



MT MONGER RESOURCES LIMITED

ACN 645 885 463

**Interim Financial Statements
for the six months ended
31 December 2021**



Corporate Directory

Directors

John Andrew Hannaford	Non-Executive Chairman
Lachlan John Reynolds	Managing Director
David John Izzard	Non-Executive Director

Company Secretary

Simon Charles Bunbury Adams

Registered and Principal Office

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West Perth WA 6005

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Email: info@mtmongerresources.com.au

Website: www.mtmongerresources.com.au

Auditor

Hall Chadwick WA Audit Pty Ltd
283 Rokeby Road
Subiaco WA 6008

Share Registry

Automic Group Pty Ltd
Level 2, 267 St Georges Terrace
Perth WA 6000

Phone (within Australia): 1300 288 664

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Stock Exchange Listing

Australian Securities Exchange (ASX)

ASX Code: MTM

Directors' Report

31 December 2021

The Directors of Mt Monger Resources Limited (the "Company" or "Mt Monger" and reference to Mt Monger Resources Ltd and its subsidiaries as the "Group") present their report on the Company for the period ended 31 December 2021 ("Period").

Directors

John Andrew Hannaford – Non-executive Chairman

Lachlan John Reynolds – Managing Director

David John Izzard – Non-Executive Director

Review of Operations

The Company was established in November 2020 and principal activities of the Company during the financial period were the exploration of mineral tenements in Western Australia ("WA").

Operational Activities:

During the reporting period Mt Monger has been focusing on its mineral exploration activities in Western Australia. Activities for the period included:

- Drilling program at the Mt Monger Project (Duchess of York prospect) which included 28 drill holes totalling 3,226 meters. Results from this program showed gold mineralisation which extended the previously identified mineralised zone for 500m to the northeast. A large soil sampling program of approximately 2,340 samples was also completed over the Duchess of York, Red Dale North and Kiaki Soaks Prospects. The results from this sampling successfully defined several previously unknown geochemical anomalies that are interpreted to be related to mineralised structures;
- An extensive program of geochemical sampling was completed over the Seahorse Prospect at the Company's East Laverton tenement E38/3302. Approximately 3,500 samples were collected on a number of different grids (typically 100m x 400m and 200m x 400m spacing). Samples were submitted to SGS for assay using their proprietary MMI technique;
- In November 2021, the Company entered into a two year option agreement to acquire the Albion Project, approximately 25km south of Norseman. The 4 block tenement lies within the Norseman-Wiluna greenstone belt. The project was acquired for its gold prospectivity and the Company proposes to carry out drilling to define a potential resource and it will also carry out soil sampling to identify potential nickel sulphide and lithium mineralisation.

Corporate Activities:

The Company listed on Australian Securities Exchange ("ASX") on 13 July 2021 following a successful IPO capital raise. 25,000,000 shares were issued under the initial public offering which raised \$5 million. Details of the offer including capital structure and projects acquired were provided in the prospectus dated 21 May 2021.

Mt Monger successfully completed a non-renounceable pro-rata entitlement offer to eligible shareholders of quoted options in the Company at an issue price of \$0.005 each and on the basis of 1 new quoted option (Quoted Option) for every 3 shares held on the record date (Loyalty Options Offer). Each Quoted Option will have an exercise price of \$0.25 each and an expiry date of three years from the date of issue. Pursuant to the Loyalty Options Offer, the Company issued 14,316,666 Quoted Options to raise up to approximately \$71,582 (before costs).

Corporate and Financial Position

The Company's net loss from operations for the period was \$695,257.

At 31 December 2021, the Group had net assets of \$5,156,559 with cash reserves of \$2,646,693. The Directors believe there are sufficient funds to meet the Company's working capital requirements and as at the date of this report the Company believes it can meet all liabilities as and when they fall due.

This report is prepared on the going concern basis which assumes the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Directors have reviewed the business outlook and the assets and liabilities of the Company and are of the opinion that the going concern basis of accounting is appropriate as they believe the Company will continue to be successful in securing additional funds through equity issues as and when the need to raise funds arises.

Directors' Report

31 December 2021

Business Strategies and Prospects

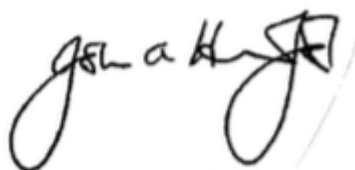
The Company currently has the following business strategies and prospects over the medium to long term:

- (i) Seek to maximise the value through successful exploration activities;
- (ii) Selectively expand the Company's portfolio of exploration assets; and
- (iii) Examine other new business development opportunities in the mining and resources sector.

Matters subsequent to the end of the financial period

As at the date of this report matters or circumstances which have arisen since 31 December 2021 that have significantly affected or may significantly affect the operations in financial periods subsequent to 31 December 2021 of the Group; the results of those operations in financial periods subsequent to 31 December 2021 of the Group; or the state of affairs in financial periods subsequent to 31 December 2021 of the Group include:

- (i) Acquisition of three new projects in the Ravensthorpe district of Western Australia which are made up of eight (8) granted tenements covering approx. 1,000 km² which have the potential for lithium, nickel-copper-cobalt-PGE, graphite and gold mineralisation.



John Hannaford
Chairman

16 March 2022

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Period Ended 31 December 2021

	<i>Note</i>	31-Dec-21 \$	31-Dec-20 \$
Other income		-	-
Administration services		(280,651)	(35,133)
Interest		(467)	-
Employee expenses		(281,135)	-
Share based payments	4.2	(134,096)	-
Loss from continuing operations before income tax expense		(696,349)	(35,133)
Income tax expense		-	-
Loss from continuing operations		(696,349)	(35,133)
Loss for the period		(696,349)	(35,133)
Other comprehensive income		-	-
Comprehensive loss attributable to		-	-
Shareholders of the Company		(695,257)	(35,133)
Non-controlling Interest		(1,092)	-
Total comprehensive loss for the year		(696,349)	(35,133)
Basic and diluted loss per share (cents per share) for continuing operations attributable to the shareholders of the Company		(1.71)	(0.44)
Basic and diluted loss per share (cents per share) attributable to the shareholders of the Company		(1.71)	(0.44)

The above 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

	<i>Note</i>	31-Dec-21 \$	30-Jun-21 \$
Assets			
Current assets			
Cash and cash equivalents		2,646,693	85,684
Trade and other receivables		30,942	72,677
Other current assets		138,300	125,725
Total current assets		2,815,935	284,086
Non-current assets			
Exploration and evaluation expenditure		2,436,148	1,314,474
Property, plant and equipment		12,747	6,546
Total non-current assets		2,448,894	1,321,020
Total assets		5,264,829	1,605,106
Liabilities			
Current liabilities			
Trade & other payables		108,230	538,949
Loans		-	373,870
Total current liabilities		108,230	912,819
Total liabilities		108,230	912,819
Net assets		5,156,599	692,287
Equity			
Share capital	2	6,223,500	1,268,518
Accumulated loss		(1,576,203)	(880,946)
Reserves	3	477,734	272,055
Total equity attributable to shareholders of the Company		5,125,031	659,627
Non-Controlling Interest		31,568	32,660
		5,156,599	692,287

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Changes in Equity

For the Period Ended 31 December 2021

	Contributed equity	Accumulated losses	Share- Based Payments Reserve	Non- Controlling Interest	Total equity
	\$	\$	\$	\$	\$
At 1 July 2021	1,268,518	(880,946)	272,055	32,660	692,287
Loss for the year	-	(695,257)	-	(1,092)	(696,349)
Total comprehensive loss for the year	-	(695,257)	-	(1,092)	(696,349)
Transactions with owners in their capacity as owners:					
Issue of new shares net of cost	4,954,982	-	-	-	4,954,982
Share-based payments	-	-	205,679	-	205,679
	4,954,982	-	205,679	-	5,160,661
At 31 December 2021	6,223,500	(1,576,203)	477,734	31,568	5,156,599
	\$	\$	\$	\$	\$
At 13 November 2020	-	-	-	-	-
Loss for the year	-	(35,133)	-	-	(35,133)
Total comprehensive loss for the year	-	(35,133)	-	-	(35,133)
Transactions with owners in their capacity as owners:					
Issue of new shares net of cost	1,030,000	-	-	-	1,030,000
	1,030,000	-	-	-	1,030,000
At 31 December 2020	1,030,000	(35,133)	-	-	994,867

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the Period Ended 31 December 2021

	31-Dec-21 \$	31-Dec-20 \$
Cash flows from operating activities		
Interest paid	-	-
Payments to suppliers and employees	(838,786)	(6,137)
Net cash outflow from operating activities	(838,786)	(6,137)
Cash flows from investing activities		
Payments for exploration and evaluation expenditure	(969,901)	(39,731)
Payments for acquisition of property plant and equipment	(10,494)	-
Net cash outflow from investing activities	(980,395)	(39,731)
Cash flows from financing activities		
Net proceeds from issue of shares	4,670,000	50,000
Net proceeds from loyalty options issued	71,583	-
Proceeds / (repayment) of loans	(342,233)	63,950
Loan to other entities	-	(14,444)
Interest payment	(19,160)	-
Net cash inflow from financing activities	4,380,190	99,506
Cash and cash equivalents at the beginning of the period	85,684	-
Net increase/ (decrease) in cash and cash equivalents	2,561,009	53,638
Cash and cash equivalents at the end of the period	2,646,693	53,638

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

Notes to the Financial Statements

1. Basis of preparation

The half year report of Mt Monger Resources Limited for the period ended 31 December 2021 was authorised for issue in accordance with a resolution of the directors on 16 March 2022.

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 interim financial 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 report has been prepared on a historical cost basis, except for the revaluation of certain financial instruments to fair value. 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.

1.1. Statement of Compliance

The interim financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

The following is a summary of the material accounting policies adopted by the entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

1.2. Basis of Measurement

The financial report has been prepared on a historical cost basis.

1.3. Functional and Presentation Currency

The financial report is presented in Australian dollars.

1.4. Compliance with IFRS

These financial statements comply with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

1.5. Going Concern

This report is prepared on the going concern basis which assumes the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The ability of the Company to continue as a going concern is principally dependent upon one or more of the following:

- The ability of the Company to raise capital as and when necessary, and/or
- The ability to defer discretionary operating and capital expenditure in relation to exploration activities; and/or
- The successful exploration of the Company's tenements.

Notwithstanding the fact that the Group incurred an operating loss of \$696,349 for the period ended 31 December 2021 and a net cash outflow from operating activities amounting to \$838,786, the Directors are of the opinion that the Group is a going concern for the following reasons.

- The Company has cash reserves of \$2.65 million on hand as at 31 December 2021;
- The Directors are confident of their ability to raise the required funds as and when required; and
- Exploration expenditure will be deployed to targets that have the highest prospectivity for mineral discovery and this expenditure is discretionary.

Notes to the Financial Statements

2. Share Capital

	31-Dec-21		30-Jun-21	
	No of Shares	\$	No of Shares	\$
Contributed equity	43,082,533	6,770,000	15,700,000	1,300,000
Cost of equity	-	(546,500)	-	(31,482)
Total share capital	43,082,533	6,223,500	15,700,000	1,268,518

2.1. Movement in shares on issue

	Date	Number of shares	Issue price \$	Value \$
Balance 13 November 2020		-		-
Issue of shares - founders	30/11/2020	3,000,000	0.01	30,000
Issue of shares - acquisitions	28/02/2021	7,500,000	0.10	750,000
Issue of shares – seed capital	28/02/2021	2,700,000	0.10	270,000
Issue of shares – seed capital	10/05/2021	2,500,000	0.10	250,000
Less: Transaction costs		-	-	(31,482)
Balance at 30 June 2021		15,700,000		1,268,518
Issue of shares - IPO	15/07/2021	26,000,000	0.20	5,200,000
Issue of shares – tenement vendors	15/07/2021	1,250,000	0.20	250,000
Issue of shares – tenement vendors	26/11/2021	132,533	0.15	20,000
Less: Transaction costs		-	-	(515,018)
Balance at 31 December 2021		43,082,533		6,223,500

3. Reserves

	31-Dec-21		30-Jun-21	
	No of Options	\$	No of Option	\$
Founder options (unlisted)	3,000,000	-	3,000,000	-
Director options (unlisted)	5,000,000	248,841	5,000,000	248,840
Employee options (unlisted)	2,250,000	157,311	1,500,000	23,215
Loyalty options (listed)	14,316,666	71,582	-	-
Total options	24,566,666	477,734	9,500,000	272,055

The Company entered into an agreement with Andrew James Todd (**Todd**) dated 26 April 2020 (**Todd Agreement**), pursuant to which Todd granted the Company the exclusive option to acquire 100% legal and beneficial ownership of exploration licences E25/531 and E25/532. On 20 May 2021, the Company exercised the option by the payment of the Todd Completion Payment (defined below):

- (i) a cash consideration of \$35,000 (Todd Completion Payment); and
- (ii) upon the delineation of a JORC 2012 compliant Mineral Resource of at least 50,000 oz of Au at a minimum cut-off grade of 1.5g/tonne Au within 5 years of Admission (Milestone), the Company must issue Shares to the value of \$50,000 based on the greater of the 20-day VWAP and a floor price of \$0.20 per Share (Performance Securities), provided that, if the VWAP is less than \$0.20, Todd may elect to convert the Performance Securities to \$50,000 cash (subject to the terms and conditions set out in Section 7.3); and
- (iii) a royalty of \$1.00 per tonne on all gold bearing ore mined, milled and treated from the Todd Tenements.

As at the date of this report, the Milestone had not been achieved and the Performance securities have not been issued.

Notes to the Financial Statements

4. Related Parties

4.1. Related party payments

During the period \$46,979 was paid to Bowman Gate Pty Ltd (excluding GST), of which Mr David Izzard is a director, for corporate advisory fees, provision of office space, accounting administrative and marketing services and geological consulting.

4.2. Share based payments

4.2.1. Options

	Director Options	Remuneration Options			ESIP Options		
		Tranche 1	Tranche 2	Tranche 3	Tranche 1	Tranche 2	Tranche 3
Date of issue	23 Nov 2020	10 May 2021	10 May 2021	10 May 2021	14 July 2021	14 July 2021	14 July 2021
Number of options	5,000,000	500,000	500,000	500,000	250,000	250,000	250,000
Dividend yield (%)	-	-	-	-	-	-	-
Expected volatility (%)	100%	100%	100%	100%	100%	100%	100%
Risk free interest rate (%)	0.79%	0.79%	0.79%	0.79%	0.79%	0.79%	0.79%
Expected life of the option (years)	4.0	3.0	3.5	4.0	3.0	3.5	4.0
Option exercise price (\$)	0.30	0.30	0.35	0.40	0.30	0.35	0.40
Share price at grant date (\$)	0.10	0.20	0.20	0.20	0.20	0.20	0.20
Expected Vesting Date	On issue	01/01/22	01/07/22	01/01/23	01/01/22	01/07/22	01/01/23
Fair value per option (\$)	0.0498	0.1075	0.1106	0.1142	0.1075	0.1106	0.1142
Total value at grant date (\$)	248,840	53,764	55,307	57,076	26,882	27,654	28,538
Value recognised for period	-	46,252	22,932	16,408	26,882	12,853	8,769
Value to be recognised in future period	-	-	24,647	32,693	-	14,801	19,769
Expiry Date	16/12/24	09/05/24	09/11/24	09/05/25	09/05/24	09/11/24	09/05/25

4.2.2. Recognised share-based payments expense in profit or loss

	31-Dec-21	30-Jun-21
Expense arising from options issued	134,096	272,055
Total share-based payments expensed in profit or loss	134,096	272,055

5. Other

5.1. Events occurring after the reporting period

- Exclusivity agreements secured for the potential acquisition of three new projects in the Ravensthorpe district of Western Australia

5.2. Commitments and Contingencies

There are no commitments that have been made by the Company as at the balance date other than the obligation to perform minimum annual exploration expenditure amounts specified by the Western Australian State Government to retain tenements in which it has an interest. The Company can apply for exemption from compliance with minimum tenement expenditure requirements. Due to the nature and scale of Mt Monger's activities it is unable to estimate its likely tenement holdings and therefore minimum expenditure requirements more than 1 year ahead. The aggregate of the prescribed minimum expenditure conditions applicable to the granted tenements for the next twelve months is \$257,834. If the prescribed expenditure conditions are not met with respect to a tenement, that tenement is liable to forfeiture if an exemption is not granted.

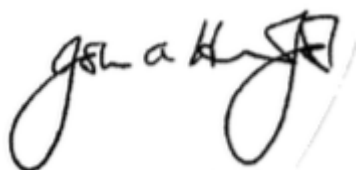
The Company does not have any contingent liabilities.

Director's Declaration

In accordance with a resolution of the directors of Mt Monger Resources Limited, I state that:

1. In the opinion of the directors:
 - (a) the financial statements, notes and the additional disclosures included in the directors' report designated as audited, of the Group are in accordance with the *Corporations Act 2001* including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the period ended on that date; and
 - (ii) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the half-year ended 31 December 2021.

On behalf of the Board,

A handwritten signature in black ink, appearing to read 'John Hannaford', with a stylized flourish at the end.

John Hannaford
Chairman
16 March 2022

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF MT MONGER RESOURCES LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Mt Monger Resources Limited ("the Company") and Controlled Entities ("the Consolidated Entity") 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, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Mt Monger Resources Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Mt Monger Resources Limited financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

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 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.

We confirm that the independence declaration required by the Corporations Act 2001 which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year 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 half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

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

Hall Chadwick
HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis
MARK DELAURENTIS CA
Director

Dated in Perth, Western Australia this 16th day of March 2022

To the Board of Directors

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit Director for the review of the financial statements of Mt Monger Resources Limited for the half year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours Faithfully,

Hall Chadwick
HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis
MARK DELAURENTIS CA
Director

Dated in Perth, Western Australia this 16th day of March 2022