

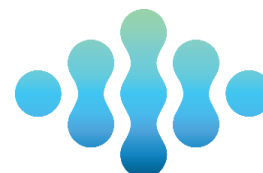
TARUGA

**TARUGA MINERALS LIMITED**

ACN 153 868 789

**INTERIM FINANCIAL REPORT  
31 DECEMBER 2021**

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**TARUGA**

AND CONTROLLED ENTITIES

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# DIRECTORS' REPORT



AND CONTROLLED ENTITIES

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## DIRECTORS' REPORT

Your directors submit the financial report of the Group for the half-year ended 31 December 2021. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

### DIRECTORS

The following persons were Directors of Taruga Minerals Limited during the half-year and up to the date of this report unless otherwise stated:

|                  |                        | <b>In office from</b> | <b>In office to</b> |
|------------------|------------------------|-----------------------|---------------------|
| Gary Steinepreis | Non-executive Director | 15 July 2016          | present             |
| Paul Cronin      | Non-executive Director | 27 July 2020          | present             |
| Eric de Mori     | Non-executive Director | 27 July 2020          | present             |
| David Chapman    | Non-executive Director | 1 October 2021        | present             |

### COMPANY SECRETARY

|           |                   | <b>In office from</b> | <b>In office to</b> |
|-----------|-------------------|-----------------------|---------------------|
| Dan Smith | Company Secretary | 29 August 2014        | present             |

### RESULTS

The loss after tax for the half year ended 31 December 2021 was \$388,145 (31 December 2020: loss of \$1,771,368).

### REVIEW OF OPERATIONS

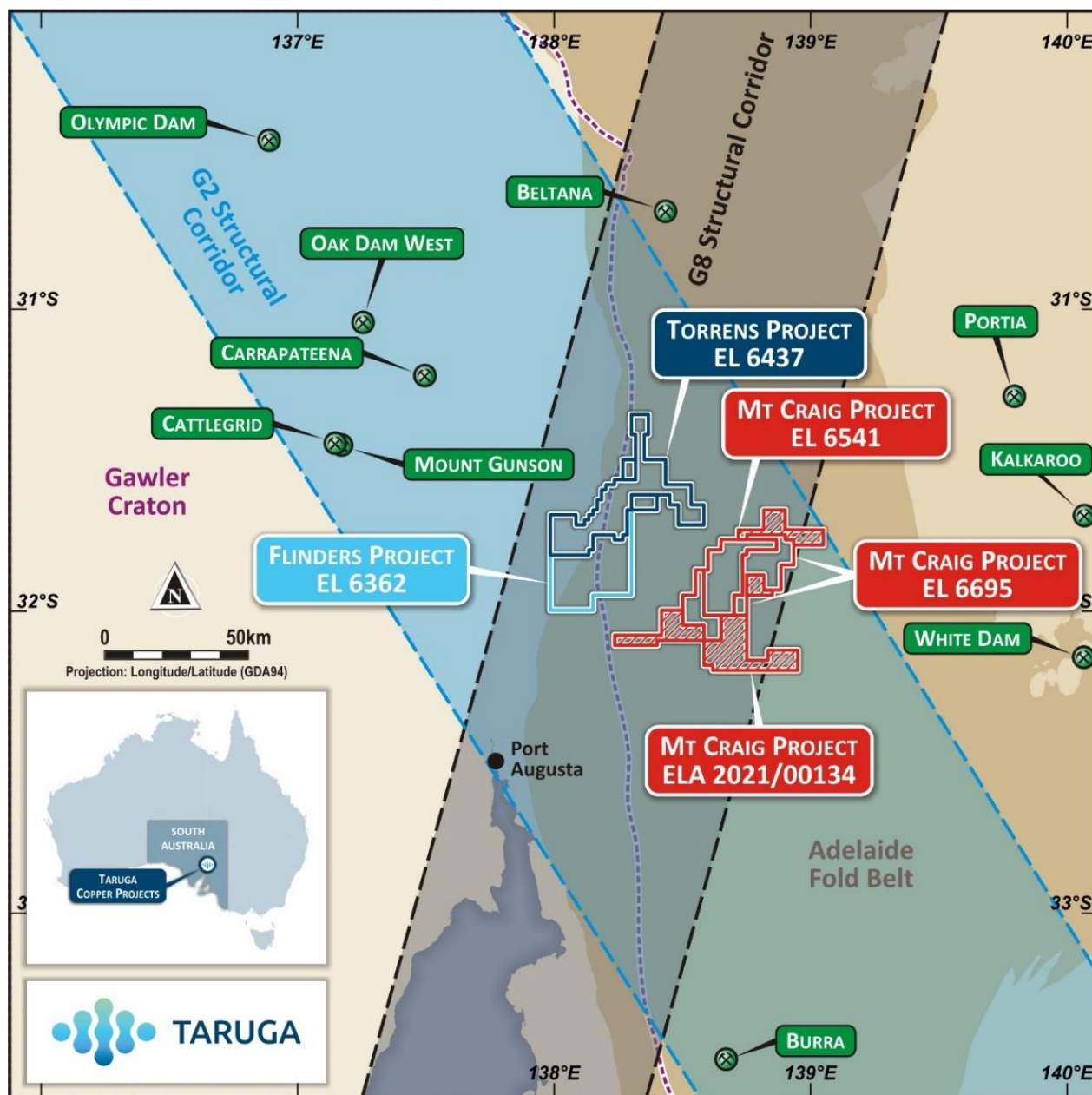
#### Project Overview

Taruga Minerals Limited (**Taruga** or the **Company**) is a greenfields exploration and resource development company with a large portfolio of copper focussed exploration projects in South Australia's mineral rich Gawler Craton and Adelaide Fold Belt, and Western Australia's Yilgarn Craton.

# DIRECTORS' REPORT



AND CONTROLLED ENTITIES



**Figure 1:** Tenement Map showing the MCCP in relation to the Flinders and Torrens Projects. Note the EL6541 is comprised of 3 separate licence areas shown in red outline of which one is the MCCP and the other two are extensions of the Torrens Project.

# DIRECTORS' REPORT



AND CONTROLLED ENTITIES

## Mt Craig Copper Project (MCCP), South Australia

The Company's focus for the half year period has been on developing the Mt Craig Copper Project. Development work included:

- New target generation: Grid soils sampling (Wyacca and Morgan's Creek), high resolution ground magnetics geophysics (Wyacca and Morgan's Creek), ground gravity geophysics survey (Wyacca and Morgan's Creek), inversion modelling of geophysics, and regional mineral system modelling.
- Target testing: 5 new targets tested, including: ~5,000m of RC and diamond drilling across various prospects.
- Strategic project expansion (total 1,625km<sup>2</sup>): Increased the MCCP by more than 400%, securing EL6695 (460km<sup>2</sup>) and lodging a new 780km<sup>2</sup> Exploration Licence Application (ELA2021/00134).

## Morgan's Creek

Drilling was focussed at Morgan's Creek prospect, where approximately ~5,000 of RC and diamond drilling (Figure 2) was conducted to test a range of polymetallic and critical mineral targets identified from recent reconnaissance exploration and geophysics.

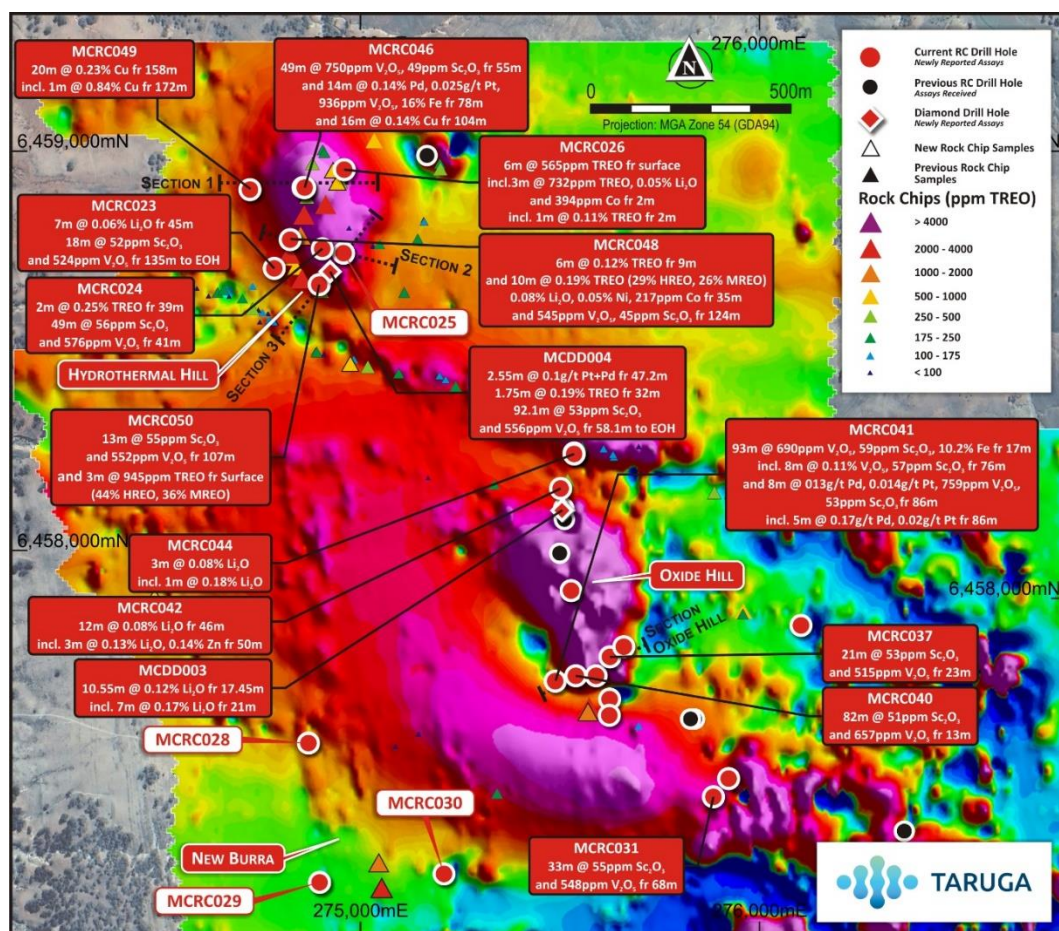


Figure 2: Morgan's Creek West magnetic image showing recent drillhole locations.

# DIRECTORS' REPORT



AND CONTROLLED ENTITIES

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Taruga Minerals' exploration programs to date have identified polymetallic skarn systems associated with mafic intrusives within the Morgan's Creek Prospect area and elsewhere throughout the Mt Craig Copper Project. Recent drilling has proven the skarn contains enrichment in base metals, REE's, battery metals and precious metals. The skarn contains a high level of magnetite alteration and also disseminated copper sulphides; both of which will be valuable pieces of information as we implement the next phases of the exploration program.

Taruga has recently completed a detailed airborne magnetic survey across its MCCP Area. Over the coming weeks, this data will be interpreted to improve the understanding of the project geology and particularly the structural controls on prospective mineralization styles, and also used to assist in the identification and modeling of prospective skarn systems within and adjacent to mafic intrusives. Targets defined from this exercise in combination with existing geochemistry and geology will be further investigated with field mapping and ranked in order of size and prospectivity. The highest ranked targets will be scheduled for drill testing in the second quarter of 2022.

## **Wyacca**

During the period, the Company focussed on mineral system modelling at Wyacca, which has resulted in a number of new untested sediment-hosted copper targets. The mineralisation modelling consisted of utilising the existing drill data, collecting new geophysical datasets and reconnaissance data, and comparing this to globally relevant sediment hosted copper systems. Bonanza-zone structurally controlled copper mineralisation, such as that seen at the Kamo-a-Kakula deposit is now being targeted at Wyacca, with targets planned to be drilled in the second quarter of 2022 CY.

New gravity data modelling completed by Taruga has highlighted a series of near linear gravity anomalies which cross cut the Tapley Hill Formation and Tindelpina Shale sediments at Wyacca. The anomalies are perpendicular to the strike of the host rocks, which aligns with the hypothesis that high-grade copper mineralisation is controlled in cross cutting structures. Review of the modelling highlights that essentially all drilling to date has missed the anomalies, and that the anomalies do not align with the VTEM and IP anomalies - which map the stratigraphy well, however do not map the copper mineralisation (**Figure 3**).

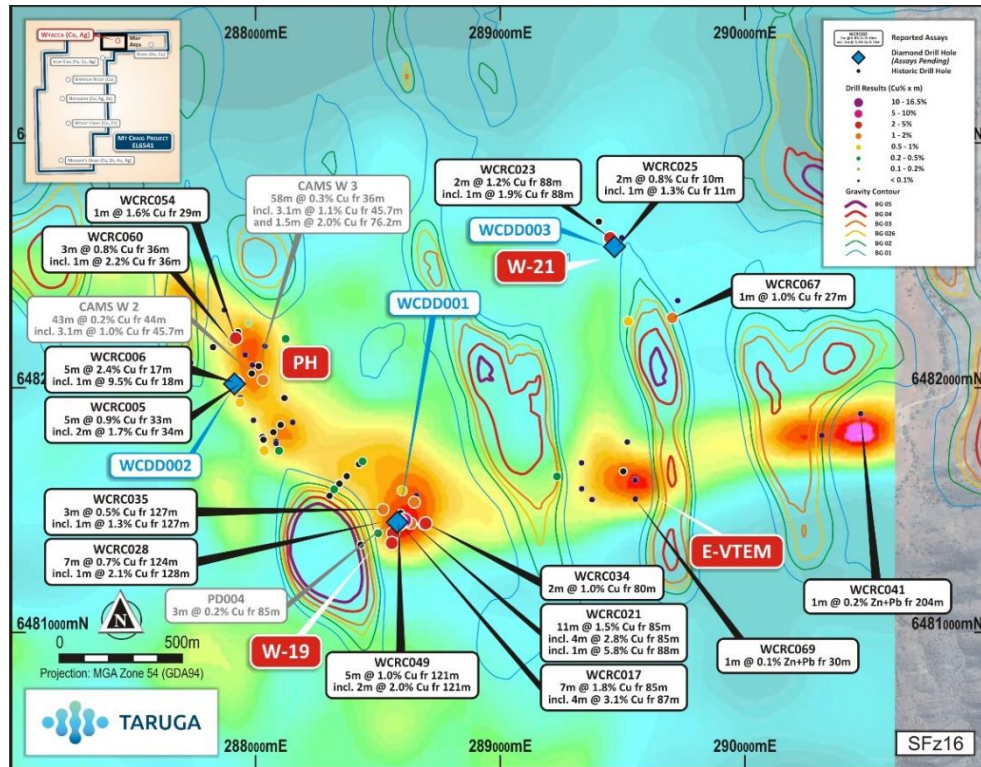
The geology at Wyacca was formed in the same geological setting as the Central African Copperbelt, which hosts some of the world's largest and highest-grade sedimentary copper deposits. For example, the Kamo-a sedimentary Cu-Co-Ag deposit contains 20Mt of Cu metal, with mineralisation associated with reduced black shales formed in a rift margin environment. At Kamo-a, Bonanza zones of very high-grade copper mineralisation are present in semi-isolated pods which are structurally controlled. These near-linear Bonanza zones require precision drilling to discover, and despite common belief about sedimentary copper systems, these deposits are not always simple and consistent.



# DIRECTORS' REPORT



AND CONTROLLED ENTITIES



**Figure 3:** New gravity modelling contours over the SFz-16 (shallow time) VTEM image, showing the shallow time VTEM anomalies where previous high-grade intercepts have been hit at Worrumba-19 and Powder Hill. Note the shallow VTEM anomalies are around the edges of the gravity anomalies, which remain untested.

## Birthday Ridge Prospect

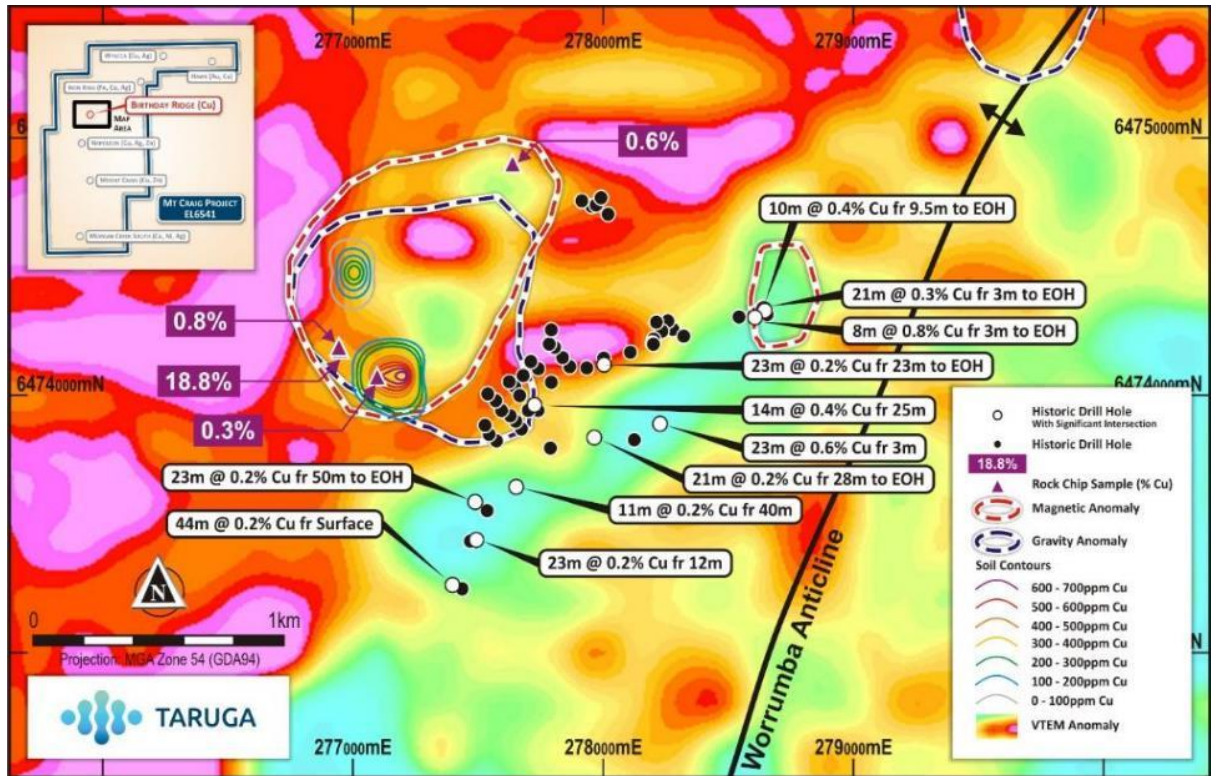
Reconnaissance exploration work has continued at Birthday Ridge prospect during the period. The ongoing reconnaissance work will be used to finalise a first-pass RC drilling program at the prospect during 2022.

A sediment-hosted copper deposit was discovered at Birthday Ridge in the 1960's and has had very limited exploration work conducted since (**Figure 4**). The mineralisation has been intercepted over 2km of strike and remains open in all directions. The adjacent diapiric breccia and volcanics have never been targeted, and only the interpreted oxide and leached zone of the copper system has drilled to date (shallow drilling) most of which started in and/or ending in mineralisation.

# DIRECTORS' REPORT



AND CONTROLLED ENTITIES



**Figure 4:** Historical drilling highlights at the Birthday Ridge prospect showing shallow time VTEM anomalies and gravity/magnetic anomalies, along with the dominant structure, the Worrumba Anticline.

## Flinders IOCG Project, South Australia

Taruga (via Strikeline Resources Pty Ltd (**Strikeline**)) is awaiting a decision on authorisation under Section 23 of the Aboriginal Heritage Act 1988 (SA). The Section 23 authorisation will resolve uncertainty in areas where Native Title has not been determined at the Flinders Project. This authorisation would confirm full drilling authorisation.

On 27 October 2021, a public consultation meeting chaired by the Department of Aboriginal Affairs was held in Port Augusta, where Strikeline presented to interested parties and took questions about the project.

Strikeline was advised by the Aboriginal Affairs and Reconciliation (**AAR**) division of the South Australian Department of Premier and Cabinet of a further extension to the Public Consultation period originally ending 30 September, until 5 December 2021. The further extension was to allow interested parties additional time to consult with AAR and Strikeline regarding the Section 23 and 21 authorisations sought under the *Aboriginal Heritage Act 1988* (SA) (**authorisations**). AAR advised that this extension would not further delay the authorisation process.

The State Aboriginal Heritage Committee (SAHC) met on 13 January 2022 to review Strikeline's applications and prepare a recommendation to the Minister for Aboriginal Affairs (the Minister).



# DIRECTORS' REPORT



AND CONTROLLED ENTITIES

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Strikeline now awaits a decision from the Minister on whether the authorisation will be granted, and if so, any conditions that may apply.

If granted, the authorisations would allow for a substantial exploration program across the Jenkins and Woolshed Project Areas. The authorisation would allow for:

- A stage 1 exploration program of up to 150 auger holes and 60 drill holes (diamond, RC and AC).
- A potential stage 2 exploration program of up to a further 500 auger holes and 350 drill holes (diamond, RC and AC).
- A range of geophysical surveys including gravity, induced polarisation, electromagnetic and seismic surveys.
- Ancillary activities to support the above.

The Flinders Project covers the eastern margin of the Gawler Craton in a similar structural setting as the nearby Olympic Dam (BHP) and Carrapateena deposits (Oz Minerals). Flinders is unique in that IOCG-style mineralisation has been mapped and sampled at surface and not under several hundred metres of sedimentary cover, as is often the case within the highly prospective G2 structural corridor shown in **Figure 1**. Mineralisation occurs in intrusive breccias hosted within major structures within the prospect area. The breccia often contains dykes and clasts of altered mafic volcanics that can be mapped for over 15km along the dominant Mt Stephen Thrust (MST), from the Mt Stephen prospect to Jenkins North. Sub-structures and fault splays which branch out from the MST have been proven to contain high-grade copper mineralisation, indicating the potential for a larger “fluid system” or mineralised network beneath the surface.

## **Torrens Project, South Australia**

Work was limited to further desktop review of historical datasets for the Torrens Project for the period. The Torrens Iron-Oxide-Copper-Gold (IOCG) Project (EL6437) borders the Flinders Project to the north (**Figure 1**) and is situated within the G2 Structural corridor which hosts the nearby Olympic Dam and Carrapateena IOCGs.

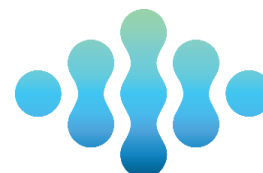
Strong magnetic and gravity anomalies have been identified at Torrens, which have had limited or no drilling. The magnetic anomalies at Torrens, which have recently been reprocessed, are similar to those at Flinders to the south where significant grades of copper and gold mineralisation have been reported from surface exposures. The identification of the Cu-Au-Ag mineralised magnetite at Torrens further strengthens the prospectivity of the large magnetic anomalies which dominate the tenement area.

Historical drilling at Torrens intersected anomalous copper, gold, LREE's and precious metals across several metres in various drill holes, often associated with altered breccias similar to those which host IOCG-style mineralisation identified at the Flinders Project. Taruga is in the process of assessing the integrity of the drilling data including quality control procedures and assay methods.

## **Manjimup Project, Western Australia**

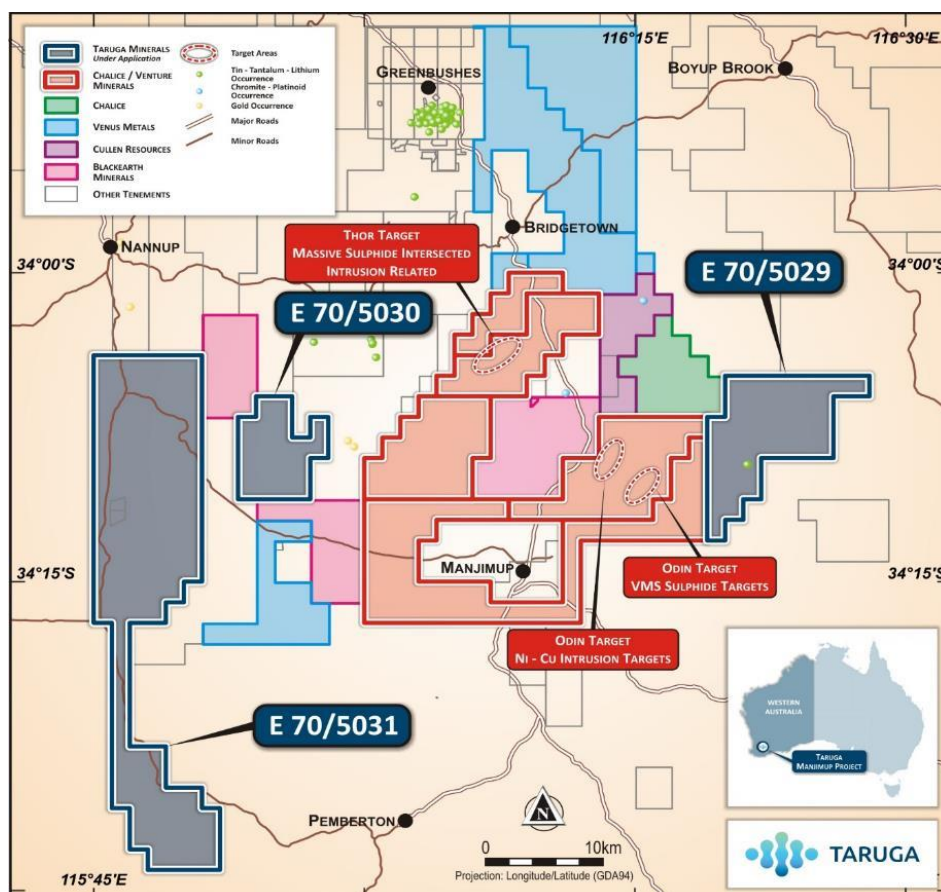
Taruga holds 3 exploration licence applications in the Greenbushes area of Western Australia (the Manjimup Project). The Manjimup Project tenements have potential for Thor and Odin type Ni-PGE mineralisation, Volcanic Hosted Massive Sulphide (VHMS) polymetallic mineralisation, and Greenbushes tin-tantalum-lithium style of mineralisation.

# DIRECTORS' REPORT



TARUGA

AND CONTROLLED ENTITIES



**Figure 5:** Taruga tenement location relative to Venture Minerals and Chalice Gold Mines.

E70/5029 adjoins the Chalice Mining / Venture Minerals JV (announced 21/5/2020) in a similar geological setting to the “Odin Prospect” with identified nickel, copper & PGE mineralisation (**Figure 5**). On 12 August 2021, Taruga announced the results of an ongoing desktop review and reprocessing of geophysics is at the Manjimup project which highlighted multiple targets across Taruga’s Manjimup project including potential for Julimar-Style Ni-PGE mineralisation, VHMS mineralisation, and Greenbushes-style Li-Sn-Ta mineralisation.

The next stage for the Manjimup Project is to complete the Environment Management plan and progress the grant of the tenements. Following grant, a program of surface geochemistry and detailed geological mapping will be undertaken to identify and define targets for detailed exploration. Follow-up geophysical programs including EM are also under consideration.

## Meekatharra Project, Western Australia

The Meekatharra Project (Exploration licence E51/1832) is located 30km southeast of the regional centre of Meekatharra in the Murchison region of Western Australia. On 19 November 2020, the Company announced that it had executed a binding terms sheet with CU2 (WA) Pty Ltd (CU2), whereby CU2 can earn an 80% interest in E51/1832 through incurring a minimum of \$150,000 of expenditure within three years from the date of execution.

# DIRECTORS' REPORT



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On 5 May 2021, Peak Minerals Ltd (ASX PUA) announced it has signed a non-binding term sheet to acquire 100% of CU2 including the Meekatharra Joint Venture with Taruga. Peak have since taken responsibility for managing the exploration program at Meekatharra which forms part of PUA's "Green Rocks Project" (see PUA corporate presentation released on the 21 October 2021).

## Community and ESG

Taruga is committed to developing sustainable exploration projects which benefit local communities in the areas in which we operate. The Company continues to deliver value to local communities through providing local employment and maintaining exceptional local expenditure milestones, with over 80% of our expenditure going to local businesses and people for the December half. Taruga maintains a target of 20% Aboriginal employment in our full-time team.

## CORPORATE

### Director appointment

On 1 October 2021, the Company announced that Mr David Chapman had been appointed as a non-executive director of the Company.

### Annual General Meeting

The Company's annual general meeting was held on 30 November 2021 with all resolutions passing by way of a poll.

### ADI Grant

On 26 November 2021, the Company announced that it received a \$300,000 (+GST) refund from the South Australian government for expenditure at the Company's Mt Craig copper project.

### Subsequent Events

On 14 February 2022, the Company announced that it had received firm commitments for a placement to raise up to \$2,000,000 at \$0.034 per share (**Placement**), and an associated SPP to raise up to an additional \$500,000 from eligible shareholders at the placement price. 55,294,117 shares were issued pursuant to the Placement on 22 February 2022.

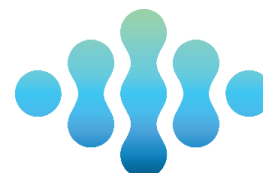
On 9 March 2022, the Company announced the results of the Company's share purchase plan (SPP), with the Company receiving valid applications for 4,764,704 new fully paid ordinary shares at an issue price of \$0.034 per share, raising \$162,000.

There are no other matters or circumstances that have arisen since 31 December 2021 that may significantly affect operations, results or state of affairs of the Group in future financial years.

## AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd (WA Partnership), to provide the directors of the company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 13 and forms part of this directors' report for the half-year ended 31 December 2021.

# DIRECTORS' REPORT



**TARUGA**

AND CONTROLLED ENTITIES

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

A handwritten signature in black ink, appearing to read "G Steinepreis". The signature is fluid and cursive, with a large initial "G" and a long, sweeping underline.

Gary Steinepreis

Non-Executive Director

Perth, 14 March 2022



## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Taruga Minerals 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:

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

**Perth, Western Australia**  
**14 March 2022**



**N G Neill**  
**Partner**

**hlb.com.au**

**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

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Liability limited by a scheme approved under Professional Standards Legislation.

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME



FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

AND CONTROLLED ENTITIES

|   | Note | 31 December<br>2021<br>\$ | 31 December<br>2020<br>\$ |
|---|------|---------------------------|---------------------------|
| Revenue   |      | 807                       | 5,193                     |
| Other Income  | 2    | 325,000                   | -                         |
| Depreciation  |      | (10,856)                  | (2,949)                   |
| Consultants   |      | (99,710)                  | (95,347)                  |
| Employee benefits expense                                   |      | (267,133)                 | (186,169)                 |
| Professional fees   |      | (67,207)                  | (44,764)                  |
| Share based payments  | 11   | (138,020)                 | (444,011)                 |
| Travel and accommodation                                    |      | (368)                     | (198)                     |
| Office and communication costs                              |      | (688)                     | (15,523)                  |
| Project evaluation  |      | -                         | (919,343)                 |
| Other expenses  |      | (124,117)                 | (62,915)                  |
| <b>Loss from continuing operations before income tax</b>    |      | <b>(382,292)</b>          | <b>(1,766,026)</b>        |
| Income tax expense  |      | -                         | -                         |
| <b>Net loss for the period from continuing operations</b>   |      | <b>(382,292)</b>          | <b>(1,766,026)</b>        |
| Loss from discontinued operations net of tax                | 12   | (5,853)                   | (5,342)                   |
| <b>Net loss for the period</b>                              |      | <b>(388,145)</b>          | <b>(1,771,368)</b>        |
| Other comprehensive income                                  |      |                           |                           |
| <i>Items that may be reclassified to profit and loss</i>    |      |                           |                           |
| Exchange differences on translation of foreign subsidiaries |      | 214                       | 35,141                    |
| <b>Total comprehensive loss for the period</b>              |      | <b>(387,931)</b>          | <b>(1,736,227)</b>        |
| Basic and diluted loss per share (cents per share)          |      | (0.07)                    | (0.40)                    |

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

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION



AS AT 31 DECEMBER 2021

AND CONTROLLED ENTITIES

|                                    | Note | 31 December<br>2021<br>\$ | 30 June<br>2021<br>\$ |
|------------------------------------|------|---------------------------|-----------------------|
| <b>CURRENT ASSETS</b>              |      |                           |                       |
| Cash and cash equivalents          |      | 1,446,236                 | 3,390,011             |
| Trade and other receivables        |      | <u>87,267</u>             | <u>107,509</u>        |
| Total Current Assets               |      | <u>1,533,503</u>          | <u>3,497,520</u>      |
| <b>NON-CURRENT ASSETS</b>          |      |                           |                       |
| Mineral exploration and evaluation | 3    | 7,539,198                 | 5,720,931             |
| Plant and equipment                |      | 100,736                   | 78,722                |
| Other assets                       |      | <u>80,000</u>             | <u>80,000</u>         |
| Total Non-Current Assets           |      | <u>7,719,934</u>          | <u>5,879,653</u>      |
| <b>TOTAL ASSETS</b>                |      | <u>9,253,437</u>          | <u>9,377,173</u>      |
| <b>CURRENT LIABILITIES</b>         |      |                           |                       |
| Trade and other payables           | 4    | <u>223,750</u>            | <u>395,949</u>        |
| Total Current Liabilities          |      | <u>223,750</u>            | <u>395,949</u>        |
| <b>TOTAL LIABILITIES</b>           |      | <u>223,750</u>            | <u>395,949</u>        |
| <b>NET ASSETS</b>                  |      | <u>9,029,687</u>          | <u>8,981,224</u>      |
| <b>EQUITY</b>                      |      |                           |                       |
| Issued capital                     | 5    | 29,778,927                | 29,475,236            |
| Reserves                           | 6    | 3,274,749                 | 3,141,832             |
| Accumulated losses                 |      | <u>(24,023,989)</u>       | <u>(23,635,844)</u>   |
| <b>TOTAL EQUITY</b>                |      | <u>9,029,687</u>          | <u>8,981,224</u>      |

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

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY



FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

AND CONTROLLED ENTITIES

|   | Issued<br>Capital | Accumulated<br>Losses | Share Based<br>Payments<br>Reserve | Foreign Currency<br>Translation<br>Reserve | Total Equity |
|---|-------------------|-----------------------|------------------------------------|--|--------------|
|   | \$                | \$                    | \$                                 | \$   | \$           |
| <b>Half-year to 31 December 2020</b>              |                   |                       |                                    |  |              |
| Balance at 1 July 2020                            | 21,675,871        | (21,632,256)          | 1,992,976                          | (5,415)                                    | 2,031,176    |
| Loss for the period                               | -                 | (1,771,368)           | -                                  | -  | (1,771,368)  |
| Other comprehensive loss                          | -                 | -                     | -                                  | 35,141                                     | 35,141       |
| Total comprehensive loss for the period           | -                 | (1,771,368)           | -                                  | 35,141                                     | (1,736,227)  |
| Issue of shares net of costs                      | 3,738,990         | -                     | -                                  | -  | 3,738,990    |
| Share based payments – Performance Rights/Options | -                 | -                     | 444,011                            | -  | 444,011      |
| As at 31 December 2020                            | 25,414,861        | (23,403,624)          | 2,436,987                          | 29,726                                     | 4,477,950    |
| <b>Half-year to 31 December 2021</b>              |                   |                       |                                    |  |              |
| Balance at 1 July 2021                            | 29,475,236        | (23,635,844)          | 3,101,320                          | 40,512                                     | 8,981,224    |
| Loss for the period                               | -                 | (388,145)             | -                                  | -  | (388,145)    |
| Other comprehensive loss                          | -                 | -                     | -                                  | 214  | 214          |
| Total comprehensive loss for the period           | -                 | (388,145)             | -                                  | 214  | (387,931)    |
| Issue of shares net of costs                      | 303,691           | -                     | -                                  | -  | 303,691      |
| Share based payments – Performance Rights/Options | -                 | -                     | 132,703                            | -  | 132,703      |
| As at 31 December 2021                            | 29,778,927        | (24,023,989)          | 3,234,023                          | 40,726                                     | 9,029,687    |

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



# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS



FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

AND CONTROLLED ENTITIES

|   | 31 December<br>2021<br>\$ | 31 December<br>2020<br>\$ |
|---|---------------------------|---------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>               |                           |                           |
| Payments to suppliers and employees                       | (545,300)                 | (295,284)                 |
| Payments for project evaluation                           | -                         | (1,020,696)               |
| Government grants and tax incentives                      | 300,000                   | -                         |
| Interest income received                                  | 807                       | 5,193                     |
| <b>Net cash used in operating activities</b>              | <b>(244,493)</b>          | <b>(1,310,787)</b>        |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>               |                           |                           |
| Payments for exploration and evaluation                   | (1,775,787)               | -                         |
| Payments for property plant & equipment                   | (32,870)                  | (8,636)                   |
| <b>Net cash used in investing activities</b>              | <b>(1,808,657)</b>        | <b>(8,636)</b>            |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>               |                           |                           |
| Proceeds from issue of shares                             | 109,375                   | 4,000,000                 |
| Share transaction costs                                   | -                         | (261,010)                 |
| <b>Net cash provided by financing activities</b>          | <b>109,375</b>            | <b>3,738,990</b>          |
| Net (decrease)/ increase in cash held                     | (1,943,775)               | 2,419,567                 |
| Cash and cash equivalents at the beginning of the period  | 3,390,011                 | 2,025,102                 |
| <b>Cash and cash equivalents at the end of the period</b> | <b>1,446,236</b>          | <b>4,444,669</b>          |

The above condensed consolidated statement of cashflows should be read in conjunction with the accompanying notes.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

AND CONTROLLED ENTITIES

## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### Statement of compliance

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

This condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report. The interim financial report was authorised for issue on 15 March 2022.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2021 and any public announcements made by Taruga Minerals Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

### Basis of preparation

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

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

The accounting policies adopted and methods of computation are consistent with those of the previous financial year and corresponding interim reporting period.

### Reporting Basis and Conventions

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

Notwithstanding the fact that the Group incurred an operating loss of \$382,292 for the period ended 31 December 2021, and a net cash outflow from operating activities amounting to \$244,493, the Directors are of the opinion that the Company is a going concern.

The Directors are satisfied that the Group has access to sufficient cash as and when required to enable it to fund administrative and other committed expenditure.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

AND CONTROLLED ENTITIES

## Significant accounting judgements and key estimates

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

In preparing this interim report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2021.

## Adoption of new and revised Accounting Standards

### *Standards and Interpretations applicable to 31 December 2021*

In the half-year ended 31 December 2021 the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for annual reporting periods beginning on or after 1 July 2021. As a result of this the Directors have determined that there is no impact, material or otherwise, of the standards and interpretations in issue not yet adopted on the Group's business and, therefore, no change is necessary to the Group's accounting policies.

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

The Directors have also reviewed all new Standards and Interpretations in issue not yet adopted for the half-year ended 31 December 2021. As a result of this the Directors have determined that there is no impact, material or otherwise, of the standards and interpretations in issue not yet adopted on the Group's business and, therefore, no change is necessary to the Group's accounting policies.

## NOTE 2: OTHER INCOME

|      |  | Consolidated                           |  |
|------|--|--|--|
|      |  | Half Year Ended<br>31 December<br>2021 | Half Year Ended<br>31 December<br>2020 |
|      |  | \$                                     | \$                                     |
| Note |  |  |  |
|      | Accelerated Discovery Initiative (ADI) grant |  |  |
| (i)  |  | 325,000                                | -                                      |
|      |  | 325,000                                | -                                      |

(i) Refund received from the South Australian government for expenditure at the Company's Mt Craig copper project.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021



AND CONTROLLED ENTITIES

## NOTE 3: MINERAL EXPLORATION AND EVALUATION

|   |      | Consolidated<br>Half Year Ended<br>31 December<br>2021<br>\$ | Year Ended<br>30 June<br>2021<br>\$ |
|---|------|--|-------------------------------------|
|   | Note |  |                                     |
| Opening balance   |      | 5,720,931  | -                                   |
| Project acquisition costs   | (i)  | 189,000  | 3,951,000                           |
| Capitalised exploration expenditure   | (ii) | 1,629,267  | 1,769,931                           |
| Acquisition costs in respect of areas of<br>interest in the exploration phase |      | 7,539,198  | 5,720,931                           |

The recoverability of deferred project acquisition costs is dependent upon the successful development and commercial exploitation, or alternately the sale of the areas of interest.

(i) On 11 May 2021 the Company completed the acquisition of Strikeline Resources Pty Ltd and the Flinders, Torrens and Mt Craig Projects in South Australia. The acquisition consideration consisted of the issue of 40 million shares at a share price of \$0.09 to the vendors of Strikeline and 3,900,000 shares to the advisors of the transaction at a share price of \$0.09. Strikeline Resources Pty Ltd's only asset was exploration assets and no liabilities, and has therefore been accounted for as an acquisition of exploration expenditure.

On 15 July 2021 the Company issued an additional 2,100,000 share to the advisors of the transaction at a share price of \$0.09.

In addition to the above acquisition consideration Taruga will also make the following milestone payments to the sellers of Strikeline. The probability and timing of these milestones cannot be reliably estimated and have not been included in the acquisition consideration in the above table.

Performance Milestone 1: Following Taruga delineating a JORC Indicated Resource (as defined in JORC 2012) of 150,000t Cu Equivalent (Cu, Au, Ag) at the Project, Taruga will make a milestone payment to the sellers of A\$400,000 which may at the election of Taruga be paid in cash or Ordinary Fully Paid Shares at the 14-day VWAP of Taruga's Share price as traded on the ASX;

Performance Milestone 2: Following Taruga completing a positive Bankable Feasibility Study (as defined in JORC 2012) in relation to the Project, Taruga will make a milestone payment to the sellers of A\$500,000 which may at the election of Taruga be paid in cash or Ordinary Fully Paid Shares at the 14-day VWAP of Taruga's Share price as traded on the ASX; and

Performance Milestone 3: Following Taruga commencing commercial production (being first concentrate sales) at the Project, the Company will make a payment to the sellers of A\$500,000 which may at the election of Taruga be paid in cash or Ordinary Fully Paid Shares at the 14-day VWAP of Taruga's Share price as traded on the ASX.

In accordance with the NSR agreement the Company will grant to the Vendors a 1% NSR in respect of all precious, industrial minerals and base metals produced, sold and proceeds received from the Project.



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

AND CONTROLLED ENTITIES

## NOTE 3: MINERAL EXPLORATION AND EVALUATION (CONTINUED)

Taruga will have the right to buy back the NSR from the sellers for total consideration of A\$500,000 which may at the election of Taruga be paid in cash or Ordinary Fully Paid Shares at the 30-day VWAP of Taruga's Share price as traded on the ASX.

The recoverability of the carrying amounts of exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective area of interest as well as maintaining rights of tenure.

## NOTE 4 - TRADE AND OTHER PAYABLES

|                 | Consolidated        |                 |
|-----------------|---------------------|-----------------|
|                 | 31 December<br>2021 | 30 June<br>2021 |
|                 | \$                  | \$              |
| Trade creditors | 139,471             | 324,003         |
| Other payables  | 84,279              | 71,946          |
|                 | <u>223,750</u>      | <u>395,949</u>  |

## NOTE 5 - ISSUED CAPITAL

|                       | Consolidated        |                   |
|-----------------------|---------------------|-------------------|
|                       | 31 December<br>2021 | 30 June<br>2021   |
|                       | \$                  | \$                |
| Ordinary Shares       |                     |                   |
| Issued and fully paid | <u>29,778,927</u>   | <u>29,475,236</u> |

**Movements in ordinary share capital of the Company were as follows:**

### Year to 30 June 2021

|                                       | Number             | \$                |
|---------------------------------------|--------------------|-------------------|
| Opening balance at 30 June 2020       | 390,534,838        | 21,675,871        |
| Placement                             | 66,666,667         | 4,000,000         |
| Exercise of options                   | 4,375,000          | 109,375           |
| Issue of shares – project acquisition | 43,900,000         | 3,951,000         |
| Issue costs - cash                    | -                  | (261,010)         |
| Closing balance at 30 June 2021       | <u>505,476,505</u> | <u>29,475,236</u> |

### Half-year to 31 December 2021

|                                     |                    |                   |
|-------------------------------------|--------------------|-------------------|
| Opening balance at 30 June 2021     | 505,476,505        | 29,475,236        |
| Issue of shares - employee          | 108,500            | 5,316             |
| Issue of shares - advisor           | 2,100,000          | 189,000           |
| Exercise of options                 | 4,375,000          | 109,375           |
| Closing balance at 31 December 2021 | <u>512,060,005</u> | <u>29,778,927</u> |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021



AND CONTROLLED ENTITIES

## NOTE 5 - ISSUED CAPITAL (CONTINUED)

Movements in options were as follows:

|  | Number      |
|--|-------------|
| Opening balance at 1 July 2021                 | 48,625,000  |
| 9-Aug-21 Exercise of options                   | (4,375,000) |
| 30-Nov21 Incentive options issued to directors | 5,000,000   |
| Closing balance at 31 December 2021            | 49,250,000  |

## NOTE 6 – RESERVES

|                                      | Half-year to 31<br>December 2021 | Year to 30 June<br>2021<br>\$ |
|--------------------------------------|----------------------------------|-------------------------------|
| Share-based Payments Reserve         | 3,234,023                        | 3,101,320                     |
| Foreign Currency Translation Reserve | 40,726                           | 40,512                        |
|                                      | <u>3,274,749</u>                 | <u>3,141,832</u>              |

### Share-based Payment Reserve

|  |                  |                  |
|--|------------------|------------------|
| Balance at beginning of the period               | 3,101,320        | 1,992,976        |
| Reserve arising on share-based payments expensed | 132,703          | 1,108,344        |
| Balance at end of the period                     | <u>3,234,023</u> | <u>3,101,320</u> |

### Foreign Currency Translation Reserve

|  |               |               |
|--|---------------|---------------|
| Balance at beginning of the period                     | 40,512        | (5,415)       |
| Reserve arising on translation of foreign subsidiaries | 214           | 45,927        |
| Balance at end of the period                           | <u>40,726</u> | <u>40,512</u> |

### Nature and purpose of Reserves

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. It is also used to record the effect of hedging net investments in foreign operations.

This share-based payments reserve is used to record the value of equity benefits provided to employees, Directors and consultants as part of their remuneration.

## NOTE 7 - CONTINGENT LIABILITIES

In addition to the acquisition consideration detailed in note 1 the Group will also make the following milestone payments to the sellers of Strikeline Resources Pty Ltd. The probability and timing of these milestones cannot be reliably estimated and have not been included in the acquisition consideration.

Performance Milestone 1: Following Taruga delineating a JORC Indicated Resource (as defined in JORC 2012) of 150,000t Cu Equivalent (Cu, Au, Ag) at the Project, Taruga will make a milestone payment to the sellers of A\$400,000 which may at the election of Taruga be paid in cash or Ordinary Fully Paid Shares at the 14-day VWAP of Taruga's Share price as traded on the ASX;

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

AND CONTROLLED ENTITIES

## NOTE 7 - CONTINGENT LIABILITIES (CONTINUED)

Performance Milestone 2: Following Taruga completing a positive Bankable Feasibility Study (as defined in JORC 2012) in relation to the Project, Taruga will make a milestone payment to the sellers of A\$500,000 which may at the election of Taruga be paid in cash or Ordinary Fully Paid Shares at the 14-day VWAP of Taruga's Share price as traded on the ASX; and

Performance Milestone 3: Following Taruga commencing commercial production (being first concentrate sales) at the Project, the Company will make a payment to the sellers of A\$500,000 which may at the election of Taruga be paid in cash or Ordinary Fully Paid Shares at the 14-day VWAP of Taruga's Share price as traded on the ASX.

In accordance with the NSR agreement the Company will grant to the Vendors a 1% NSR in respect of all precious, industrial minerals and base metals produced, sold and proceeds received from the Project. Taruga will have the right to buy back the NSR from the sellers for total consideration of A\$500,000 which may at the election of Taruga be paid in cash or Ordinary Fully Paid Shares at the 30-day VWAP of Taruga's Share price as traded on the ASX.

The Company had no other contingent liabilities at 31 December 2021.

## NOTE 8 – SEGMENT INFORMATION

AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to the segment and to assess its performance.

The Group's operating segments have been determined with reference to the monthly management accounts used by the Chief Operating Decision maker to make decisions regarding the Group's operations and allocation of working capital. Due to the size and nature of the Group, the Board as a whole has been determined as the Chief Operating Decision Maker.

There are only two reportable segments, being the exploration of minerals in the Democratic Republic of Congo (DRC) and Australia.

The accounting policies of the reportable segments are the same as Group accounting policies.

| Geographic Information           | Australia | DRC<br>(Discontinued<br>Operation) | Consolidated |
|----------------------------------|-----------|------------------------------------|--------------|
| 31 December 2021                 | \$        | \$                                 | \$           |
| Revenues from external customers | -         | -                                  | -            |
| Total loss after tax             | (382,292) | (5,853)                            | (388,145)    |
| Current assets                   | 1,533,503 | -                                  | 1,533,503    |
| Non-current assets               | 7,719,934 | -                                  | 7,719,934    |
| Total assets                     | 9,253,437 | -                                  | 9,253,437    |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

AND CONTROLLED ENTITIES

## NOTE 8 – SEGMENT INFORMATION (CONTINUED)

| Geographic Information | Australia | DRC<br>(Discontinued<br>Operation) | Consolidated |
|------------------------|-----------|------------------------------------|--------------|
| Current liabilities    | 223,750   | -                                  | 223,750      |
| Total liabilities      | 223,750   | -                                  | 223,750      |
| Net assets             | 9,029,687 | -                                  | 9,029,687    |

| Geographic Information           | Australia   | DRC<br>(Discontinued<br>Operation) | Consolidated |
|----------------------------------|-------------|------------------------------------|--------------|
| <b>31 December 2020</b>          | <b>\$</b>   | <b>\$</b>                          | <b>\$</b>    |
| Revenues from external customers | -           | -                                  | -            |
| Total loss after tax             | (1,766,902) | (4,466)                            | (1,771,368)  |
| Current assets                   | 4,561,977   | 13,277                             | 4,575,254    |
| Non-current assets               | 76,110      | 31,570                             | 107,680      |
| Total assets                     | 4,638,087   | 44,847                             | 4,682,934    |
| Current liabilities              | 201,900     | 3,084                              | 204,984      |
| Total liabilities                | 201,900     | 3,084                              | 204,984      |
| Net assets                       | 4,436,187   | 41,763                             | 4,477,950    |

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Taruga Minerals Limited. The Company operates in two operating segments therefore disclosures are consistent with the financial reports.

## NOTE 9 – EVENTS SUBSEQUENT TO BALANCE DATE

On 14 February 2022, the Company announced that it had received firm commitments for a placement to raise up to \$2,000,000 at \$0.034 per share (**Placement**), and an associated SPP to raise up to an additional \$500,000 from eligible shareholders at the placement price. 55,294,117 shares were issued pursuant to the Placement on 22 February 2022.

On 9 March 2022, the Company announced the results of the Company's share purchase plan (SPP), with the Company receiving valid applications for 4,764,704 new fully paid ordinary shares at an issue price of \$0.034 per share, raising \$162,000.

There are no other matters or circumstances that have arisen since 31 December 2021 that may significantly affect operations, results or state of affairs of the Group in future financial years.



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

AND CONTROLLED ENTITIES

## NOTE 10 – FINANCIAL INSTRUMENTS

The methods and techniques used for the purpose of measuring fair value are unchanged from the previous reporting period.

The carrying amount of financial assets and financial liabilities approximates their fair values.

## NOTE 11 – SHARE-BASED PAYMENTS

### Performance Rights Valuation

On 15 September 2021 the company agreed a revised remuneration package with the Chief Executive Officer, Mr Thomas Line. The new terms of Mr Line's remuneration package are as follows:

|                     |   |
|---------------------|---|
| <b>Remuneration</b> | Base Salary of \$225,000 per annum plus superannuation, effective 1 July 2021.  |
| Incentives          |   |
| Short-term (STI)    | Effective 1 July 2021, earn up to 100% of Base Salary (excluding super) as measured by performance against annually determined KPI's, including OH&S, environmental, ESG, stakeholder engagement, and corporate   |
| Long-term (LTI)     | The awarding of 2,000,000 performance rights, vesting over three years (31 August 2022, 31 August 2023, 31 August 2024) on meeting LTI KPI's.   |
|                     | At, or following the Review Date, the Board may, in its absolute discretion, give to the Executive a Vesting Notice in respect of a number of Performance Rights up to, but not exceeding, the maximum Performance Rights amount set out for that Review Date in the Performance Rights vesting table. If the Board gives a Vesting Notice in respect of any Performance Rights, those performance rights will vest on the giving of that Vesting Notice. |
|                     | If the Company has not given a Vesting Notice for an amount of Performance Rights equal to the maximum performance rights amount in respect of a Review Date by the corresponding Expiry Date, that number of Performance Rights that are not the subject of a Vesting Notice will be forfeited on that Expiry Date.  |

The above performance rights are subject to market and non-market based vesting conditions. The performance rights with market-based conditions are valued at 31 December 2021 as follows:

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

AND CONTROLLED ENTITIES

## NOTE 11 – SHARE-BASED PAYMENTS (CONTINUED)

| Item                         | Tranche 1         | Tranche 2         | Tranche 3         |
|------------------------------|-------------------|-------------------|-------------------|
| Value of underlying security | \$0.054           | \$0.054           | \$0.054           |
| Exercise price               | nil               | nil               | nil               |
| Valuation date               | 15 September 2021 | 15 September 2021 | 15 September 2021 |
| 10-Day VWAP barrier          | \$0.1404-\$0.2340 | \$0.1404-\$0.2340 | \$0.1404-\$0.2340 |
| Life of the Rights (years)   | 0.79              | 1.79              | 2.79              |
| Volatility                   | 109%              | 109%              | 109%              |
| Risk-free rate               | 0.026%            | 0.013%            | 0.113%            |
| Dividend yield               | nil               | nil               | nil               |
| Share price targets          | Note <sup>1</sup> | Note <sup>1</sup> | Note <sup>1</sup> |
| Value per Right              | \$0.0181          | \$0.0342          | \$0.0417          |
| Number of Rights             | 666,666           | 666,666           | 666,666           |
| Weighting on total LTIP      | 61.6%             | 61.6%             | 61.6%             |
| Weighted no. of securities   | 410,666           | 410,666           | 410,666           |
| Value per Tranche            | \$7,433           | \$14,045          | \$17,125          |
| Expensed at 31 December 2021 | \$2,973           | \$2,554           | \$2,015           |

<sup>1</sup> Share price targets – 20-day volume weighted average price of at least \$0.0966 (being 50% increase from benchmark VWAP of \$0.0644) for 25% to vest, \$0.1288 (being 100% increase from benchmark VWAP of \$0.0644) for 50% to vest and \$0.1610 (being 150% increase from benchmark VWAP of \$0.0644) for 100% to vest.

### Option Valuation

The following options were issued to directors and management during the period:

| Number    | Grant Date | Expiry Date | Exercise Price<br>\$ | Fair Value at grant date<br>\$ | Vesting date |           |
|-----------|------------|-------------|----------------------|--------------------------------|--------------|-----------|
|           |            |             |                      |                                | Tranche A    | Tranche B |
| 5,000,000 | 30/11/21   | 30/11/24    | 0.065                | 109,003                        | 31/05/22     | 30/11/22  |

The fair value of the equity-settled share options is estimated as at the date of grant using the Black-scholes model taking into account the terms and conditions upon which the options were granted.

|                              |          |
|------------------------------|----------|
| Value of underlying security | \$0.0405 |
| Exercise price               | \$0.0650 |
| Valuation date               | 30/11/21 |
| Life of the Rights (years)   | 3.00     |
| Volatility                   | 103%     |
| Risk-free rate               | 0.25%    |
| Dividend yield               | nil      |
| Value per Option             | \$0.022  |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

AND CONTROLLED ENTITIES

## NOTE 12 – DISCONTINUED OPERATIONS

### Current year - Kamilombe Project

During 2019 Taruga Democratic Republic of the Congo withdrew from their acquisition of the Kamilombe Project and adjacent tenure in the Democratic Republic of the Congo (DRC). There were no cash flows attributable to the discontinued operations with the \$5,853 loss being comprised of depreciation and other expenses.

|  | 2021<br>\$ | 2020<br>\$ |
|--|------------|------------|
| <b>Results of discontinued operations</b>                      |            |            |
| Depreciation   | -          | (5,342)    |
| Other expenses   | (5,853)    | -          |
| Results from operating activities                              | (5,853)    | (5,342)    |
| Income tax (expense)/benefit                                   | -          | -          |
| Results from operating activities after tax                    | -          | -          |
|  | (5,853)    | (5,342)    |
| <b>Cashflows gained from/(used in) discontinued operations</b> |            |            |
| Net cash gained from operating activities                      | -          | -          |
| Net cash flow for the year                                     | -          | -          |

## NOTE 13 – RELATED PARTY TRANSACTIONS

On 15 September 2021 the company agreed a revised remuneration package with the Chief Executive Officer, Mr Thomas Line. Details of the revised remuneration package are disclosed in note 11.

# DIRECTORS DECLARATION



FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

AND CONTROLLED ENTITIES

In the opinion of the directors of Taruga Minerals Limited ("the Company"):

- 1) The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
  - (a) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (b) giving a true and fair view of the Group's financial position as at 31 December 2021 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) of the Corporations Act 2001.

Gary Steinepreis

Non-Executive Director

Perth, 14 March 2022

**INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of Taruga Minerals Limited

**Report on the Interim Financial Report***Conclusion*

We have reviewed the accompanying interim financial report of Taruga Minerals Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2021, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 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 the *Corporations Regulations 2001*.

*Basis for conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

*Responsibility of the directors for the financial report*

The directors of the company are responsible for the preparation of the interim 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 interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

**hlb.com.au**

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

Our responsibility is to express a conclusion on the interim financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the interim 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*.

A review of a interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Independence*

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



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

**Perth, Western Australia**  
**14 March 2022**



**N G Neill**  
**Partner**