loss after income tax expense for the half year</b>		(727,161)	(1,577,813)
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
<b>Total other comprehensive income for the half year, net of tax</b>		-	-
<b>Total comprehensive loss for the half year</b>		(727,161)	(1,577,813)
Attributable to:			
Members of the Caprice Resources Ltd		(727,161)	(1,577,813)
Basic and diluted loss per share (cents per share)		(1.06)	(3.23)

The accompanying notes form part of these financial statements.

# CAPRICE RESOURCES LTD AND CONTROLLED ENTITY

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	31 Dec 2021 \$	30 Jun 2021 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		1,350,955	3,315,439
Trade and other receivables		43,397	129,041
Other assets		81,539	68,838
<b>TOTAL CURRENT ASSETS</b>		<b>1,475,891</b>	<b>3,513,318</b>
<b>NON-CURRENT ASSETS</b>			
Exploration and evaluation costs	2	10,577,868	8,353,592
Property, plant and equipment		20,536	8,462
Right of use asset	7(b)	89,200	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>10,687,604</b>	<b>8,362,054</b>
<b>TOTAL ASSETS</b>		<b>12,163,495</b>	<b>11,875,372</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables		142,856	80,772
Provisions		21,693	9,048
Lease liability	7(c)	33,756	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>198,305</b>	<b>89,820</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liability	7(c)	57,337	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>57,337</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>255,642</b>	<b>89,820</b>
<b>NET ASSETS</b>		<b>11,907,853</b>	<b>11,785,552</b>
<b>EQUITY</b>			
Contributed equity	4(a)	14,624,054	13,914,054
Reserve	5	1,741,713	1,602,251
Accumulated losses		(4,457,914)	(3,730,753)
<b>TOTAL EQUITY</b>		<b>11,907,853</b>	<b>11,785,552</b>

The accompanying notes form part of these financial statements.

# CAPRICE RESOURCES LTD AND CONTROLLED ENTITY

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Note	Contributed Equity \$	Reserve \$	Accumulated Losses \$	Total \$
<b>Balance at 1 July 2020</b>		4,733,874	875,552	(1,651,606)	3,957,820
Loss after income tax expense for the half year		-	-	(1,577,813)	(1,577,813)
Other comprehensive income for the half year, net of tax		-	-	-	-
<b>Total comprehensive loss for the half year</b>		-	-	(1,577,813)	(1,577,813)
<b>Transactions with owners, in their capacity as owners</b>					
Share issues		2,600,000	-	-	2,600,000
Proceeds from exercise of options		206,250	-	-	206,250
Shares issued as consideration for acquisition of Goldview Metals Pty Ltd		6,004,800	-	-	6,004,800
Transactions costs		(130,870)	-	-	(130,870)
Share based payments		500,000	691,468	-	1,191,468
		9,180,180	691,468	-	9,871,648
<b>Balance at 31 December 2020</b>		13,914,054	1,567,020	(3,229,419)	12,251,655
<b>Balance at 1 July 2021</b>		13,914,054	1,602,251	(3,730,753)	11,785,552
Loss after income tax expense for the half year		-	-	(727,161)	(727,161)
Other comprehensive income for the half year, net of tax		-	-	-	-
<b>Total comprehensive loss for the half year</b>		-	-	(727,161)	(727,161)
<b>Transactions with owners, in their capacity as owners</b>					
Share issues		-	-	-	-
Proceeds from exercise of options		-	-	-	-
Shares issued as consideration for acquisition of tenements	4(b)	710,000	-	-	710,000
Transactions costs		-	-	-	-
Share based payments	6	-	111,712	-	111,712
Options issued as consideration for Acquisition of tenements	6	-	27,750	-	27,750
		710,000	139,462	-	849,462
<b>Balance at 31 December 2021</b>		14,624,054	1,741,713	(4,457,914)	11,907,853

The accompanying notes form part of these financial statements.



# CAPRICE RESOURCES LTD AND CONTROLLED ENTITY

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Note	31 Dec 2021 \$	31 Dec 2020 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers		(431,441)	(495,185)
Interest paid		(3,058)	-
Interest received		108	999
Other income		-	10,527
<b>Net cash used in operating activities</b>		<b>(434,391)</b>	<b>(483,659)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for exploration expenditure		(1,254,047)	(700,986)
Payments for acquisition of mining tenements	3	(246,403)	(180,000)
Payments for property, plant and equipment		(13,995)	-
Cash acquired on acquisition of subsidiary		-	3,137
<b>Net cash used in investing activities</b>		<b>(1,514,445)</b>	<b>(877,849)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares	4(b)	-	2,806,250
Share issue costs paid		-	(130,870)
Reduction in finance lease liabilities	7(c)	(15,648)	-
<b>Net cash generated from/(used in) financing activities</b>		<b>(15,648)</b>	<b>2,675,380</b>
Net increase / (decrease) in cash held		(1,964,484)	1,313,872
Opening cash and cash equivalents		3,315,439	3,256,442
<b>Cash and cash equivalents at end of half year</b>		<b>1,350,955</b>	<b>4,570,314</b>

The accompanying notes form part of these financial statements.

# CAPRICE RESOURCES LTD AND CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

The consolidated financial statements and notes represent those of Caprice Resources Ltd (**the Company**) and its controlled entity (together, **the Group**), which are companies limited by shares, incorporated and domiciled in Australia.

The consolidated financial statements were authorised for issue on 14<sup>th</sup> March 2022 by the Directors of the Company.

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Preparation

The general purpose consolidated financial statements for the interim half year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Act 2001*, as appropriate for 'for-profit' orientated entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

This interim consolidated financial report does not include all notes of the type normally included in an annual financial report and therefore cannot be expected to provide a full understanding of the financial performance, financial position and financing and investing activities of the entity as the full financial report. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

#### New Standards and Interpretations

In the half year ended 31 December 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are relevant to the Group's operations and effective for annual reporting periods commencing on or after 1 July 2021.

The Group has adopted all the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group and, therefore, no change is necessary to accounting policies.

Future effects of the implementation of these standards will depend on future details.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the Group.

# CAPRICE RESOURCES LTD AND CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

### NOTE 2: EXPLORATION AND EVALUATION ASSETS

	Note	31 Dec 2021 \$	30 June 2021 \$
Tenement acquisition costs		6,526,591	5,542,438
Capitalised exploration expenditure		4,051,277	2,811,154
		10,577,868	8,353,592
<i>Movements in carrying value</i>			
Balance at the beginning of the year		8,353,592	714,528
Tenement acquisition costs		984,153	5,246,922
Capitalised exploration expenditure at acquisition		-	1,088,277
Exploration expenditure capitalised		1,240,123	1,303,865
Balance at the end of the year		10,577,868	8,353,592

The balance carried forward represents the acquisition costs and capitalised exploration expenditure of the Western Australian and Northern Territory tenements which are in the exploration and evaluation phase. Ultimate recoupment of exploration expenditure carried forward is dependent on successful development and commercial exploitation, or alternatively, sale of respective areas.

### NOTE 3: ACQUISITION OF MINING TENEMENTS

In August 2021, the Company purchased an 80% interest in the Cuddingwarra and Big Bell South Projects from Golden State Mining Limited (GSM); forming an 80:20 joint venture with GSM. The projects are located northwest of the Company's Island Gold Project in the Murchison Region.

The consideration for the acquisition of the projects as follows:

- Exclusivity Payment: a non-refundable \$30,000 cash payment;
- Share Issue: 2,500,000 shares in the Company;
- Payment: \$170,000 paid in cash;
- Options Issue: 250,000 options in the Company.

The following components of the consideration have been capitalised as *Exploration and evaluation costs* in the financial statements:

	\$
Exclusivity fee <sup>(1)</sup>	30,000
Fair value of 2,500,000 shares in Caprice Resources Ltd	500,000
Cash payment	170,000
250,000 options in Caprice Resources Ltd	27,750
Stamp duty paid on acquisition	36,403
Total consideration paid	764,153

- <sup>1.</sup> Exclusivity fee paid 19 May 2021 and accounted for as capitalised *Exploration and evaluation costs* during the year ended 30 June 2021.

# CAPRICE RESOURCES LTD AND CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

### NOTE 3: ACQUISITION OF MINING TENEMENTS (continued)

Additionally, in December 2021, the Company purchased a 100% interest in the Yungaro Project from Belres Pty Ltd. The project is located in the Northampton Region significantly expanding the area of the Northampton Project.

The consideration for the acquisition of the projects as follows:

- Exclusivity Payment: a non-refundable \$40,000 cash payment;
- Share Issue: 1,135,136 shares in the Company.

The following components of the consideration have been capitalised as *Exploration and evaluation costs* in the financial statements:

	\$
Exclusivity fee	40,000
Fair value of 1,135,136 shares in Caprice Resources Ltd	210,000
Total consideration paid	250,000

The acquisition of the projects has been accounted for as an acquisition of an asset on the basis that it does not constitute a business as defined by *AASB 3 Business Combinations*.

### NOTE 4: CONTRIBUTED EQUITY

#### (a) Share capital

	31 Dec 2021	30 June 2021
	\$	\$
Fully paid ordinary shares	14,624,054	13,914,054
	14,624,054	13,914,054

# CAPRICE RESOURCES LTD AND CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

### NOTE 4: CONTRIBUTED EQUITY (continued)

#### (b) Movements in ordinary share capital:

Date	Details	Number of shares	Issue Price	\$
<b>1 July 2020</b>	<b>Balance at 1 July 2020</b>	32,750,003		4,733,874
17 August 2020	Shares issued on exercise of options	825,000	0.25	206,250
5 October 2020	Shares issued via rights issue	5,555,556	0.18	1,000,000
5 October 2020	Shares issued via placement	8,888,889	0.18	1,600,000
5 October 2020	Shares issued as consideration for corporate advisory fees	1,388,889	0.36 <sup>(1)</sup>	500,000
5 October 2020	Shares issued as consideration for the acquisition of Goldview Metals Pty Ltd	16,680,000	0.36 <sup>(1)</sup>	6,004,800
	Less: Transaction costs	-		(130,870)
<b>30 June 2021</b>	<b>Balance at 30 June 2021</b>	66,088,337		13,914,054
2 August 2021	Shares issued as part consideration for the acquisition of Cuddingwarra & Big Bell South Projects	2,500,000	0.20 <sup>(2)</sup>	500,000
10 December 2021	Shares issued as part consideration for the acquisition of Yungaro Project	1,135,136	0.185 <sup>(3)</sup>	210,000
	Less: Transaction costs	-		-
<b>31 December 2021</b>	<b>Balance at 31 December 2021</b>	<u>69,723,473</u>		<u>14,624,054</u>

(1) Fair value of shares issued as at 5 October 2020.

(2) Fair value of shares issued as at 2 August 2021.

(3) Fair value of shares issued as at 10 December 2021.

### NOTE 5: RESERVES

	31 Dec 2021 \$	30 June 2021 \$
<b>(a) Reserves</b>		
Options	1,741,713	1,602,251
<b>Movements:</b>		
<i>Options</i>		
Opening balance	1,602,251	875,552
Share based payments (Note 6)	111,712	726,699
Options issued as consideration for tenement (Note 6)	27,750	-
<b>Closing balance</b>	<u>1,741,713</u>	<u>1,602,251</u>

# CAPRICE RESOURCES LTD AND CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

### NOTE 6: SHARE BASED PAYMENTS

During the period ended 31 December 2021, the following share based payments totaling \$139,462 (2020: \$1,191,468) were made, consisting of \$111,712 (2020: \$1,191,468) expensed to the Statement of Profit or Loss and Other Comprehensive Income and \$27,750 (2020: nil) capitalised as tenement acquisition costs. The options have been valued by the Directors using the Black-Scholes option pricing model based on the following;

	Consideration Options	Employee Incentive Options #1	Employee Incentive Options #2
Underlying value of the security	\$0.200	\$0.185	\$0.185
Exercise price	\$0.250	\$0.400	\$0.600
Grant date	02/08/2021	20/12/2021	20/12/2021
Expiry date	02/08/2024	20/12/2024	20/12/2024
Life of options/performance rights in years	3.00	3.00	3.00
Volatility	97%	97%	97%
Risk free rate	0.14%	0.96%	0.96%
Number of options/performance rights	250,000	50,000	33,333
Valuation per options/performance rights	\$0.1110	\$0.0823	\$0.0669
Valuation	\$27,750	\$4,115	\$2,230
Pro rata expense of performance rights for half year 31/12/21	-	-	-
Share based payment expense per statement of profit or loss	\$27,750	\$4,115	\$2,230

	Employee Incentive Options #3	Class A Performance Rights	Class B Performance Rights
Underlying value of the security	\$0.185	\$0.250	\$0.250
Exercise price	\$0.800	n/a	n/a
Grant date	02/08/2021	27/04/2021	27/04/2021
Expiry date	02/08/2024	27/04/2024	27/04/2024
Life of options/performance rights in years	3.00	3.00	3.00
Volatility	97%	90.42%	90.42%
Risk free rate	0.96%	0.11%	0.11%
Number of options/performance rights	25,000	150,000	250,000
Valuation per options/performance rights	\$0.0564	\$0.1726	\$0.1496
Valuation	\$1,410	\$25,890	\$37,400
Pro rata expense of performance rights for half year 31/12/21	-	\$4,346	6,280
Share based payment expense per statement of profit or loss	\$1,410	\$4,346	\$6,280

	Class C Performance Rights	Class D Performance Rights	Class E Performance Rights
Underlying value of the security	\$0.250	\$0.250	\$0.250
Exercise price	n/a	n/a	n/a
Grant date	27/04/2021	27/04/2021	27/04/2021
Expiry date	27/04/2024	27/04/2024	27/04/2025
Life of options/performance rights in years	3.00	3.00	4.00
Volatility	90.42%	90.42%	90.42%
Risk free rate	0.11%	0.11%	0.11%
Number of options/performance rights	350,000	250,000	500,000
Valuation per options/performance rights	\$0.1318	\$0.2500	\$0.2500
Valuation	\$46,130	\$62,500	\$125,000
Pro rata expense of performance rights for half year 31/12/21	\$7,746	\$10,494	\$15,742
Share based payment expense per statement of profit or loss	\$7,746	\$10,494	\$15,742

# CAPRICE RESOURCES LTD AND CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

### NOTE 6: SHARE BASED PAYMENTS (continued)

	Class F Performance Rights	Class G Performance Rights	Class H Performance Rights
Underlying value of the security	\$0.250	\$0.250	\$0.185
Exercise price	n/a	n/a	n/a
Grant date	27/04/2021	27/04/2021	20/12/2021
Expiry date	27/04/2026	27/04/2026	20/12/2024
Life of options/performance rights in years	5.00	5.00	3.00
Volatility	90.42%	90.42%	97.00%
Risk free rate	0.11%	0.11%	0.96%
Number of options/performance rights	750,000	1,500,000	250,000
Valuation per options/performance rights	\$0.2500	\$0.2500	\$0.1850
Valuation	\$187,500	\$375,000	\$46,250
Pro rata expense of performance rights for half year 31/12/21	\$18,894	\$37,786	\$464
Share based payment expense per statement of profit or loss	\$18,894	\$37,786	\$464

	Class I Performance Rights	Class J Performance Rights	Class K Performance Rights
Underlying value of the security	\$0.185	\$0.185	\$0.185
Exercise price	n/a	n/a	n/a
Grant date	20/12/2021	20/12/2021	20/12/2021
Expiry date	20/12/2025	20/12/2025	20/12/2024
Life of options/performance rights in years	4.00	4.00	3.00
Volatility	97.00%	97.00%	97.00%
Risk free rate	0.96%	0.96%	0.96%
Number of options/performance rights	500,000	750,000	250,000
Valuation per options/performance rights	\$0.1850	\$0.1850	\$0.1850
Valuation	\$92,500	\$138,750	\$46,250
Pro rata expense of performance rights for half year 31/12/21	\$696	\$1,045	\$464
Share based payment expense per statement of profit or loss	\$696	\$1,045	\$464

Included in the above share based payments, the Company issued 250,000 shares at a fair value of \$0.111 per share, being a total fair value of \$27,750 as part consideration for the Cuddingwarra and Big Bell South Projects.

# CAPRICE RESOURCES LTD AND CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

### NOTE 6: SHARE BASED PAYMENTS (continued)

During the period ended 31 December 2020, the following share based payments were made. The options have been valued by the Directors using the Black-Scholes option pricing model based on the following:

	Incoming Director Options	Director Incentive Options	Employee Incentive Options
Underlying value of the security	\$0.40	\$0.27	\$0.27
Exercise price	\$0.25	\$0.3894	\$0.3894
Grant date	6/10/20	10/12/20	10/12/20
Expiry date	6/10/23	10/12/23	10/12/23
Life of Options in years	3.00	3.00	3.00
Volatility	97%	97%	97%
Risk free rate	0.17%	0.11%	0.11%
Number of Options	325,000	4,000,000	250,000
Valuation per Option	\$0.2759	\$0.1416	\$0.1416
Valuation	\$89,668	\$566,400	\$35,400

In addition to the above share based payments, the Company issued 1,388,889 shares at a fair value of \$0.36 per share, being a total fair value of \$500,000, as consideration for corporate advisory fees.



# CAPRICE RESOURCES LTD AND CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

### NOTE 7: CAPITAL AND LEASING COMMITMENTS

#### (a) Mineral exploration expenditure

The Group must meet the following tenement expenditure commitments to maintain them in good standing until they are joint ventured, sold, reduced, relinquished, exemptions from expenditure are applied or are otherwise disposed of. These commitments are not provided for in the consolidated financial statements and are:

	31 Dec 2021 \$	30 June 2021 \$
Not later than one year	456,790	228,890
After one year but less than five years	1,053,530	585,630
	<u>1,510,320</u>	<u>814,520</u>

#### (b) Right of use asset

A right of use asset is recognised at the commencement date of a lease. The right of use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right of use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Company has elected not to recognise a right of use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to Consolidated Statement of Profit or Loss and Other Comprehensive Income as incurred

	31 Dec 2021 \$	30 June 2021 \$
Opening balance	-	-
Additions	106,742	-
Depreciation	(17,542)	-
	<u>89,200</u>	<u>-</u>

The Company commenced an office lease on 1 July 2021 with a 3 year term and commenced an office equipment lease on 27 August 2021 with a 3 year term.

# CAPRICE RESOURCES LTD AND CONTROLLED ENTITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

### NOTE 7: CAPITAL AND LEASING COMMITMENTS (continued)

#### (c) Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

	31 Dec 2021 \$	30 June 2021 \$
Current liability	33,756	-
Non-current liability	57,337	-
	91,093	-

	31 Dec 2021 \$	30 June 2021 \$
Opening balance	-	-
Initial recognition of new leases	106,741	-
Interest	(3,058)	-
Principal	(12,590)	-
	91,093	-

#### (d) Other commitments due within 1 year

The Directors are not aware of any other commitments that have not been recognised as liabilities in the accounts as of 31 December 2021 (30 June 2021: Nil).

# **CAPRICE RESOURCES LTD AND CONTROLLED ENTITY**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

### **NOTE 8: CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

The following components of the consideration of Goldview Metals Pty Ltd are disclosed as contingent liabilities:

- Royalty: Goldview's major shareholder, Michael Caruso, will retain a 1.5% Net Profit After Tax (NPAT) royalty over material processed from the Island Gold Project. The Company has the right to purchase the 1.5% NPAT royalty for \$1,500,000 at any time before the commencement of production; and
- Milestone payment: 5,000,000 shares in the Company to be issued to shareholders of Goldview or their nominees upon reporting to the ASX a mineral resource in accordance with the JORC 2012 Edition Guidelines of a minimum of 250,000 ounces of gold at a minimum grade of 2.0 g/t of gold.

The following components of the consideration for the acquisition of the Yungara Project from Belres Pty Ltd are disclosed as contingent liabilities:

- Royalty: Belres Pty Ltd will retain a 2.5% Net Profit After Tax (NPAT) smelter royalty over any product extracted and sold, removed or disposed of from the Yungara Project; and
- Cash Payment: Belres Pty Ltd will receive a cash payment of \$250,000 on completion of a positive Pre-Feasibility Study.

The Group has no other contingent liabilities or contingent assets as at 31 December 2021 (30 June 2021: Nil).

### **NOTE 9: SEGMENT INFORMATION**

The Group's operations are in one reportable business segment, being the exploration for gold, lead, zinc and copper. The Company operates in one geographical segment, being Australia.

### **NOTE 10: EVENTS AFTER THE REPORTING PERIOD**

No matters or circumstances have arisen since the end of the financial half year that significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years, other than;

- The Company raised \$2,000,000 (before costs) via a placement of 12,500,000 shares at \$0.16 per share (with one free attaching unquoted option per two shares subject to shareholder approval) to institutional and sophisticated investors, and Directors subject to shareholder approval.

# CAPRICE RESOURCES LTD AND CONTROLLED ENTITY

## DIRECTORS' DECLARATION

In the opinion of the Directors of the Company:

1. The consolidated financial statements and notes, as set out within this financial report, are in accordance with the Corporations Act 2001 Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
2. The attached consolidated financial statements and notes give a true and fair view of the Company's financial position as at 31 December 2021 and of the performance for the half year ended on that date; and
3. 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 303(5)(a) of the Corporations Act 2001

On behalf of the directors



**Andrew Muir**  
**Managing Director**

Dated this 14<sup>th</sup> day of March 2022

**RSM Australia Partners**

Level 32 Exchange Tower, 2 The Esplanade Perth WA 6000  
GPO Box R1253 Perth WA 6844

T +61 (0) 8 92619100  
F +61 (0) 8 92619111

[www.rsm.com.au](http://www.rsm.com.au)

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE DIRECTORS OF  
CAPRICE RESOURCES LTD**

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

We have reviewed the accompanying half-year financial report of Caprice Resources Ltd which comprises the statement of financial position as at 31 December 2021, and the statement of 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 2021 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 the Company, 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.

**THE POWER OF BEING UNDERSTOOD**  
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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 the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

### *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 Caprice Resources Ltd 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 2021 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

RSM AUSTRALIA PARTNERS



ALASDAIR WHYTE  
Partner

Perth, WA  
Dated: 14 March 2022