



BPM
MINERALS

Interim Financial Report
31 December 2021

ABN 60 644 263 516

Directors	Paul Lloyd - Non-Executive Chairman Emmanuel Correia – Non-Executive Director Greg Smith – Non-Executive Director
Chief Executive Officer	Chris Swallow
Joint Company Secretaries	Kelly Moore and Benjamin Donovan
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Auditor	HLB Mann Judd Perth (WA Partnership) Level 4, 130 Stirling Street Perth WA 6000
Solicitors	Steinepreis Paganin Level 4, The Read Buildings 16 Milligan Street Perth WA 6000
Stock exchange listing	Australian Securities Exchange (ASX code: BPM, BPMO)
ACN	644 263 516

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The Directors present their interim financial report of BPM Minerals Limited (referred to hereafter as the 'Company' or 'parent entity') and of the consolidated group (referred to hereafter as the 'Group'), being the Company and its controlled entities for the half-year ended 31 December 2021.

Directors

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

Paul Lloyd (Non-executive Chairman)
Emmanuel Correia (Non-executive Director)
Greg Smith (Non-executive Director)

Review of operations

The loss for the Group after providing for income tax amounted to \$832,317 (31 December 2020: \$103,192).

The following is a summary of the activities of BPM Minerals from 1 July 2021 to 31 December 2021. It is recommended that this half-yearly report be read in conjunction with any public announcements made by the Company during the period.

In accordance with the continuous disclosure requirements, readers are referred to the announcements lodged with the Australian Securities Exchange regarding the activities of the Company.

During the period, the Company continued to progress its portfolio of Western Australian base and precious metal projects.

Earaheedy

BPM tripled its land position in Western Australia's Earraheedy Basin, with the pegging of the Prenti Lead-Zinc Project. Prenti covers 555km² and was pegged following a basin-wide review of historical Geological Survey of Western Australia soil sampling programs which identified priority lead-zinc mineralisation.

Murchison

During the period, eight high priority targets were tested by the Company's maiden aircore drilling program at the Santy Gold Project with 108-holes completed (totalling 3,541m). Chip logging has confirmed important geological features, including wide zones of sulphides, comparable to adjacent gold projects within the Santy Gold Project area. Assays have successfully outlined a 2.2km-long gold regolith anomaly. The Santy Prospect (IZ5) is a structural target identified from magnetic interpretation which coincides with highly anomalous rock chips (up to 100g/t), with mineralisation remaining open in all directions and at depth. Encouragingly, with most of the Santy Project under a complex sequence of regolith cover, gold mineralisation was intersected in both weathered and fresh rock.

At the Claw Project, a review of historical open file drilling data identified two ready-to-drill gold anomalies. The Chickie and Louie gold anomalies lie within a 33km-long structural corridor that hosts Capricorn Metals 2.1Moz Mount Gibson Gold Project, located directly along strike and abutting BPM's Claw Project. The Chickie Prospect is a large 1,000m x 500m ready-to-drill gold-in-regolith anomaly.

Eastern Goldfields

At the Nepean Nickel Project, a major Moving-Loop Electromagnetic (MLEM) survey commenced over aircore targets (N1-N3) in late December, designed to identify potential bedrock conductors. The MLEM survey builds on previous aircore drilling which successfully mapped three broad zones of ultramafic/mafic rocks, potentially fertile for nickel sulphide mineralisation. Initial aircore results from BPM drilling outlined a shallow 200m-long nickel anomaly, up to 47m thick which remains open to the southeast and will be covered by the MLEM survey.

Corporate

During the period, the Company completed the \$1.5 million placement (before costs) relating to the acquisition of Recharge Resources Pty Ltd for the issue of 7.5 million fully paid ordinary shares at an issue price of \$0.20 per share, together with one free attaching option with an exercise price of \$0.25 on or before 11 September 2025. The acquisition of Recharge was completed following approval by shareholders at a general meeting held on 15 July 2021.

Environment Social and Governance

The Company would like to thank the following Traditional Owners which have partnered with BPM to ensure we respect their country and protect cultural heritage sites and areas of cultural significance: Mullewa Wadjari & Wajarri Yamatji (Santy Project), Gingirana Native Title Holders (Hawkins Project) and Marlinyu Ghoorlie Native Title Claim Group (Nepean Project).

Events subsequent to balance sheet date

Post reporting period, the Company completed a number of important exploration objectives which have set the platform for a successful 2022 exploration season.

Hawkins

The project was granted in early February 2022 with a Heritage Survey currently underway; the Heritage Survey is being completed in preparation for the 7,500 metre Aircore drilling program, designed to test for a potentially large lead-zinc-silver mineralised footprint. Limited scout drilling was completed at Hawkins in 1997 and returned a best intercept of 2m @ 0.56% Zn+Pb (refer WAMEX Open File Report A053541). The Company has mobilised a fly camp to support the Heritage Survey with earthworks to be completed over the next two weeks and all other drilling approvals in place for the drilling contractor to begin work in early April.

Santy Gold Project

The Company has completed a Heritage Survey in early March 2022, with AC drilling expected to commence in Q2 2022 following the Hawkins drilling program. Mineralisation at the main Santy Prospect (IZ5) remains open in all directions with new step-out aircore traverses to grow the gold footprint. Infill drilling is also scheduled to define the primary source of the gold mineralisation in advance of Reverse Circulation drilling. Three high-priority targets, all located on the Tallering Greenstone Belt and along strike from Adaman Resources A Zone Deposit (63,000 oz Au at 2.1g/t gold) and the Mixy Deposit (65,000 oz Au 4.3g/t gold), remain untested.

Nepean Nickel Project

Post reporting period, the Company completed the MLEM survey which identified eleven (11) Electro-Magnetic late-time bedrock conductors (EM Plates). The plates were separated into three clusters: the Eastern, Western and Southern Clusters. The Company moved quickly to secure a rig and drilling commenced in mid-February 2022.

Covid Pandemic

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

Matters subsequent to the end of the financial period

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Auditor's independence declaration

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

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 black ink that reads 'P Lloyd'.

Paul Lloyd
Non - Executive Chairman

16 March 2022
Perth, Western Australia

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of BPM 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
16 March 2022



D I Buckley
Partner

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	Note	Consolidated	
		31 Dec 2021 \$	11 Sep 2020 to 31 Dec 2020 \$
Continuing operations			
Other income		8,231	-
Expenses			
Employee benefits expense		(90,538)	-
Share-based payments	11	(102,671)	-
Professional fees		(174,189)	(53,873)
Compliance costs		(69,935)	(14,369)
Exploration expenditure		(86,328)	(8,348)
Other expenses	5	(316,697)	(26,582)
Finance costs		(190)	(20)
Loss before income tax expense		(832,317)	(103,192)
Income tax expense		-	-
Loss after income tax expense for the period attributable to the owners of BPM Minerals Limited		(832,317)	(103,192)
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the period attributable to the owners of BPM Minerals Limited		(832,317)	(103,192)
		Cents	Cents
Basic loss per share		(1.71)	(1.03)
Diluted loss per share		(1.71)	(1.03)

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

	Note	Consolidated 31 Dec 2021 \$	30 Jun 2021 \$
Assets			
Current assets			
Cash and cash equivalents		4,395,164	5,430,587
Trade and other receivables	6	533,384	331,407
Total current assets		<u>4,928,548</u>	<u>5,761,994</u>
Non-current assets			
Trade and other receivables	6	-	125,000
Exploration and evaluation assets	7	4,201,707	1,379,972
Total non-current assets		<u>4,201,707</u>	<u>1,504,972</u>
Total assets		<u>9,130,255</u>	<u>7,266,966</u>
Liabilities			
Current liabilities			
Trade and other payables	8	225,009	1,087,644
Total current liabilities		<u>225,009</u>	<u>1,087,644</u>
Total liabilities		<u>225,009</u>	<u>1,087,644</u>
Net assets		<u>8,905,246</u>	<u>6,179,322</u>
Equity			
Issued capital	9	7,882,359	6,133,177
Reserves	10	2,389,294	580,235
Accumulated losses		<u>(1,366,407)</u>	<u>(534,090)</u>
Total equity		<u>8,905,246</u>	<u>6,179,322</u>

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

	Issued capital \$	Share based payment reserve \$	Accumulated losses \$	Total equity \$
Consolidated				
Balance at 11 September 2020	-	-	-	-
Loss after income tax expense for the period	-	-	(103,192)	(103,192)
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive loss for the period	-	-	(103,192)	(103,192)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 11)	-	150,164	-	150,164
Issued capital	5,815,000	-	-	5,815,000
Transaction costs	(874,119)	-	-	(874,119)
Balance at 31 December 2020	<u>4,940,881</u>	<u>150,164</u>	<u>(103,192)</u>	<u>4,987,853</u>
Consolidated				
Balance at 1 July 2021	6,133,177	580,235	(534,090)	6,179,322
Loss after income tax expense for the period	-	-	(832,317)	(832,317)
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive loss for the period	-	-	(832,317)	(832,317)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 11)	-	1,809,059	-	1,809,059
Issued capital	1,751,250	-	-	1,751,250
Transaction costs	(2,068)	-	-	(2,068)
Balance at 31 December 2021	<u>7,882,359</u>	<u>2,389,294</u>	<u>(1,366,407)</u>	<u>8,905,246</u>

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

	Note	Consolidated	
		31 Dec 2021 \$	11 Sep 2020 to 31 Dec 2020 \$
Cash flows from operating activities			
Payments to suppliers and employees		(632,376)	(97,382)
Interest paid		(190)	(20)
Net cash used in operating activities		<u>(632,566)</u>	<u>(97,402)</u>
Cash flows from investing activities			
Purchase of exploration assets		<u>(402,857)</u>	<u>(15,713)</u>
Net cash used in investing activities		<u>(402,857)</u>	<u>(15,713)</u>
Cash flows from financing activities			
Proceeds from issue of shares	9	-	4,955,000
Share issue transaction costs		-	(89,033)
Net cash provided by financing activities		<u>-</u>	<u>4,865,967</u>
Net increase/(decrease) in cash and cash equivalents		(1,035,423)	4,752,852
Cash and cash equivalents at the beginning of the financial period		<u>5,430,587</u>	<u>-</u>
Cash and cash equivalents at the end of the financial period		<u>4,395,164</u>	<u>4,752,852</u>

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

Note 1. General information

The interim financial statements cover BPM Minerals Limited as a Group consisting of BPM Minerals Limited and the entities it controlled at the end of, or during, the period ended 31 December 2021. The financial statements are presented in Australian dollars, which is BPM Minerals Limited's functional and presentation currency. The Company is a for-profit listed entity domiciled in Australia.

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The interim financial statements were authorised for issue, in accordance with a resolution of Directors, on 16 March 2022. The Directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the interim financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. No material change to accounting policies was required.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted and are not expected to have a material impact on the accounting policies of the Group.

Going concern

The interim financial report has 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 ordinary course of business.

The Group has incurred a net loss after tax for the period ended 31 December 2021 of \$832,317 and had net cash outflows from operating, investing and financing activities of \$1,035,423. As at 31 December 2021 the Group had a working capital surplus of \$4,703,539 and cash and cash equivalents of \$4,395,164.

Basis of preparation

This interim consolidated financial report is a general-purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The interim financial report does not include all of the notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that this financial report be read in conjunction with the 30 June 2021 Annual Report of the Company and any public announcements made by BPM Minerals Limited and its controlled entities during the half-year in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001*. For the purpose of preparing the interim financial report, the half-year has been treated as a discrete reporting period.

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

In accordance with the *Corporations Act 2001*, these interim financial statements present the results of the Group only.

Note 3. Critical accounting judgements, estimates and assumptions

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

Note 4. Operating segments

Identification of reportable operating segments

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

The Group currently operates in one operating segment being mineral exploration and evaluation in Australia.

Reportable segments disclosed are based on aggregating leases where the evaluation and exploration interests are considered to form a single project. This is indicated by:

- having the same ownership structure;
- exploration being focused on gold; and
- exploration programs targeting the leases as a group, indicated by the use of the same exploration team, shared geological data and knowledge across the leases.

Unless otherwise stated, all amounts reported to the Board of Directors as the chief decision maker are determined in accordance with AASB 8 Operating Segments.

Note 5. Expenses

	Consolidated	
	31 Dec 2021	11 Sep 2020 to 31 Dec 2020
	\$	\$
Loss before income tax includes the following specific expenses:		
<i>Other expenses</i>		
Advertising and marketing	251,590	2,795
Rent	20,500	-
Insurances	2,670	21,315
Travel expenses	16,969	-
Training and education	3,606	-
Other expenses	21,362	2,472
	316,697	26,582

Note 6. Trade and other receivables

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
<i>Current assets</i>		
Goods and services tax receivable	41,297	76,126
Other receivables	2,200	5,281
Prepayments	489,887	250,000
	<u>533,384</u>	<u>331,407</u>
<i>Non-current assets</i>		
Trade receivables	-	125,000
	<u>533,384</u>	<u>456,407</u>

Allowance for expected credit losses

The Group has recognised no amount in profit or loss in respect of expected credit losses for the half-year ended 31 December 2021.

Note 7. Exploration and evaluation assets

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
<i>Non-current assets</i>		
Exploration and evaluation assets	<u>4,201,707</u>	<u>1,379,972</u>

Refer to note 14 for details of an asset acquisition during the period.

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial period are set out below:

Consolidated	Exploration & Expenditure \$
Balance at 1 July 2021	1,379,972
Expenditure during the period	536,050
Additions through asset acquisitions (note 14)	2,372,013
Expensed to profit and loss	<u>(86,328)</u>
Balance at 31 December 2021	<u>4,201,707</u>

Exploration and evaluation expenditure for each area of interest is expensed as incurred unless one of the following conditions is met:

- such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing.

Note 8. Trade and other payables

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
<i>Current liabilities</i>		
Trade payables	225,009	1,087,644

Note 9. Issued capital

	Consolidated			
	31 Dec 2021	30 Jun 2021	31 Dec 2021	30 Jun 2021
	Shares	Shares	\$	\$
Ordinary shares - fully paid	49,061,500	42,649,000	7,882,359	6,133,177

Details	Date	Shares	Issue price	\$
Balance	1 July 2021	42,649,000		6,133,177
Issued capital - placement	16 July 2021	2,100,000	\$0.200	420,000
Issued capital - consideration for Recharge acquisition	16 July 2021	1,875,000	\$0.200	665,625
Issued capital - facilitation fee*	16 July 2021	562,500	-	-
Issued capital - StocksDigital fee	16 July 2021	1,875,000	\$0.355	665,625
Share issue transaction costs, net of tax		-		(2,068)
Balance	31 December 2021	49,061,500		7,882,359

* The value of the shares of \$118,125 was recognised in the prior year as an exploration asset when the services had been rendered to facilitate the Recharge Resources Pty Ltd acquisition (refer to note 14). The shares were issued during the period.

Note 10. Options

On 16 July 2021, the Company issued 1,875,000 options as partial consideration for the acquisition of Recharge Resources Pty Ltd. The options are exercisable at \$0.25 on or before 1 September 2025. Refer to note 14 for further detail.

On 16 July 2021, the Company issued 7,500,000 free attaching options to sophisticated and professional investors that participated in the placement to raise funds to support the Earahedy acquisition. The options are exercisable at \$0.25 on or before 11 September 2025.

On 16 July 2021, the Company issued 562,500 options to Inyati Capital Pty Ltd for facilitation of the Earahedy acquisition. The options are exercisable at \$0.25 on or before 11 September 2025. The issue of the securities was subject to shareholder approval at a meeting of shareholders held on 15 July 2021, therefore as at 30 June 2021 the shares and options had not yet been issued and had been accrued for in the prior period as the facilitation service had been rendered. The amount capitalised to exploration was \$65,144. The options were valued using Black Scholes.

On 13 September 2021, the Company issued 250,000 remuneration options. The options are exercisable at \$0.40 on or before 14 September 2022. Refer to note 11 for further detail.

Note 10. Options (continued)

Set out below are summaries of options on issue by the Company:

	Number of options 31 Dec 2021	Exercise price 31 Dec 2021
Outstanding at the beginning of the financial period	28,501,000	
Acquisition options	1,875,000	\$0.250
Remuneration options	250,000	\$0.400
Free attaching placement options	7,500,000	\$0.250
Facilitation options	562,500	\$0.250
	<u>38,688,500</u>	
Outstanding at the end of the financial period	<u>38,688,500</u>	

Note 11. Share-based payments

During the half-year, share-based payments consisted of the following:

	Consolidated 31 Dec 2021 \$	11 Sep 2020 to 31 Dec 2020 \$
Consideration shares for the acquisition of Recharge Resources Pty Ltd (refer to note 14)	665,625	-
Consideration options for the acquisition of Recharge Resources Pty Ltd (refer to note 14)	438,084	-
Consideration performance shares for the acquisition of Recharge Resources Pty Ltd*	164,595	-
Remuneration performance rights	76,294	-
Remuneration options	26,377	-
StocksDigital shares	665,625	-
Deferred consideration shares and options for acquisition of Recharge Resources Pty Ltd (refer to note 14)	<u>1,103,709</u>	-
	<u>3,140,309</u>	-

* Total value of consideration performance shares was \$710,000 (refer to note 14).

Note 11. Share-based payments (continued)

Consideration Shares, Options, Performance Shares and Deferred Consideration Shares and Options:

On 19 May 2021, the Company announced that it would be acquiring projects in Earraheedy. An Extraordinary General Meeting ('EGM') was held on 15 July 2021 to approve a number of resolutions in relation to the Earraheedy acquisition. All resolutions contained in the Notice of Meeting lodged with the ASX on 15 June 2021 were approved by way of poll. Post the EGM, the Company issued 1,875,000 consideration shares and options as well as 2,000,000 performance shares as consideration.

Consideration shares were valued at \$665,625 using the share price on issue date of \$0.355. Consideration options were valued at \$438,084 using Black Scholes using the following assumptions:

- Exercise price of \$0.25
- Volatility of 80%
- Implied life of 5 years
- Risk free rate of 0.29%
- Dividend yield of nil

The performance shares were valued at \$710,000 to be recognised over the vesting period of the performance shares, being:

- a) The Company achieving 10Mt of Inferred Resources at a minimum grade of 4.0% Zn Equivalent¹ on the Tenements as reported in accordance with the JORC Code 2012; or
- b) The Company achieving 5Mt of Inferred Resources at a minimum grade of 55% Fe on the Tenements reported in accordance with the JORC Code 2012.

Deferred consideration shares and options were valued on the same basis as the consideration shares and options noted above.

Refer to note 14 for further detail in relation to the acquisition.

Remuneration Performance Rights:

On 5 February 2021, the Company announced the appointment of Mr Christopher Swallow as Chief Executive Officer ('CEO'). As part of Mr Swallow's remuneration, it was agreed Mr Swallow would be granted the following Performance Rights with the following milestones attached to them:

- Class A Performance Rights: 375,000 Performance Rights will vest and become exercisable upon the Company raising a cumulative additional \$4,000,000 of capital in support of its current or additional projects within two years of the Executive's appointment as CEO;
- Class B Performance Rights: 187,500 Performance Rights will vest and become exercisable on the 12-month anniversary of the Executive's appointment as CEO; and
- Class C Performance Rights: 187,500 Performance Rights will vest and become exercisable on the 24-month anniversary of the Executive's appointment as CEO.

The Performance Rights were issued during the half-year and have a nil exercise price and a deemed value of \$191,250 to be recognised over the vesting period of each class of Performance Rights. The share price used for valuation purposes was \$0.255, being the price as at 5 February 2021.

On 13 July 2021, the Company announced the appointment of Mr Oliver Judd as Exploration Manager. As part of Mr Judd's remuneration, it was agreed Mr Judd would be granted the following Performance Rights with the following milestones attached to them:

- Class A Performance Rights: 225,000 Performance Rights upon the Company achieving a JORC Inferred Resource of >250,000oz gold equivalent (average grade 1.5g/t Au) across any of the Company's projects within 3 years from start of the Employment;
- Class B Performance Rights: 300,000 Performance Rights upon the Company achieving an additional JORC Inferred Resource of >250,000oz gold equivalent (average grade 1.5g/t Au) across any of the Company's projects (for a total resource inventory of at least 500,000oz gold equivalent) within 4 years from start of Employment.

The Performance Rights were issued during the half-year and have a nil exercise price and a deemed value of \$186,375 to be recognised over the vesting period of each class of Performance Rights. The share price used for valuation purposes was \$0.355, being the price as at 13 July 2021.

Note 11. Share-based payments (continued)

On 24 December 2021, the Company issued 1,950,000 Performance Rights to Directors and 1,350,000 Performance Rights to employees and officers of the Company with the following milestones attached to them:

- Class A Performance Rights: The Company raising a cumulative additional \$5m of capital in support of its current or additional projects within two years from the date of issue of the Performance Rights.
- Class B Performance Rights: The Company's share price achieving a minimum share price of \$0.50 for a consecutive 20 day period within two years from the date of issue of the Performance Rights.
- Class C Performance Rights: The employment or the engagement of the Performance Rights holder for a consecutive 24-month period from date of issue.

The Performance Rights have a nil exercise price and a deemed value of \$629,200 to be recognised over the vesting period of each class of Performance Rights. The share price used for valuation purposes was \$0.24, being the price as at 9 December 2021 when shareholder approval for the issue was received.

Remuneration Options:

As part of Mr Judd's remuneration, he was issued with 250,000 unlisted options with an expiry date of 14 September 2022 and exercise price of \$0.40. The options were valued at \$26,377 using Black Scholes with the following valuation assumptions:

- Exercise price of \$0.40
- Volatility of 80%
- Implied life of 1 year
- Risk free rate of 0.29%
- Dividend yield of nil

StocksDigital Shares:

On 18 May 2021 the Company entered into an agreement with S3 Consortium Pty Ltd ('StocksDigital') for StocksDigital to provide investor awareness services to the Company for a period of 18 months (Investor Awareness Agreement). For these services StocksDigital will be paid \$412,500 of which \$375,000 is to be paid through the issue of shares and \$37,500 is to be paid in cash. The shares were issued to StocksDigital on 15 July 2021. As at the date the service began, a prepayment of \$665,625 was recognised and will be amortised over the service period. The 1,875,000 shares were valued at the closing share price on 15 July 2021.

Note 12. Related party transactions

Key Management Personnel

	Consolidated	
	31 Dec 2021	11 Sep 2020 to 31 Dec 2020
	\$	\$
Short term employee benefits	128,493	-
Post employment benefits	6,849	-
	<u>135,342</u>	<u>-</u>

Other key management personnel transactions

A number of these companies transacted with the Company during the period. The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions to non-key management personnel related companies on an arm's length basis.

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

Note 12. Related party transactions (continued)

- Coral Brook Pty Ltd, a company of which Mr Paul Lloyd is a director, charged the Company for Director fees totalling \$35,000 (2020: \$nil). \$17,500 was outstanding at period end.
- Cardrona Energy Pty Ltd, a company of which Mr Emmanuel Correia is a director, charged the Company for corporate advisory services totalling \$80,000 in relation to the acquisition of Recharge Resources Pty Ltd (2020: \$30,000) and Director fees totalling \$25,000 (2020: \$nil). \$4,167 (2020: \$nil) was outstanding at period end.
- Mr Greg Smith charged the Company for director fees of \$12,500 and consulting fees of \$8,000 (2020: \$nil). \$4,167 (2020: \$nil) was outstanding at period end.
- Propel Agency Pty Ltd, a company of which Mr Chris Swallow is a director, charged the Company for graphic design services totalling \$12,695 (2020: \$nil). No balance was outstanding at period end.

Parent entity

BPM Minerals Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 13.

Transactions with other related parties

There were no transactions with other related parties during the current and previous financial period.

Note 13. Interests in subsidiaries

The consolidated interim financial statements incorporate the assets, liabilities and results of the following subsidiaries:

Name	Principal place of business / Country of incorporation	Ownership interest	
		31 Dec 2021 %	30 Jun 2021 %
Claw Minerals Pty Ltd	Australia	100%	100%
Santy Gold Pty Ltd	Australia	100%	100%
Recharge Resources Pty Ltd	Australia	100%	-

These entities are members of the tax consolidated group of which the Company is the head entity.

Note 14. Asset acquisition

On 19 May 2021, the Company announced that it would be acquiring projects in Earraheedy through the acquisition of 100% of the issued capital in Recharge Resources Pty Ltd for the following consideration:

Purchase consideration comprises:	Note	
<i>Initial consideration - Measured on settlement date of 15 July 2021</i>		
1,875,000 shares	11	665,625
1,875,000 options	11	438,084
2,000,000 performance shares*	11	710,000
<i>Deferred consideration</i>		-
1,875,000 shares	11	665,625
1,875,000 options	11	438,084
		2,917,418

* The total value of \$710,000 is to be recognised over the vesting period of the performance shares. \$164,595 of this amount was recognised during the period ended 31 December 2021, resulting in total additions to exploration and evaluation assets through asset acquisitions of \$2,372,013 for the period.

Note 14. Asset acquisition (continued)

The acquisition has been accounted for as an asset acquisition as it was not considered a business combination under AASB 3 *Business Combinations* and the consideration has been accounted for as a share-based payment transaction using the principles of AASB 2 *Share-Based Payments*.

Fair value of assets and liabilities of Recharge Resources Pty Ltd at acquisition was as follows:

Net assets acquired

Current assets	5,900
Non-current assets	113,946
Current liabilities	<u>(5,798)</u>
Net assets	<u>114,048</u>

The purchase price has been capitalised as exploration and evaluation expenditure.

Note 15. Financial instruments

Fair value of financial instruments

The fair value of financial assets and financial liabilities not measured at fair value on a recurring basis approximates their carrying amount at balance date.

Note 16. Contingent liabilities

There are no contingent liabilities as at 31 December 2021.

Note 17. Commitments

There were no significant changes in commitments held by the Group since the last annual reporting date.

Note 18. Events after the reporting period

No matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the financial period ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink that reads 'P Lloyd'.

Paul Lloyd
Non - Executive Chairman

16 March 2022
Perth, Western Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of BPM Minerals Limited

Report on the Condensed Interim Financial Report

Conclusion

We have reviewed the accompanying interim financial report of BPM Minerals Limited ("the company") which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 group 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 BPM Minerals Limited does not comply with the *Corporations Act 2001* including:

- (a) 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 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.

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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 group'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 an 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.

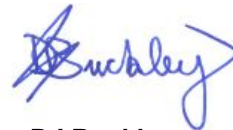
Independence

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



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
16 March 2022



D I Buckley
Partner



BPM

MINERALS

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