



Nimy Resources Limited

(Formerly known as Cloonmore Group Pty Ltd)

ABN 82 155 855 986

**Financial report for the half-year ended
31 December 2021**

Corporate Directory

Board of Directors

Mr Simon Lill

Mr Christian Price

Mr Neville Luke Hampson

Company Secretary

Mr John Palermo

Registered Office

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Perth WA 6000

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Auditors

RSM Australia Partners

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Perth WA 6000

Share Registry

Automic Pty Ltd

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Securities Exchange Listing

Australian Securities Exchange

(Home Exchange: Perth, WA)

Code: NIM

Financial report for the
half-year ended 31 December 2021

	<i>Page</i>
<i>Directors' report</i>	<i>1</i>
<i>Auditor's independence declaration</i>	<i>5</i>
<i>Independent auditor's review report</i>	<i>6</i>
<i>Directors' declaration</i>	<i>8</i>
<i>Consolidated statement of profit or loss and other comprehensive income</i>	<i>9</i>
<i>Consolidated statement of financial position</i>	<i>10</i>
<i>Consolidated statement of changes in equity</i>	<i>11</i>
<i>Consolidated statement of cash flows</i>	<i>12</i>
<i>Notes to the consolidated financial statements</i>	<i>13</i>

Director's Report

Your Directors present their half-yearly report on the consolidated entity consisting of Nimy Resources Limited ("Nimy" or "the Company") and the entities it controlled at the end of, or during, the period 1 July 2021 to 31 December 2021 ("the Group").

Directors

Simon Lill (Appointed 16 August 2021)

Luke Hampson

Christian Price (Appointed 16 August 2021)

Principal Activities

Nimy successfully listed on the ASX on 22 November 2021. The well-supported Initial Public Offering (IPO) raised \$6.4M.

The Company commenced exploration and development activities soon after listing at Mons Project, 370 kms northeast of Perth in the Yilgarn region of Western Australia. Nimy currently controls a considerable tenement package comprising over 1,761sqkm.

The tenement package is highly prospective for nickel, lithium, rare earths, gold, other precious metals and base metals targets.

Operations Review: Exploration

Exploration Geophysics

The moving loop electromagnetics (MLEM) contractor was mobilised during the period to undertake an initial survey over 32sqkm to further define Kambalda and Forrestania Style targets for follow-up drilling. MLEM is a well understood and successful exploration method for the discovery of potential nickel sulphide conductor plates at depth.

Heritage and Tenement Approvals Zone C & Zone D

The final stages of heritage and tenement approvals across Zone C & Zone D occurred during the period. Surface exploration activity is planned across Zone C & Zone D in H2 2022.

Planning & Preparation for Deep Diamond Drilling Zone A

Planning and site preparation works completed during the period for deep diamond drilling on the Dease and Godley prospects targeting Mt Keith-style targets. The diamond drilling follows the successful R/C drilling campaign of October 2020.

POWs and site access were completed during the period with DMIRS (Department of Minerals, Industry Regulation and Safety) in preparation for commencement of diamond drilling in January 2022.

Management Team & Consultants

In addition to the Board and Management team. Newexco were appointed to interpret the data from the MLEM Surveys across site. Newexco is a leading geophysical consulting firm which has been involved in the discovery and definition of a large number of komatiite-hosted Kambalda-style deposits in Yilgarn Craton. Newexco expertise and the knowledge gained from the MLEM survey campaigns will be applied to the broadscale exploration targeting across the greater tenement package.

Exploration Targeting, Geological Modelling and Exploration Strategy

The Mons Nickel Project and Karroun Hill geology model has been updated during the period based on revisions to publicly available update the regional bedrock geology and geochemistry from GSWA (Geological Survey of Western Australia). Coupled with an updated interpretation of Mons geochemical and historical exploration information. Subsequently the exploration targeting model and exploration strategy have been updated, for nickel targets and other co-occurring minerals in the expansive Karroun Hill Greenstone belt.

Central Exploration Camp Setup & Site Access

The initial Mons exploration camp was completed during this period. The existing camp services were increased to accommodate multiple crews and exploration programs across several zones. Providing a base of operation in the field for operations and technical teams.

Site access to the Mons Nickel Project was upgraded to assist with the upcoming exploration campaigns in Zone A & Zone B. Central access to the tenement package was improved using local Mukinbudin based contractors. Improved site access decreases risk to personnel and reduces travel time between the camp and exploration target areas.

About Nimy Resources and the Mons Nickel Project

Nimy Resources is an emerging exploration company, with the vision to responsibly discover and develop an economic nickel sulphide project in a Tier 1 jurisdiction, Western Australia.

Nimy Resources has prioritised the development of the Mons Project, a district-scale landholding consisting of 12 tenements, covering an area over 1,761sqkm along an 80km north/south strike.

Mons is located 140km north of Southern Cross and covers the Karroun Hill Nickel district on the northern end of the world-famous Forrestania nickel belt. Mons features a very similar geological setting to the southern end of the Forrestania belt and the Kambalda nickel belts.

The project is situated within a large scale fertile “Kambalda-Style” and “Mt Keith-Style” Komatiite sequences within the Archean Murchison Domain of the Youanmi Terrane of the Yilgarn Craton.

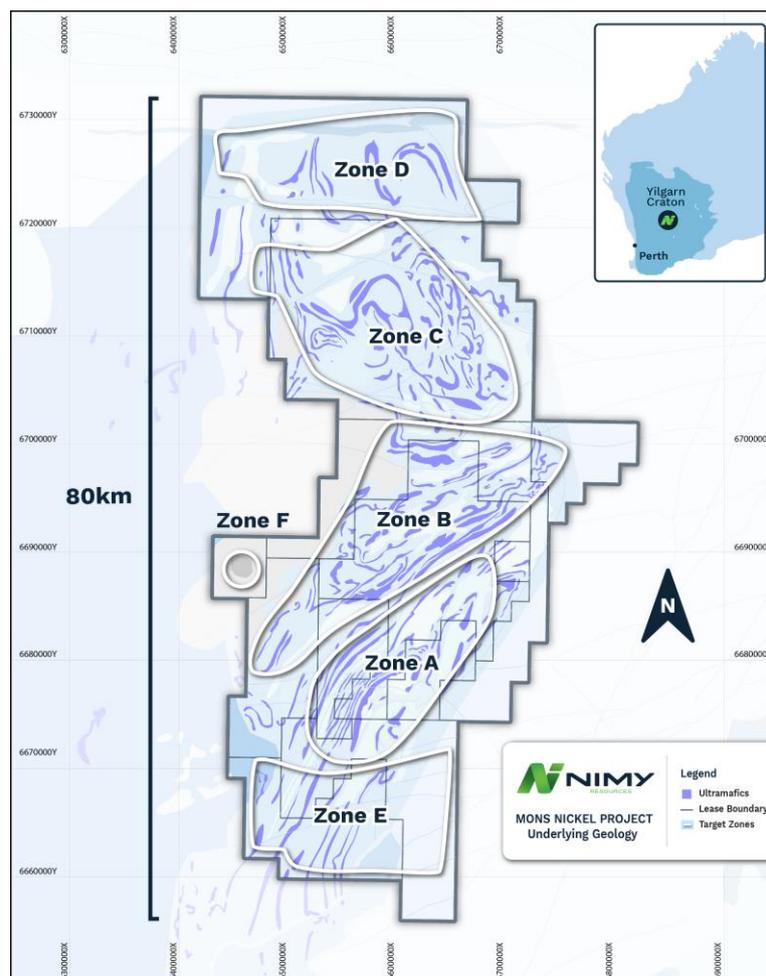


Figure 1 - Mons Nickel Project - Exploration Zones

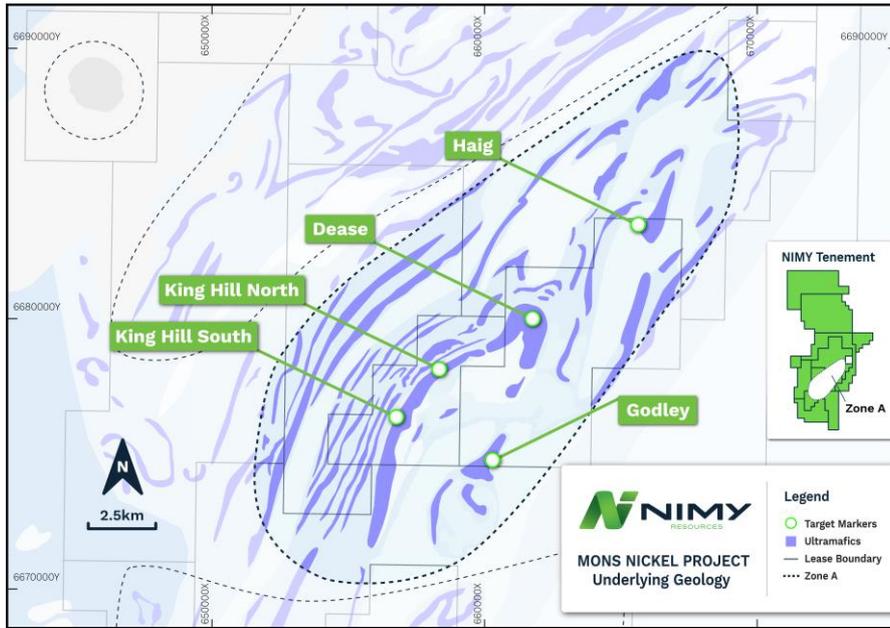
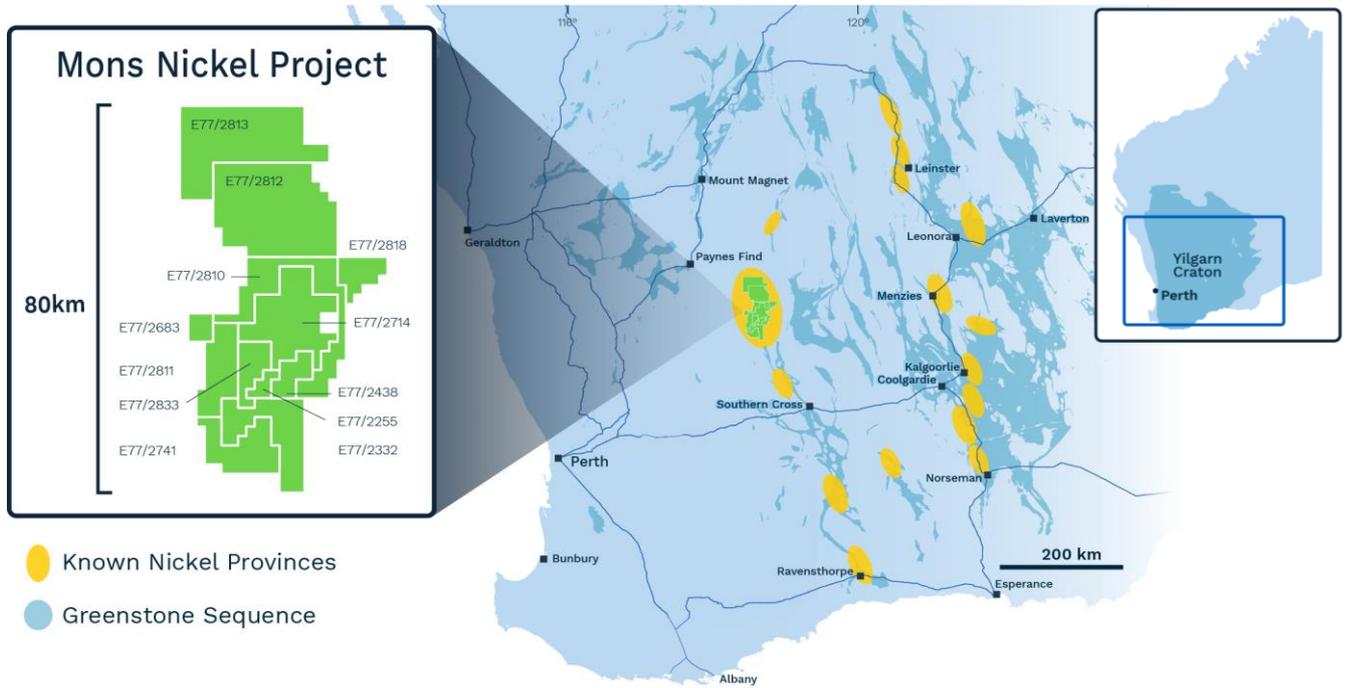


Figure 2 - Mons Nickel Project Zone A, showing location of Godley and other key exploration targets



Auditor's Independence Declaration

Section 307C of the *Corporations Act 2001* requires our auditors, RSM Australia Partners, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. This Independence declaration is set out on the following page and forms part of this Directors' report for the half-year ended 31 December 2021.

Signed in accordance with a resolution of Directors made pursuant to Section 306(3) of the *Corporations Act 2001*.

On behalf of the Directors



Simon Lill

Chairman

Perth, 16 March 2022

COMPETENT PERSON'S STATEMENT

The information contained in this report that pertain to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based upon information compiled by Mr Simon Lill, a full-time employee of Nimy Resources Limited. Mr Peterson is a Member of the Australasian Institute of Mining and Metallurgy (AUSIMM). Mr Lill has sufficient experience in the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves"(JORC Code). Mr Peterson consents to the inclusion in the report of the matters based upon his information in the form and context in which it appears. Mr Peterson is also a shareholder in the Company.

FORWARD LOOKING STATEMENT

This report contains forward looking statements concerning the projects owned by Nimy Resources Limited. Statements concerning mining reserves and resources may also be deemed to be forward looking statements in that they involve estimates based on specific assumptions. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward looking statements are based on management's beliefs, opinions and estimates as of the dates the forward looking statements are made and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Nimy Resources Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 16 March 2022



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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Nimy Resources Limited which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the 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 of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Nimy Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

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RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

Independence

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

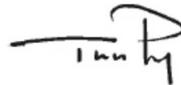
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Nimy Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 16 March 2022

Directors' declaration

1. In the opinion of the Directors of Nimy Resources Limited (the "Company"):
 - a. the accompanying interim financial statements and notes thereto 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 financial half-year ended on that date; and
 - ii. complying with Australian Accounting Standards, the *Corporations Regulations 2001*, professional reporting requirements and other mandatory requirements.
 - 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.
 - c. The interim financial statements and notes thereto are in accordance with Australian Accounting Standard 34 *Interim Financial Reporting* issued by the Australian Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 303(5) of the *Corporations Act 2001* for the half-year ended 31 December 2021.

This declaration is signed in accordance with a resolution of the Board of Directors.



Simon Lill
Chairman

Perth, 16 March 2022

Consolidated statement of profit or loss and other comprehensive income
for the half-year ended 31 December 2021

	Consolidated	
	Half-year to 31 Dec 2021	Half-year to 31 Dec 2020
Note	\$	\$
Other Income	2,151	-
Exploration and evaluation expenses	(219,932)	(121,961)
Administrative expenses	(644,660)	(49,640)
Employee benefits expense	(297,840)	(47,380)
Occupancy expenses	(26,563)	(7,360)
IPO listing fees	(219,429)	-
Depreciation and amortisation expense	(4,220)	-
Share-based payment expense	(314,585)	-
Finance expense	(3,213)	-
Loss before income tax expense	(1,728,291)	(226,341)
Income tax expense	-	-
Loss for the period	(1,728,291)	(226,341)
Other comprehensive (loss)/income	-	-
Total comprehensive loss for the period	(1,728,291)	(226,341)
<i>Basic and diluted loss per (cents per share)</i>	<i>(2.94)</i>	<i>(0.80)</i>

The accompanying notes form part of these consolidated financial statements.

Consolidated statement of financial position
as at 31 December 2021

	Note	Consolidated	
		31 Dec 2021	30 Jun 2021
		\$	\$
Current assets			
Cash and cash equivalents		5,748,590	972,664
Trade and other receivables		138,223	16,937
Total current assets		5,886,813	989,601
Non-current assets			
Intangible assets		-	1,563
Property, plant and equipment		78,562	43,580
Total non-current assets		78,562	45,143
Total assets		5,965,375	1,034,744
Current liabilities			
Trade and other payables		269,511	49,443
Related party loans		-	346,346
Provisions		30,794	7,193
Total current liabilities		300,305	402,982
Total liabilities		300,305	402,982
Net assets		5,665,070	631,762
Equity			
Issued capital	4	8,536,755	1,234,741
Reserves	5	314,585	855,000
Accumulated losses		(3,186,270)	(1,457,979)
Total equity		5,665,070	631,762

The accompanying notes form part of these consolidated financial statements.

Consolidated statement of changes in equity
for the half-year ended 31 December 2021

	Consolidated				
	Issued capital	Share based payment reserve	Capital raising reserve	Accumulated losses	Total equity
	\$	\$	\$	\$	\$
Balance at 1 July 2021	1,234,741	-	855,000	(1,457,979)	631,762
Loss for the period	-	-	-	(1,728,291)	(1,728,291)
Other comprehensive loss for the period	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(1,728,291)	(1,728,291)
<i>Transactions with owners in their capacity as owners</i>					
Issue of shares	7,893,500	-	(855,000)	-	7,038,500
Share issue costs	(591,486)	-	-	-	(591,486)
Share-based payments during the period	-	314,585	-	-	314,585
Balance at 31 December 2021	8,536,755	314,585	-	(3,186,270)	5,665,070

	Consolidated				
	Issued capital	Share based payment reserve	Capital raising reserve	Accumulated losses	Total equity
	\$	\$	\$	\$	\$
Balance at 1 July 2020	514,747	-	-	(780,008)	(265,261)
Loss for the period	-	-	-	(226,341)	(226,341)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(226,341)	(226,341)
<i>Transactions with owners in their capacity as owners</i>					
Issue of shares	-	-	-	-	-
Share issue costs	-	-	-	-	-
Balance at 31 December 2020	514,747	-	-	(1,006,349)	(491,602)

The accompanying notes form part of these consolidated financial statements.

Consolidated statement of cash flows
for the half-year ended 31 December 2021

	Consolidated	
	Half-year to 31 Dec 2021 \$	Half-year to 31 Dec 2020 \$
Cash flows from operating activities		
Interest Received	79	-
Payments to suppliers and employees	(947,901)	(149,672)
Interest paid	(3,213)	
Net cash used in operating activities	<u>(951,035)</u>	<u>(149,672)</u>
Cash flows from investing activities		
Payment for property, plant and equipment	(87,292)	(35,428)
Net cash used in investing activities	<u>(87,292)</u>	<u>(35,428)</u>
Cash flows from financing activities		
Proceeds from issue of shares	6,473,500	-
Share issue costs	(455,706)	-
Proceeds of loans from related parties	-	125,859
Repayment of loans from related parties	(203,541)	-
Net cash provided by financing activities	<u>5,814,253</u>	<u>125,859</u>
Net increase/(decrease) in cash and cash equivalents	4,775,926	(59,241)
Cash and cash equivalents at the beginning of the half-year	972,664	218,648
Cash and cash equivalents at the end of the half-year	<u>5,748,590</u>	<u>159,407</u>

The accompanying notes form part of these consolidated financial statements.

Notes to the consolidated financial statements for the half-year ended 31 December 2021

1. General information

The financial report covers Nimy Resources Limited as a consolidated entity consisting of Nimy Resources Limited and the entities it controlled during the period (“the Group”). The financial report consists of the consolidated financial statements, notes to the consolidated financial statements and the Directors' declaration. Nimy Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia.

2. Significant accounting policies

Statement of compliance

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

These consolidated general purpose financial statements do not include all the notes of the type normally included in annual financial statements. 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. It is recommended that these financial statements be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

Exploration and evaluation expenditure

Exploration and evaluation costs, excluding the costs of acquiring tenements and permits, are expensed as incurred.

Acquisition costs will be assessed on a case-by-case basis and, if appropriate, they will be capitalised. These acquisition costs are carried forward only if the rights to tenure of the area of interest are current and either:

- they are expected to be recouped through successful development and exploitation of the area of interest or;
- the activities in the area of interest at the reporting date have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest, are continuing.

Accumulated acquisition costs in relation to an abandoned area are written off in full to the statement of profit or loss and other comprehensive income in the year in which the decision to abandon the area is made.

The carrying values of acquisition costs are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Where a decision has been made to proceed with development in respect of an area of interest the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development

New accounting standards and interpretations not yet adopted

The Directors have also reviewed all Standards and Interpretations in issue not yet adopted for the period ended 31 December 2021. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

Notes to the consolidated financial statements
for the half-year ended 31 December 2021

3. Segment Note

The Group operates only in one reportable segment being predominately in the area of nickel exploration in Australia. The Board considers its business operations in nickel exploration to be its primary reporting function. Results are analysed as a whole by the chief operating decision maker, this being the Board of Directors.

4. Issued capital

	31 Dec 2021 \$	30 Jun 2021 \$
Ordinary Shares – fully paid	8,536,755	1,234,741
Details	No.	\$
Movement in fully paid ordinary shares on issue:		
Balance at 30 June 2020	28,248,735	514,747
Issue of shares	4,351,685	772,269
Capital raising costs	-	(52,275)
Balance at 30 June 2021	32,600,420	1,234,741
Balance at 30 June 2021	32,600,420	1,234,741
Placement of shares on 8 July 2021	3,468,750	555,000
Placement of shares on 10 August 2021	2,500,000	400,000
Share split on a ratio of 1:2	38,569,170	-
Placement of shares on 29 September 2021	4,062,500	325,000
Placement of shares on 15 November 2021	32,242,500	6,448,500
Placement of shares on 15 November 2021	825,000	165,000
Capital raising costs	-	(591,486)
Balance at 31 December 2021	114,268,340	8,536,755

5. Share Options

(a) Unlisted Options

On 24 September 2021, the Company issued 12,450,000 unlisted options. The unlisted options were priced using trinomial lattice option pricing model (refer to note 6). The Company recognised a share-based payment expense of \$314,585 in the statement of profit or loss and other comprehensive income with a corresponding increase in the share-based payments reserve.

Notes to the consolidated financial statements
for the half-year ended 31 December 2021

6. Share-based payments

The table below summarises the valuation inputs for the 12,450,000 unlisted options granted during the period and valued using the trinomial lattice option pricing model:

	Tranche 1	Tranche 2	Tranche 3
Grant date	24 Sep 2021	24 Sep 2021	24 Sep 2021
Grant date share price (cents)	\$0.08	\$0.08	\$0.08
Exercise price (cents)	\$0.30	\$0.35	\$0.40
No of options	5,150,000	3,650,000	3,650,000
Expiry date	23 Sep 2024	23 Sep 2025	23 Sep 2026
Expected volatility	100%	100%	100%
Option life	3 years	4 years	5 years
Dividend yield	0%	0%	0%
Risk-free interest rate	0.18%	0.41%	0.64%

The following table shows a reconciliation of the outstanding share options granted as share-based payments at the beginning and end of the half-year period:

	Half-year ended 31 Dec 2021	
	Number of Options	Weighted average exercise price \$
Balance at beginning of the period	-	-
Granted during period	12,450,000	0.35
Balance at end of the period	12,450,000	0.35

7. Loss per share

	31 Dec 2021	31 Dec 2020
Basic and diluted loss per share (cents per share)	(2.94)	(0.80)
Weighted average number of ordinary shares on issue used in the calculation of basic and diluted loss per share (number)	58,804,660	28,248,735
Loss used in the calculation of basic and diluted loss per share (\$)	(1,728,291)	(226,341)

Notes to the consolidated financial statements
for the half-year ended 31 December 2021

8. Contingent liabilities

The Group had no contingent liabilities as at 31 December 2021 (30 June 2021: Nil).

9. Related parties

During the half-year, the Group settled an outstanding related party loan of \$346,346 by way of a cash payment of \$203,541, the issue of 625,000 Shares at a deemed issue price of \$0.16 per Share, and the provision of a truck with a net book value of \$42,805.

Additionally, the Group issued 1,375,000 Shares to Christian Price and 500,000 Shares to Simon Lill at a deemed issue price of \$0.16 per Share in lieu of remuneration for services provided to Nimy Resources Limited.

All transactions were made on normal commercial terms and conditions and at market rates.

10. Dividends

The directors do not recommend the payment of a dividend in respect of the half-year ended 31 December 2021.

11. Subsequent events

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

Apart from the above, no other 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.