



ABN: 27 128 806 977

**And Controlled Entities**

## **CONDENSED CONSOLIDATED REPORT**

**For the Half-Year Ended  
31 December 2022**

This half-year report is to be read in conjunction with the financial report for the year ended 30 June 2022.

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**Competent Person's Statement**

Statements contained in this announcement relating to exploration results, are based on, and fairly represents, information and supporting documentation prepared by Mr. Mathew Perrot, who is a Registered Practicing Geologist Member No 10167 and a member of the Australian Institute of Geoscientists, Member No 2804. Mr. Perrot is a full-time employee the Company, as the Company's Exploration Manager and has sufficient relevant experience in relation to the mineralisation style being reported on to qualify as a Competent Person for reporting exploration results, as defined in the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012. Mr Perrot consents to the use of this information in this announcement in the form and context in which it appears.

**Forward looking statements**

Statements relating to the estimated or expected future production, operating results, cash flows and costs and financial condition of Pursuit Minerals Limited's planned work at the Company's projects and the expected results of such work are forward-looking statements. Forward looking statements are statements that are not historical facts and are generally, but not always, identified by words such as the following: expects, plans, anticipates, forecasts, believes, intends, estimates, projects, assumes, potential and similar expressions. Forward-looking statements also include reference to events or conditions that will, would, may, could or should occur. Information concerning exploration results and mineral reserve and resource estimates may also be deemed to be forward-looking statements, as it constitutes a prediction of what might be found to be present when and if a project is actually developed.

**DIRECTORS**

Bob Affleck	Managing Director
Mark Freeman	Finance Director
Peter Wall	Non-Executive Chairman

**COMPANY SECRETARY**

Mark Freeman

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PUR

**ABN**

27 128 806 977

Your Directors submit the financial report of Pursuit Minerals Limited (the “Company”) and its controlled entities (“the Group or Consolidated Entity”) for the half-year ended 31 December 2022.

**DIRECTORS**

The following persons were directors of the Consolidated Entity during the whole of the half-year and up to the date of this report, unless otherwise stated:

Peter Wall	Non-Executive Chairman
Bob Affleck	Managing Director
Mark Freeman	Finance Director

**COMPANY SECRETARY**

Mark Freeman

**OPERATING RESULT**

The Consolidated Entity incurred an operating loss after income tax for the half-year ended 31 December 2022 of \$1,493,356 (half-year ended 31 December 2021: operating loss after income tax of \$324,825).

The Directors believe the Consolidated Entity is in a sound financial position to continue its exploration endeavours.

**PRINCIPAL ACTIVITIES AND REVIEW OF OPERATIONS**

The Group’s principal business objectives are the acquisition, exploration, development and operation of PGE, copper, nickel silver, gold, REE and other mineral deposits.

Its strategy for the remainder of the year is to further exploration on its projects in Western Australia and the acquisition of the Rio Grande Sur Project in Argentina.

**Half Year Highlights****Argentinian Lithium Project Acquisition:**

- Binding agreement to acquire 100% of Trilogy Minerals Pty Ltd (“Trilogy”), an Argentina-focused lithium company, that provides the Company with access to an attractive Li resource on the Rio Grande Sur Project.
- Trilogy successfully raised \$8m and acquired four of the five Rio Grande Sur Li project tenements.
- Due diligence remains on track for completion in March following shareholder approval on 7 February 2023.
- Transient Electromagnetics (TEM) and Controlled Source Magnetotellurics (CSAMT) proposals have been received from Quantec Geoscience Argentina S.A (Quantec) to execute across all 5 permits commencing as early as March 2023.
- Initial TEM / CSAMT surveys to identify targets for drilling mid 2023, subject to permitting.

**Warrior Project:**

- **Calingiri East –**
  - AC drilling of gold, PGE and REE targets at Ablett and Phil’s Hill has commenced, 120 holes planned.
  - Desktop review discovers widespread Ce, La, and Y Rare Earth Element (REE) anomalism across the project area in auger and AC samples. REE Results highlights were
    - Ablett:

- 22WAC0037 8m @ 0.25% TREO from 32m (EOH 63m)
  - 22WAC0045 2m @ 0.12% TREO from 28m to BOH
  - Ablett East:
    - 09CAAC001 1m @ 0.16% TREO from 33m to BOH
  - Phil's Hill:
    - 22WAC0003 4m @ 0.31% TREO from 16m (BOH 39m)
    - 22WDD0008 1.5m @ 0.15% TREO from 165m (BOH 205.8)
    - 22WDD0001 1.7m @ 0.12% TREO from 89.2m (BOH 201.8m)
    - 22WDD0002 0.65m @ 0.19% TREO from 191.4m (BOH 267.7m)
    - 22WDD0004 1m @ 0.12% TREO from 15m AND;
    - 1m @ 0.12% TREO from 24m AND;
    - 0.85m @ 0.15% TREO from 120.9m
  - Three new REE target areas outlined by consultant geochemist.
  - Strategic purchase of >1,300 historic auger samples over ~ 1/3 of tenement to expand Ni-Cu PGE, gold and REE search north of Ablett.
  - New 3D model highlights target at Phil's Hill.
- **Calingiri West**
  - Following desktop studies, ground reconnaissance over Roses Prospect has identified late-stage intrusion close to EM targets.
  - Devex Resources currently RC drilling IP anomaly just 250m E of Anzac Hill.
- **Bindi Bindi**
  - AC drilling ultramafics at Cranmore prospect (new name) started, 23 holes planned
  - Subcropping ultramafic silica cap rock and breccias identified over 700m strike
  - Desktop review discovers Ce, La, and Y Rare Earth Element (REE) in auger samples coincident with Cu/Fe and Ni/Cr anomalism, outcropping ultramafics and MLEM anomaly.
- **Wubin**
  - Ground reconnaissance identifies ultramafic rocks at late time VTEM anomaly, auger sampling due April.
  - tenement reduction and auger geochemistry planned.
- **Commando Gold Project:**
  - Widespread anomalous bedrock Au results from AC drilling at Bungarra, Wedge, Whisperer and Gidji. Bungarra results similar to early Golden Cities gold deposits drill results. 1m results up to 3.09 g/t Au at Wedge.

### Trilogy Minerals – Acquisition of Rio Grande Sur Lithium Project Argentina

In December, the Company announced that it had entered into an agreement to acquire 100% of the issued capital in Trilogy Minerals Pty Ltd (“Trilogy”) which holds the rights to acquire over 9,233 hectares at the Rio Grande Sur Project in Argentina (Table 1, Figure 1). Completion of the acquisition is subject to a number of conditions precedent, including completion of due diligence and relevant shareholder approvals being obtained. The Company received shareholder approval at a general meeting to be held on 7 February 2023 to proceed with the transaction. The remaining due diligence items and documentation to complete the transaction are expected to be finalised this week, with completion scheduled to occur the following week.

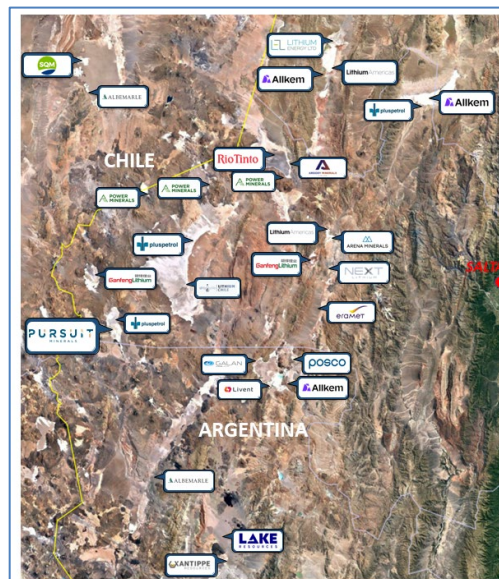


Figure 1: Rio Grande salar location, Salta Province,

### Background to Trilogy and the acquisition

Trilogy is a lithium exploration and development company with five option interests to secure various tenements that are prospective for lithium located near Salta, Argentina in the Rio Grande Sur Project. The five tenements cover approximately 9,233 hectares (Table 1).

Table One - Tenement Schedule

	Tenement	Hectares	File Number	Option Exercise Price	Option Exercise Date
1	Maria Magdalena	73.26	3571		Acquired
2	Isabel Segunda*	59.25	16626		Acquired
3	Sal Rio 02*	298.26	21942		Acquired
4	Sal Rio 01*	142.19	21941		Acquired
5	Cateo	8,660.00	23704	\$2,500,000	31 March 2023
	<b>Total</b>	<b>9,232.96</b>	<b>USD</b>	<b>\$2,500,000</b>	
			AUD (0.70)	\$3,567,875	

**Rio Grande Sur Project**

The Rio Grande salar covers approximately 27,500ha and comprises a 2018 43-101 inferred resource outlined by LSC Corporation of Canada of 2.1 million tonnes LCE at an average grade of 370mg/Li to a depth of 100m<sup>1</sup>.

The mineral resource compiled in accordance with Canadian National Instrument 43-101, is a foreign mineral resource estimate and it was not compiled in accordance with the JORC code. The Competent Person has not done sufficient work to classify this foreign mineral resource estimate as a Mineral Resource in accordance with the JORC Code. It is uncertain that following evaluation and/or further exploration work that the foreign mineral resource estimate will be able to be reported as Mineral Resources in accordance with the JORC code.

A section of the Rio Grande Sur Project tenements (~9,233ha) are located within this resource area (Figure 2). The closest major Argentinian city-Salta is located 280km from the site. The Trilogy Project also has easy access to the Chilean port of Antofagasta located 336km from the border crossing of Socompa, 40km North of the Rio Grande Sur Project. Antofagasta also offers port and rail facilities and a full suite of mining services.



Figure 2: Trilogy Li brine leases, Rio Grande salar Argentina

Trilogy has outlined a detailed exploration program to explore the tenements in order to outline a JORC compliant resource for the project. In December 2022 Trilogy raised \$8m and successfully acquired four of the five project tenements (Table 1), meeting a significant condition precedent. Trilogy and its team have experience in managing similar operations to the Rio Grande Sur. Post completion of the acquisition, the Company intends to undertake further exploration work to determine the lithium brine resource, the effective recovery of brine and the economic viability of subsequent mining and refining operations.

As noted in a previous announcement of the Company, the Salar Rio Grande has been explored for several years by different companies, including LSC Lithium Inc and ADY Resources. As a result, exploration information within the Salar itself is of relatively high quality and in the public domain.

<sup>1</sup> see ASX release 14/12/2022 Pursuit to Acquire Lithium Brine Project in Argentina. The Company is not aware of any new information or data that materially affects the information included in the referenced ASX announcement and confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

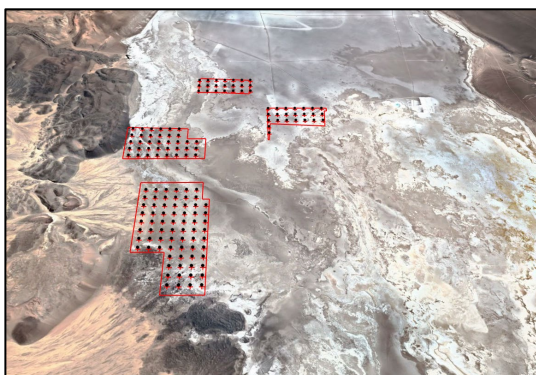


**'Rio Grande Sur' Initial Works - TEM / CSAMT**

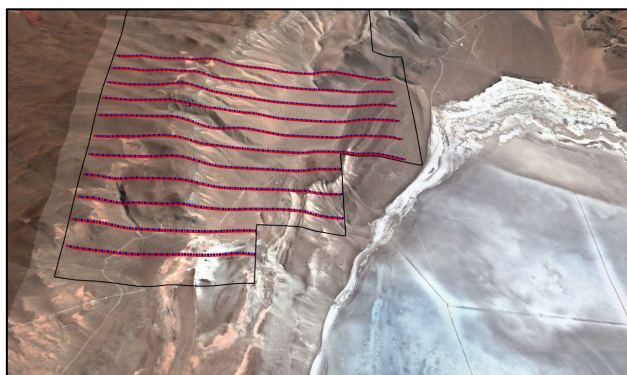
TEM / CSAMT survey proposals have been received for review from Quantec Geoscience Argentina S.A (Quantec) and are scheduled to commence asap post settlement. These surveys will complement the existing geophysical data and assist with identification of the best drilling locations for the proposed campaign in mid-2023. TEM surveys determine lithologies associated with aquifers with lithium in brine as well as geological structures to depths in the range of 250m to 300m.

These locations will be selected both to confirm the prior drilling data, based on wells located on the boundaries of the southern tenements, as well as defining the potential for deeper brines. Deeper brines have been tested in the northern part of the salar and, encouragingly, had higher associated Lithium grades, as is commonly encountered at depth in other salars within the Lithium Triangle. The Lithium Triangle is a region of the Andes rich in lithium reserves around the borders of Argentina, Bolivia, and Chile. The lithium in the triangle is concentrated in various salt pans that exist along the Atacama Desert and neighbouring arid areas, the largest ones including Salar de Uyuni in Bolivia, Salar de Atacama in Chile and Salar del Hombre Muerto in Argentina.

A CSAMT survey at the large Cateo tenement in the north will also provide insights into the brine potential at the edge of the salar. The CSAMT survey will enable the determination lithologies associated with aquifers with lithium in brine as well as geological structures to depths in the range of 500m within the area surveyed (dependent on local geology and grid geometry). Cateo is strategically located largely for infrastructure purposes, ie. location for a processing plant and evaporation ponds; however, is deemed to have significant exploration potential. Many regional projects have proven the existence of productive brines in the subsurface that extend beyond the surface expression of the salar.



Proposed TEM grids at Trilogy's tenements



Proposed CSAMT grids at Trilogy's tenements



Geologist within Rio Grande Sur Project, on the border of the Rio Grande Salar during site visit December 2022



## Warrior Project

The Company commenced Air Core (AC) drilling at the Calingiri East and Bindi Bindi Projects (Figure 3a) located approximately ~50km north north-east of Chalice's Julimar Project, Western Australia.

### Calingiri East E70/5379

AC drilling of PGE, gold and REE targets at Ablett, Phil's Hill and downslope of existing REE anomalies has started. Figure 3 shows the proposed location of ~120 holes at Ablett, Ablett East and Phil's Hill. A key focus of the program will be to collect and retain 1m samples for extractable REE test work on anomalous samples to confirm presence of ionic clay hosted mineralisation.

AC traverses across Ablett are designed to close off bedrock gold mineralisation to the north and south as well as infill to determine the width of mineralisation. AC at Phil's Hill will cover the whole prospect and is designed to extend coverage south of DD drilling in 2021 in an area of intense cross-faulting.

**Regolith-hosted REE's** – During the half year a review of available aqua regia assay data from auger drilling<sup>2</sup> at Calingiri East highlighted widespread **Ce, La and Y anomalism**<sup>3</sup> in regolith across the Calingiri East tenement (Figure 5). Values to 362 ppm Ce and 240ppm La were reported, both results greater than 6x average crustal abundance.

Two new >2km **large coincident Ce-La anomalies**, Ablett East and Phil's Northwest can be seen in Figure 4. Both these prospects have no drill testing, and significant AC results discussed below have not targeted areas of highest REE anomalism. Only Ce, La and Y were reported in the initial assay results. Re-assay work using a broader REE suite was received after the reporting period and announced on 22/2/23.

These assays, along with existing surface and drill REE data, were reviewed by consultant geochemist Richard Carver who highlighted three new areas downslope of anomalous samples which warrant drill testing (red polygons, Figure 3). These areas will be targeted in the AC program currently underway at Calingiri east.

The Total Rare Earth Element (TREE) results from this limited assaying demonstrate the potential for Calingiri East to host significant REE mineralisation. The results are limited to selected intervals and do not reflect the entirety of the drill holes. Results up to 3,100ppm TREE are reported at Phil's Hill (Figure 5) and 2500ppm at Ablett.

**REE's in Drilling** - Highly anomalous REE's were noted from past drilling<sup>4</sup> with Phil's Hill West hole 22WAC003 (Figure 5) returning 4m @ 0.31% TREE (16-24m) from aqua regia assays with a limited REE suite. The aqua regia digest technique also tends to understate contained REE's as it is only a partial rock digest whereby

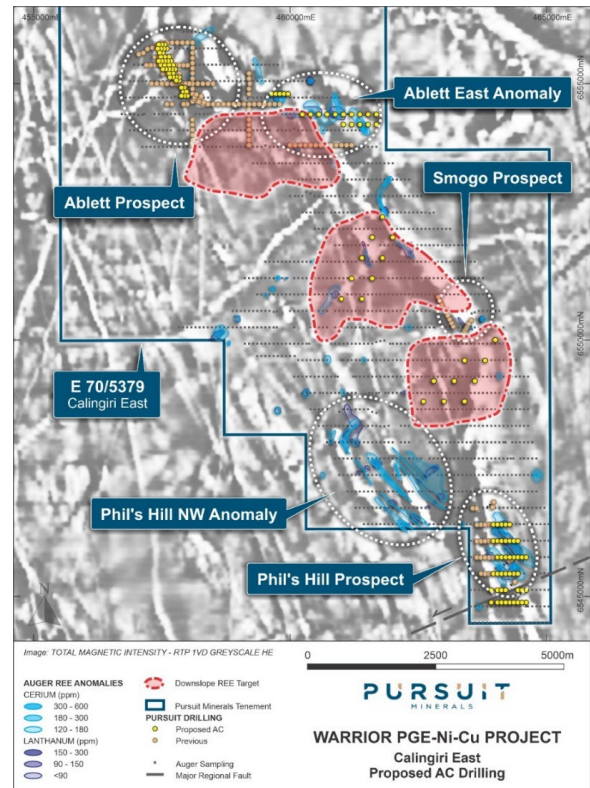


Figure 3: Location of proposed AC holes Calingiri East

<sup>2</sup> See ASX release 1/4/2022 Gold and Copper Targets Identified at Calingiri East for JORC details

<sup>3</sup> REE's - the group of metals referred to as rare earth elements (REE) comprises the 15 elements of the lanthanide series. Metals in the lanthanide series are: lanthanum (La), cerium (Ce), praseodymium (Pr), neodymium (Nd), promethium (Pm), samarium (Sm), europium (Eu), gadolinium (Gd), terbium (Tb), dysprosium (Dy), holmium (Ho), erbium (Er), thulium (Tm), ytterbium (Yb) and lutetium (Lu). In addition, yttrium (Y) and scandium (Sc) are often grouped with the lanthanides and referred to as REE

<sup>4</sup> See ASX releases 26/10/21 'Sulphide Mineralising System extended at Phil's Hill' & 5/9/2022 'Warrior Update MLEM & Ablett AC' for JORC details

some material is not liberated for reading by the assay instrument. A number of Phil's Hill diamond samples returned >500ppm Ce from 24-25m and 165-166.5m downhole. Additional work is needed to understand these results which will feed into drill programs at Phil's Hill in the first half of 2023.

The REE anomalism appears to be spatially related to granite contacts with greenstone or ultramafic units and highlights enrichment in regolith clays as well as bedrock hydrothermal mineralisation. It is clear that additional auger drilling is required both east and west of current coverage to clarify the distribution further.

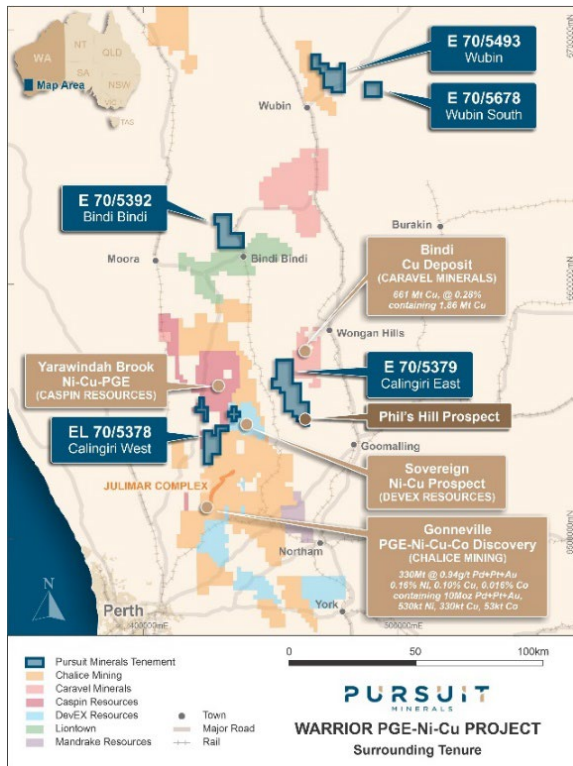


Figure 3a: Warrior Tenement Location Plan

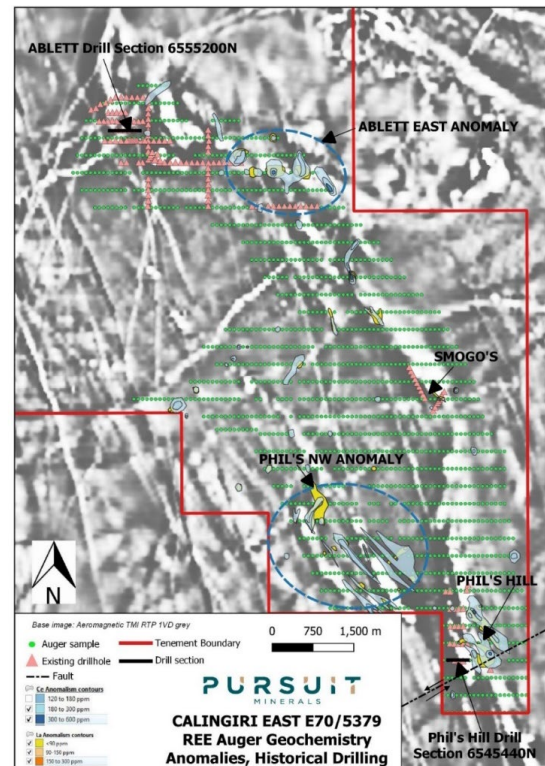


Figure 4: Ce and La REE anomalism in auger samples, Calingiri East

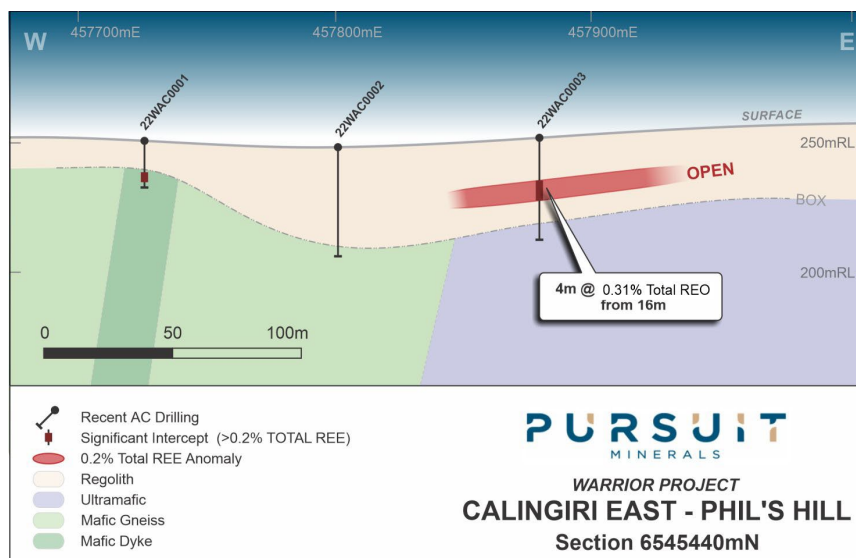


Figure 5: Phil's Hill section 6545440N showing REE anomalism in saprock

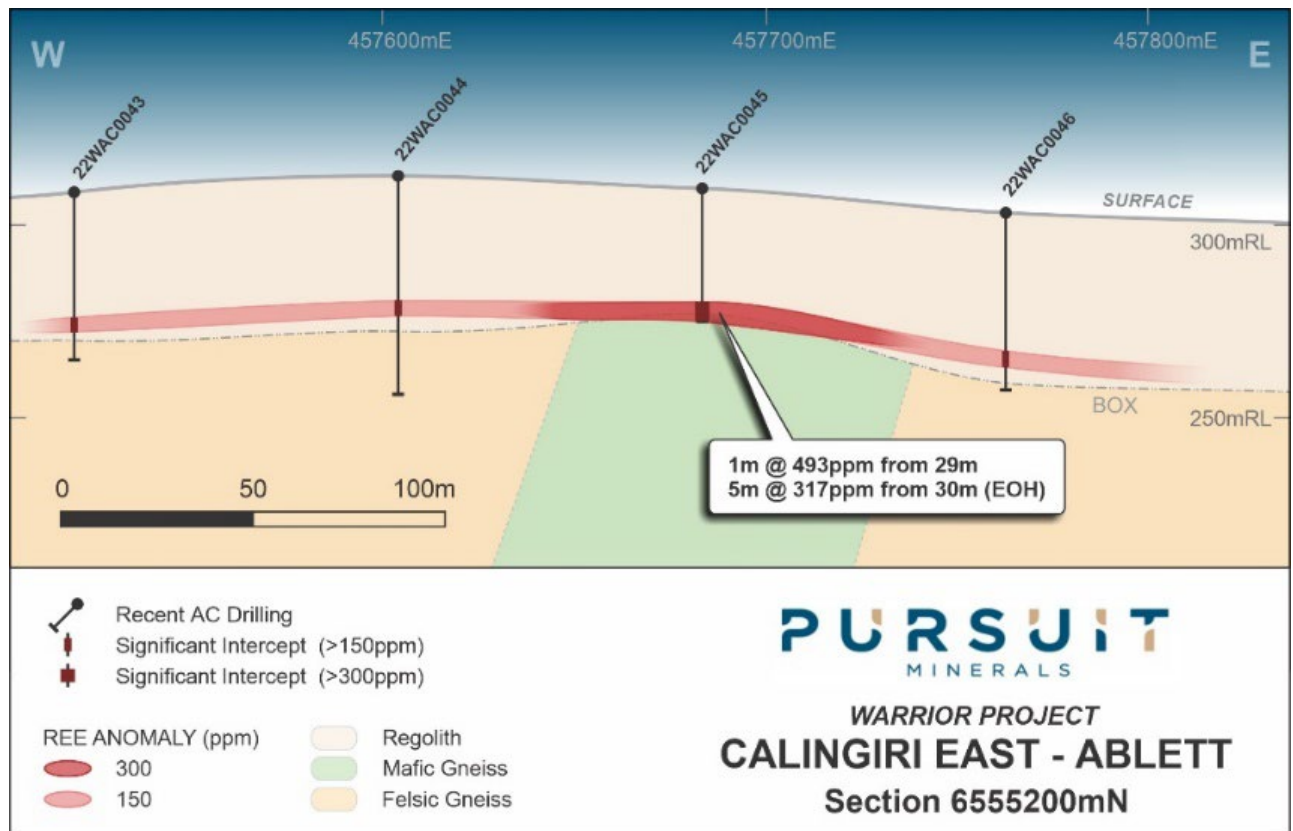


Figure 6: Ablett section 6555200N showing REE anomalism in saprock

### STRATEGIC SAMPLE PURCHASE

Following on from the strategic purchase of historic Dominion/Quadrio RC and AC drilling samples from Caravel Minerals in July 2022, the Company secured >1,300 auger samples with existing sample database from Caravel for \$6 per sample during the quarter.

The samples cover a large section of the Calingiri East tenement north of Ablett which has never been explored for Ni-Cu PGE's or REE minerals (Figure 7). Most of the samples were only analysed for Au, Cu and Pb and the purchase allows the Company to understand the detailed geochemistry of the area without negotiating access agreements and hiring a contractor to repeat the drilling. Once assay results are received, they will enhance our understanding of mineralisation at Calingiri East which will flow into 2023 AC drilling programs.

Assay results are expected in March 2023.



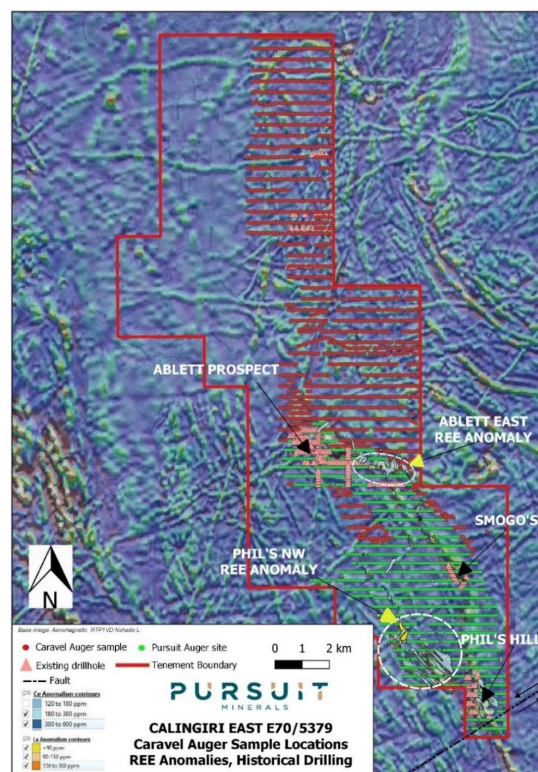


Figure 7: Caravel auger samples and REE anomalism, Calingiri East

### PHIL'S HILL 3D MODEL

All available geological, geophysical and drilling data has been synthesised by the Company's geologists to create a 3D model to aid targeting new areas of higher-grade mineralisation at the prospect.

The process has highlighted the role of a prominent NE-SW trending fault crossing close to the southern diamond holes at Phil's Hill where downhole EM (DHEM) confirmed multiple conductive plates in a 'Christmas tree' pattern that could be related to a sulphide stockwork (Figure 8). Cross-cutting faults such as this can cause local dislocation and brecciation, opening pore space for fluids to occupy and potentially deposit mineralisation. Planned forthcoming AC drilling will target this area for bedrock sulphide mineralisation.

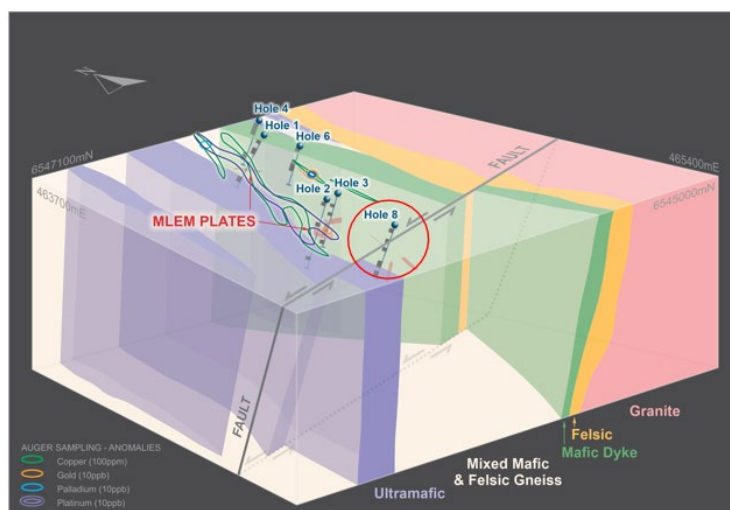


Figure 8: 3D model of Phil's Hill area highlighting the role of southern offset fault, red circle

**PROPOSED AC DRILLING****Ablett**

The Company has finalised an AC drilling program over Ablett to explore beneath and extend BOH gold and REE anomalism (Figure 9). The Program is anticipated to entail approximately 80 holes and will cover the areas in red below.

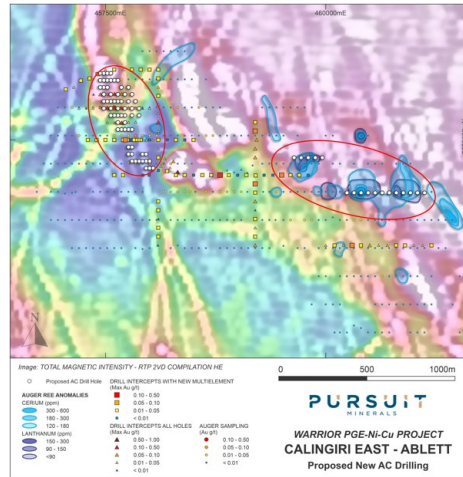


Figure 9: Proposed AC drillholes, Ablett Prospect

**Phil's Hill**

The Company has finalised an AC drilling program over Phil's Hill to extend bedrock sampling for copper and platinum geochemical targets drilled at Phil's West (Figure 10) and the southern cross-cutting fault. In addition, it will explore the recently highlighted REE anomalism from auger sampling. The Program is anticipated to entail approximately 36 holes and cover the area in red. Drilling commenced on 9 March 2023.

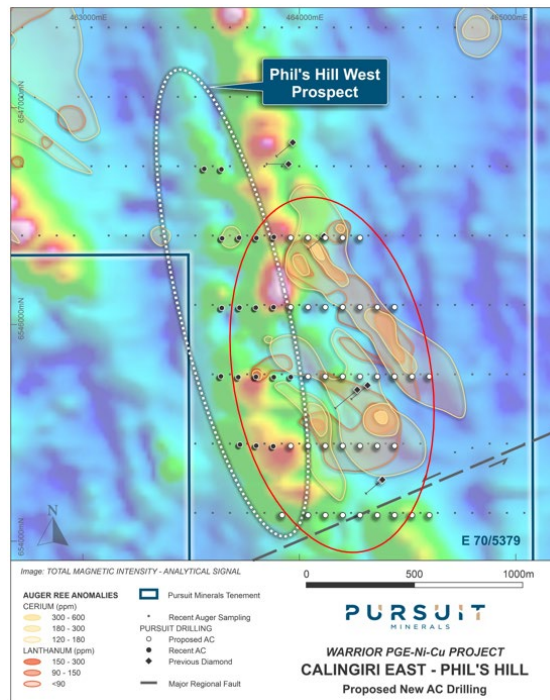


Figure 10: Proposed AC drillholes, Phil's Hill Prospect

**Bindi Bindi – E70/5392****REE Review**

Ongoing ground reconnaissance at Cranmore prospect has extended subcropping and outcropping ultramafics, silica cap rock and breccias to over 700m strike. Cranmore has been the site of auger geochemistry which located significant Ni-Cu and REE anomalism, as well as MLEM surveying which established a prospective EM trend warranting further work.

Three traverses of AC drillholes are planned to clarify the dip of stratigraphy (figure 11), Ni-Cu geochemistry at depth as well as explore the nature of REE anomalism previously reported. Twenty-three holes are proposed in the first phase and additional holes will be considered if encouraging anomalism is noted in pXRF analysis of drill chips as the program progresses.

The REE review of Bindi Bindi auger assay results identified a number of >1km coherent and coincident Ce and La anomalies (Figure 12) with peak Ce value of 440ppm. The REE anomalism is also coincident with Cu/Fe and Ni/Cr ratio anomalism previously reported in the centre of the sample grid, which appears to be mapping the edges of ultramafic contacts with host sediments. AC drill testing of the anomalous Ni-Cu target commenced on 9 March 2023 will also test the REE trends and additional auger sampling is planned to the east and north of current drill coverage.

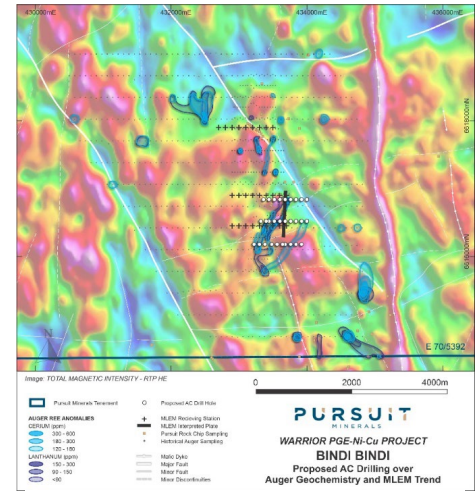


Figure 11: Proposed AC holes, Cranmore Prospect

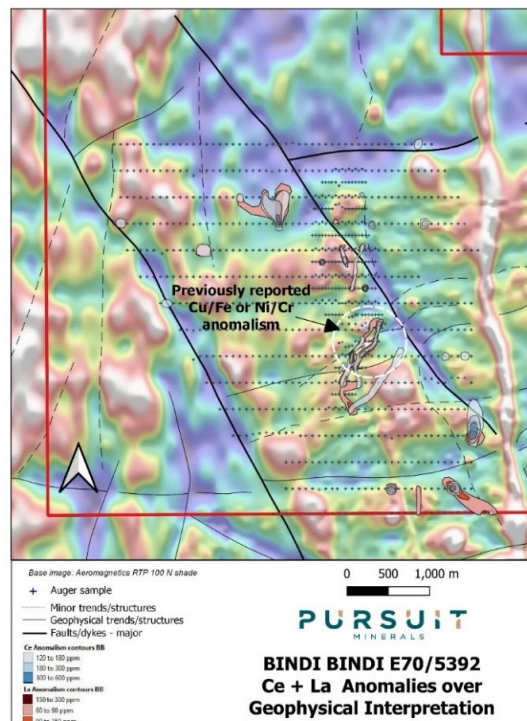


Figure 12: Bindi Bindi REE anomalism in auger samples

**PROPOSED AC DRILLING**

Figure 13 shows proposed AC drillholes across outcropping ultramafic rocks associated with encouraging surface Cu-Fe and Ni-Cr geochemistry and a surface MLEM anomaly. As reported recently, Ce and La REE



anomalism in auger samples is found in the same area as subcropping ultramafic silica cap rock with breccias, identified over a 700m strike length.

Approximately 29 holes (white dots) are being drilled in three traverses in the current drilling campaign.

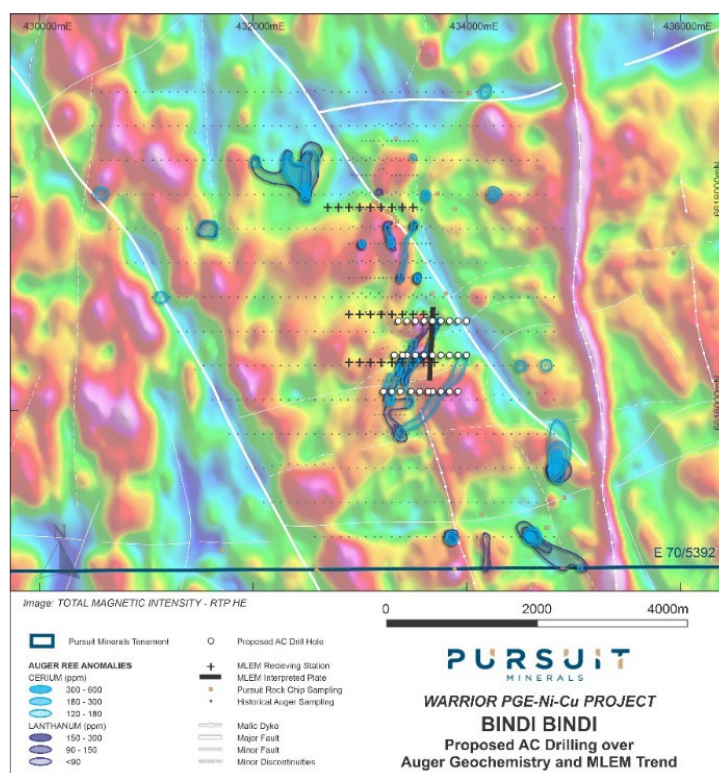


Figure 13: Proposed AC holes across REE and Cu-Fe and Ni-Cr anomalies

### Calingiri West E70/5378

Ground reconnaissance at Roses prospect has noted fresh post-deformational intrusives close to EM plates noted in MLEM surveying in 2022. Additional traverses of auger geochemistry are warranted and possible AC traverses to penetrate laterite cover to test bedrock for mineralisation.

Current RC drilling by Devex Resources of IP anomalies is within 250m of the Anzac Hill area. The anomalies are interpreted as possibly disseminated sulphide mineralisation and additional work is planned over Anzac Hill to understand the geology which is masked by thick laterite.

### Wubin – E70/5493 and E70/5378

Ground reconnaissance at Wubin West (E70/5493) located ultramafic lithologies coincident with a significant late-time VTEM anomaly from 2021 surveying. The area was not targeted for ground MLEM by previous consultants and this new information validates the Company's decision to conduct auger geochemistry traversing across the Wubin West tenement block.

Following a strategic review, the Company has relinquished part of the Wubin project area covered by the Lake Monger Heritage Walkway as it is unlikely that we would be able to explore these areas in the future (Figure 14). The original tenements (white) and new tenement areas (black lines) are shown below and the reduction will allow the Company to focus on more prospective areas in the west adjacent to Chalice Minerals' tenement, with a 2,390-hole auger program outlined for completion H1 2023.

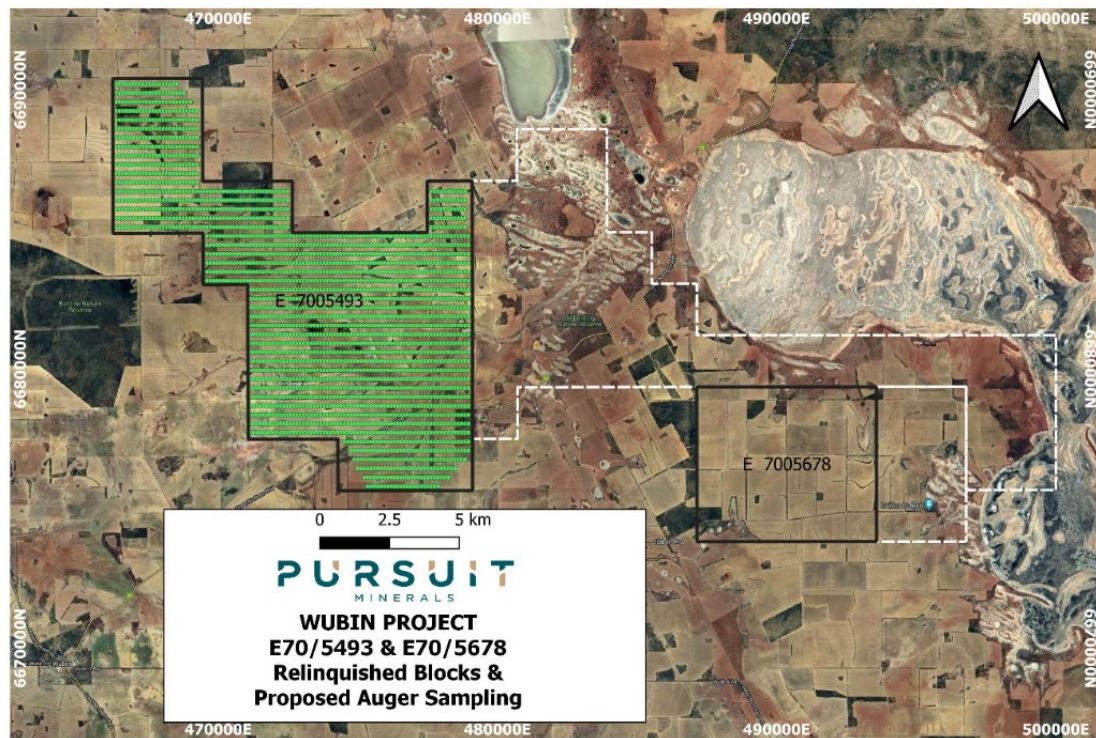


Figure 14: Relinquished tenement blocks (white) and proposed auger sample locations



**Commando Gold Project (Figure 15)**

As advised in October 2022 and January 2023, the Company completed a 5,290m Air Core (AC) drill program (142 holes) at Commando in June to follow-up gold auger geochemical anomalies. Following a review of initial 4m composite results the exploration team resampled the anomalous Au intervals on an individual metre basis and submitted these results to ALS for confirmation assay.

**AC Drill Results – Bungarra Prospect**

Drilling at Bungarra Prospect discovered a deep weathering trough trending NE-SW with significant chlorite and albite alteration of saprolitic granite. These wide-spaced 320m x 80m traverses have identified a **>800m trend of low-grade bottom-of-hole (BOH) bedrock gold mineralisation** up to 200m wide (Figures 15 and 16), which is similar to early exploration results of the Golden Cities gold deposits (~1.5m Oz Au - Federal, Havana-Suva and Jakarta) by AMAX and Centaur Mining (see DMIRS WAMEX reports A61169 and A59404) less than 5km to the east.

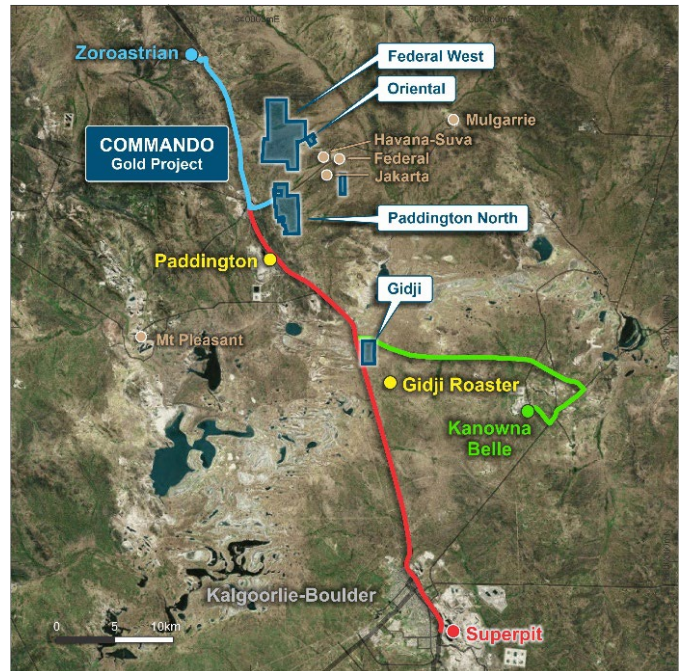


Figure 15: Commando Project Location

Assays from one metre resamples of anomalous composite zones located stronger mineralisation than previously reported at the end of hole for 22KAC056, 057, 059, 130 and 131 with all of these holes reporting > 0.3 g/t and up to 0.98 g/t gold (Figure 17). The Bungarra mineralisation appears to run NW-SE, similar to the trend observed at Havana-Suva and Federal gold deposits nearby, although additional drilling is required to confirm this. The gold mineralisation is hosted in weakly oxidised granite as noted previously. Additional drilling is required to clarify grades below these first BOH anomalies.

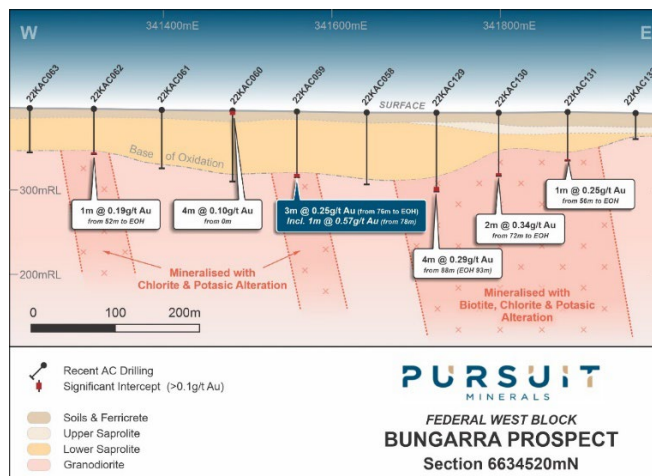


Figure 17: 1m assay results, Bungarra Prospect

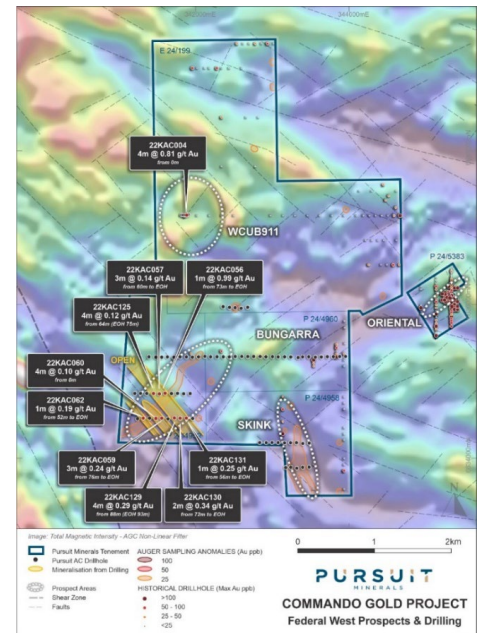


Figure 16: Location of Bungarra and WCUB AC Au results

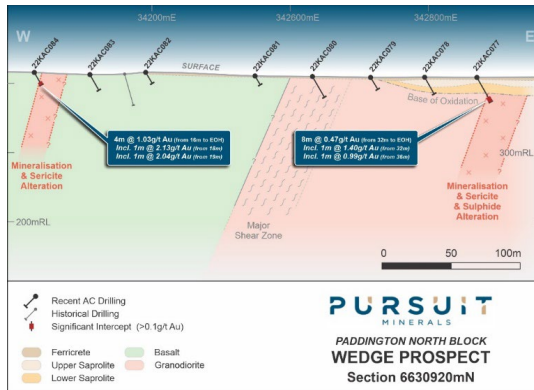


Figure 18: Very Encouraging 1m AC assay results, Wedge Prospect

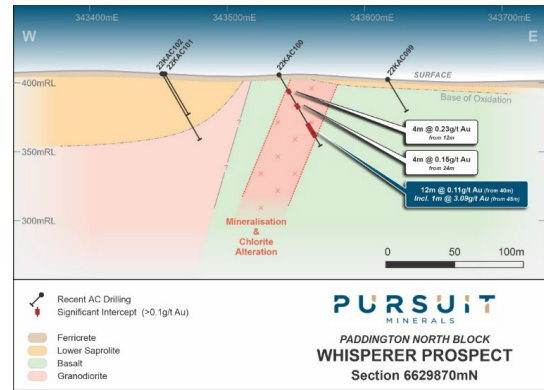


Figure 19: 1m assay results to 3.09 g/t Au, Whisperer Prospect

### AC Drill Results – Wedge and Whisperer Prospects

At Paddington North, 42 holes across auger gold anomalies were completed along the highly sheared greenstone-granite contact at Wedge, as well as the Whisperer mafic body within Nine Mile Monzogranite (Figure 20). At Wedge, a strong chlorite-biotite alteration is developed whilst at Whisperer quartz-sericite and iron alteration was noted.

Anomalous gold mineralisation was identified in 5 holes at Paddington North, 3 holes at Wedge and 2 holes at Whisperer (Figure 20). Gold at Wedge is located at the western and eastern holes of line 6630920N where hole depths are very shallow, reflecting the very fresh nature of lithologies in these areas (Figure 17). Best result was 4m @ 1.03 g/t Au from 16m to BOH in hole 22KAS084. One metre re-assays of this interval returned 2m @ 2.08 g/t Au from 18m to BOH with both samples returning above 2 g/t gold. Step-out holes will require RC or AC hammer to explore this mineralisation due to the hard fresh nature of the rocks.



Figure 20: 1m @ 2.04 g/t Au 22KAC084 19-20m

Sericitic altered granite hosted mineralisation in the bottom of hole 22KAC084 19-20m (Figure 19) reported 2.04 g/t Au. At Whisperer gold grades up to 3.09 g/t were located on line 6629870N to the north of historical workings (Figure 18) and close to the greenstone-granodiorite contact, a common structural setting for gold mineralisation in the area. The results to date warrant follow-up drilling at Whisperer.

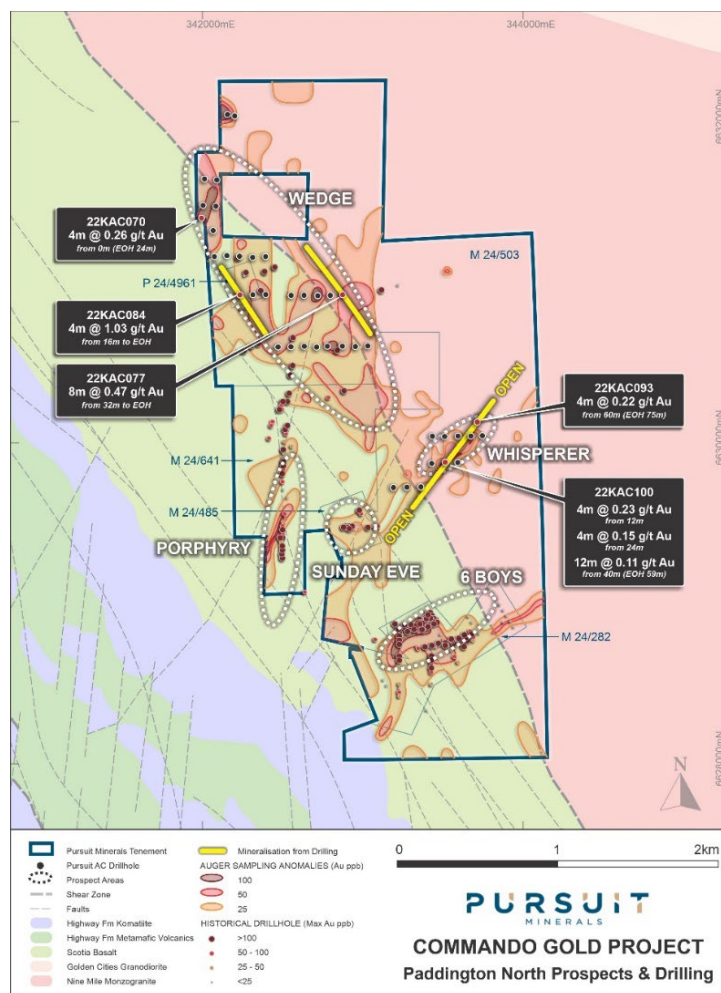


Figure 20: AC Composite sample gold anomalies Paddington North

### Purchase of Commando Prospect Tenements

The purchase of a 100% interest in the Commando Gold Project settled on 19 December 2022 following the issue of 13,336,372 Shares to Broad Arrow Holdings (WA) Pty Ltd. These shares are escrowed for a period of 3 months.

### Corporate

The Group held cash of \$6.8 million at the half- year end.

During the period, the Company issued:

- 125,000,000 shares at a price of \$0.012 per share to raise \$1.5 million before costs;
- 13,336,372 shares during the period as payment to exercise an option to acquire the Commando Gold Project;
- 4,880,000 shares to complete the swap of the Gladiator tenements for the Oriental Prospect; and
- 6,034,288 shares in lieu of director fees.

The Company cancelled 5 million performance rights held by Mark Freeman during the period. Following receipt of shareholder approval at the Company's Annual General Meeting in November 2022, the Company issued 5 million performance rights to Bob Affleck and amended the performance criteria for all remaining outstanding performance rights.



**EVENTS OCCURRING AFTER REPORTING PERIOD**

- At a meeting held 7 February 2023, shareholders approved (amongst other things):
  - The acquisition of 100% of Trilogy Minerals Pty Ltd ("Trilogy"), a lithium exploration and development company with five option interests to secure various tenements that are prospective for lithium located near Salta, Argentina in the Rio Grande Sur Project. Consideration for the acquisition consists of 1,375,000,000 shares on terms and conditions set out in the notice of meeting of the Company dated 3 January 2023;
  - The issue of 41,666,667 shares at a price of \$0.012 per share to raise \$500,000, these securities were issued on 6 March 2023; and
  - The issue of 40,000,000 options to each Director. The options have an exercise price of \$0.02 and expiry date of 9 Dec 2026. These securities were issued on 6 March 2023.
- On 6 March 2023, the Company issued 2,701,012 shares in lieu of director fees.
- On 6 March 2023, the Company issued 333,334 shares following the conversion of Performance Rights.

No other matters or circumstances have arisen since the end of the period which will significantly affect, or may significantly affect, the state of affairs or operations of the reporting entity in future financial periods.

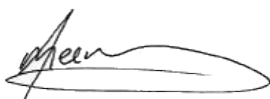
**ROUNDING**

The Company is of a kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest dollar, or in certain cases to the nearest thousand dollars.

**AUDITOR'S DECLARATION OF INDEPENDENCE**

The auditor's independence declaration for the half-year ended 31 December 2022 has been received and is included within the financial statements.

Signed in accordance with a resolution of the Directors.



Mark Freeman  
Director  
15 March 2023



**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF PURSUIT MINERALS LIMITED  
AND ITS CONTROLLED ENTITIES**

In relation to the independent auditor's review for the half-year ended 31 December 2022, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of Pursuit Minerals Limited and the entities it controlled during the period.

*Pitcher Partners BA&A PTY LTD*

PITCHER PARTNERS BA&A PTY LTD

*Paul Mulligan*

PAUL MULLIGAN  
Executive Director  
Perth, 15 March 2023

**PURSUIT MINERALS LIMITED**  
**ABN 27 128 806 977**

**INDEPENDENT AUDITOR'S REVIEW REPORT**  
**TO THE MEMBERS OF PURSUIT MINERALS LIMITED**

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

**Conclusion**

We have reviewed the half-year financial report of Pursuit Minerals Limited (the "Company") and its controlled entities (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2022, the condensed consolidated statement of profit and 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 explanatory information, 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 accompanying half-year financial report of Pursuit 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 2022 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* ("ASRE 2410"). 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 Group 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 Group 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 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 Group's financial position as at 31 December 2022 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*.

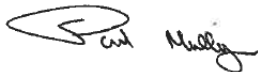
**PURSUIT MINERALS LIMITED  
ABN 27 128 806 977**

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF PURSUIT MINERALS LIMITED**

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.

*Pitcher Partners BA&A PTY LTD*

PITCHER PARTNERS BA&A PTY LTD



PAUL MULLIGAN  
Executive Director  
Perth, 15 March 2023

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**



	Note	Half-year ended 31 December 2022 \$	Half-year ended 31 December 2021 \$
Other income	3	34,137	298,717
Administrative and other expenses	4	(496,974)	(603,537)
Exploration and evaluation expenditure		-	(209,138)
Impairment of exploration and evaluation expenditure		-	(36,646)
Fair value movement on financial assets		(584,278)	-
Share based payments	9	(446,241)	(44,556)
<b>Loss before income tax from continuing operations</b>		<b>(1,493,356)</b>	<b>(595,160)</b>
Income tax benefit/(expense)		-	-
<b>Loss after income tax from continuing operations</b>		<b>(1,493,356)</b>	<b>(595,160)</b>
<b>Discontinued operations</b>			
Gain from discontinued operations		-	270,335
<b>Gain after income tax from discontinued operations</b>		<b>-</b>	<b>270,335</b>
<b>Net loss for the period</b>		<b>(1,493,356)</b>	<b>(324,825)</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the half-year</b>		<b>(1,493,356)</b>	<b>(324,825)</b>
Total comprehensive loss attributable to:			
Owners of the Company		(1,493,356)	(324,825)
		<b>(1,493,356)</b>	<b>(324,825)</b>
Basic loss per share (cents) from continuing operations		(0.15)	(0.06)
Basic earnings per share (cents) from discontinued operations		-	0.03
Total basic loss per share (cents)		<b>(0.15)</b>	<b>(0.03)</b>
diluted loss per share (cents) from continuing operations		(0.15)	(0.06)
diluted earnings per share (cents) from discontinued operations		-	0.03
Total diluted loss per share (cents)		<b>(0.15)</b>	<b>(0.03)</b>

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**



	<b>Note</b>	<b>Consolidated 31 December 2022 \$</b>	<b>Consolidated 30 June 2022 \$</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		<b>6,765,090</b>	6,207,510
Trade and other receivables	6	<b>294,576</b>	107,202
Prepayments		<b>230,370</b>	192,597
<b>Total Current Assets</b>		<b>7,290,036</b>	6,507,309
<b>Non-Current Assets</b>			
Financial assets at fair value through profit or loss	10	<b>654,191</b>	1,238,471
Exploration and evaluation assets	7	<b>5,660,541</b>	5,218,125
Plant and equipment		<b>33,629</b>	42,628
<b>Total Non-Current Assets</b>		<b>6,348,361</b>	6,499,224
<b>Total Assets</b>		<b>13,638,397</b>	13,006,533
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		<b>212,842</b>	417,069
<b>Total Current Liabilities</b>		<b>212,842</b>	417,069
<b>Total Liabilities</b>		<b>212,842</b>	417,069
<b>Net Assets</b>		<b>13,425,555</b>	12,589,464
<b>EQUITY</b>			
Contributed equity	8	<b>77,039,972</b>	75,156,766
Share based payments reserve	9	<b>8,351,123</b>	7,904,882
Accumulated losses		<b>(71,965,540)</b>	(70,472,184)
<b>Total Equity</b>		<b>13,425,555</b>	12,589,464

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**



<b>Consolidated Entity</b>	<b>Contributed Equity</b>	<b>Share Based Payment Reserve</b>	<b>Accumulated Losses</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2022</b>	<b>75,156,766</b>	<b>7,904,882</b>	<b>(70,472,184)</b>	<b>12,589,464</b>
(Loss) for the half-year	-	-	(1,493,356)	(1,493,356)
Total comprehensive loss for the half-year	-	-	(1,493,356)	(1,493,356)
Shares issued during the half-year	1,913,206	-	-	1,913,206
Share issue costs	(30,000)	-	-	(30,000)
Share based payment	-	446,241	-	446,241
<b>Balance at 31 December 2022</b>	<b>77,039,972</b>	<b>8,351,123</b>	<b>(71,965,540)</b>	<b>13,425,555</b>
<b>Balance at 1 July 2021</b>	<b>74,319,266</b>	<b>7,610,045</b>	<b>(68,293,133)</b>	<b>13,636,178</b>
(Loss) for the half-year	-	-	(324,825)	(324,825)
Total comprehensive loss for the half-year	-	-	(324,825)	(324,825)
Shares issued during the half-year	777,500	-	-	777,500
Share-based payment	-	88,556	-	88,556
<b>Balance at 31 December 2021</b>	<b>75,096,766</b>	<b>7,698,601</b>	<b>(68,617,958)</b>	<b>14,177,409</b>

The accompanying notes form part of these financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**



	31 December 2022 \$	31 December 2021 \$
<b>Cash flows from operating activities</b>		
Fees received	-	175,000
Payments to suppliers and employees	(520,140)	(614,201)
Interest received	4,137	-
	<hr/>	<hr/>
Net cash used in operating activities	(516,003)	(439,201)
<b>Cash flows from investing activities</b>		
Payments for plant and equipment	-	(4,771)
Proceeds from sale of exploration assets	-	100,301
Payments for acquisition of exploration and evaluation assets	-	(160,000)
Payment for exploration and evaluation assets	(396,417)	(1,064,454)
Proceeds from refund of deposits	-	22,500
	<hr/>	<hr/>
Net cash used in investing activities	(396,417)	(1,106,424)
<b>Cash flows from financing activities</b>		
Proceeds from share issues	1,500,000	35,000
Costs of issuing equity	(30,000)	-
	<hr/>	<hr/>
Net cash provided from financing activities	1,470,000	35,000
Net increase/(decrease) in cash held	557,580	(1,510,625)
Cash and cash equivalents at beginning of the period	6,207,510	8,955,719
	<hr/>	<hr/>
Cash and cash equivalents at end of the period	6,765,090	7,445,094

The accompanying notes form part of these financial statements.

**1. Corporate Information**

This condensed general purpose financial report of Pursuit Minerals Ltd (“the Company”) and its controlled entities (the “Group”) for the half-year ended 31 December 2022 was authorised for issue in accordance with a resolution of the directors on 15 March 2023.

The Company’s principal activities are to carry out exploration of mineral tenements, to continue to seek extensions of areas held and to seek out new areas with mineral potential and to evaluate results achieved through surface sampling, geophysical surveys and drilling activities. The Company is incorporated in Australia and limited by shares which are quoted on the Australian Securities Exchange.

**2. Basis of preparation of half-year report**

This condensed general purpose financial report for the half-year reporting period ended 31 December 2022 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This half-yearly financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the Company during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding half-year reporting.

The half-year financial report has been prepared on an historical cost basis, except where stated. For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

**Adoption of new and revised Accounting Standards**

In the reporting period, the Group has adopted all the new and revised accounting standards and interpretations that are relevant to its operations and effective for the current financial year. The adoption of these new and revised accounting standards and interpretations did not have any material effect on the financial results or financial position of the Group or the Company for the reporting period. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

**Critical accounting estimates and judgements**

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

In preparing the half-year consolidated financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were consistent with those that applied to the annual consolidated financial statements as at and for the year ended 30 June 2022.

## 2. *Basis of preparation of half-year report (continued)*

### Accounting policies adopted during period

#### *Treasury shares*

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in share capital.

#### *Share-based payments – modified terms*

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss

### Going concern

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

### Rounding of Amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest dollar, or in certain cases to the nearest thousand dollars.

## 3. *Other income*

	31 December 2022	31 December 2021
	\$	\$
Gain on swap of Gladiator Tenements for Oriental Prospect (refer note 7)	30,000	-
Gain on sale of exploration tenement	-	100,301
Gain on revaluation of financial liability	-	197,500
Interest income	4,137	-
Other	-	916
	<b>34,137</b>	<b>298,717</b>

4. Expenses	31 December 2022 \$	31 December 2021 \$
<b>Administrative and other expenses</b>		
Accounting fees	33,525	27,973
Auditor's remuneration	19,382	33,152
Consulting fees	6,900	23,518
Depreciation	9,000	2,245
Loss on transfer of tenements	30,000	-
Directors and Key Management Personnel remuneration	250,973	186,211
Rent	7,200	5,000
Legal and regulatory	78,108	127,494
Public relations	10,150	88,138
Exclusivity fee for acquisition of Commando Project (refer Note 7)	-	50,000
Other administrative expenses	51,736	59,806
	<b>496,974</b>	<b>603,537</b>

5. Discontinued operations	31 December 2022 \$	31 December 2021 \$
Gain from discontinued operations of Scandinavian Projects	-	270,335

On 20 January 2021, the Group announced the execution of a sale agreement for its nickel and vanadium projects in Norway, Sweden and Finland.

Included in the Consolidated Statement of Cash Flows for the prior period are cash inflows of \$175,000 received in relation to extension payments for the discontinued operations. The Extension Payments were paid by Kendrick Resources Plc to extend the settlement date to acquire the assets held for sale.

The gain includes:

- an increase in the sale consideration of GBP50,000 (A\$92,941) to reflect an extension to the settlement date for the sale of the Scandinavian assets. The additional consideration was paid in Kendrick shares immediately following listing on LSE.
- foreign exchange movements.
- other income and expenses relating to discontinued operations.

Movement in the carrying value of assets held for sale during the prior period is summarised below:

	31 December 2022 \$	31 December 2021 \$
Balance at beginning of period	-	2,309,121
Increase in consideration (GBP50,000)	-	92,941
Foreign exchange movement of consideration	-	14,410
Balance at end of period	-	<b>2,416,472</b>

<b>6. Trade and other receivables</b>	<b>31 December 2022</b>	<b>30 June 2022</b>
	\$	\$
Goods and services tax receivable	39,470	102,202
Exploration tenements – Commando project (refer note 8(i))	250,106	-
Deposits	5,000	5,000
	<b>294,576</b>	<b>107,202</b>
<b>7. Exploration and evaluation assets</b>	<b>31 December 2022</b>	<b>30 June 2022</b>
	\$	\$
	<b>5,660,541</b>	<b>5,218,125</b>
	<b>Half year ended 31 December 2022</b>	<b>Year ended 30 June 2022</b>
	\$	\$
Balance at beginning of period	5,218,125	2,878,940
Exploration expenditure capitalised during the period	372,416	2,062,567
Acquisition of Commando Project <sup>(i) (ii)</sup>	100,000	460,815
Loss on transfer of Gladiator tenements	(30,000)	-
Impairment	-	(184,197)
Balance at end of period	<b>5,660,541</b>	<b>5,218,125</b>

The ultimate recoupment of these costs is dependent on the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

**(i) Commando Project**

During the previous period the Company secured a 12-month option to acquire all of the tenements comprising the Commando Gold Project north of Kalgoorlie WA. Under the terms of the option the Company paid an initial exclusivity fee of \$50,000, \$160,000 in cash, \$240,000 in the Company's shares and granted 2.5m unlisted options of the Company valued at \$44,000 and are committed to spend a minimum of \$150,000 on exploration during the option period.

The Company exercised this option during the period by issuing 13,336,372 shares (value \$250,106) and now holds a 100% ownership interest in this project. As at balance date the Commando tenements had not been transferred to the Group so the issue of shares has been recorded as a receivable as at balance date (refer note 6).

**(ii) Oriental Prospect (part of Commando Project)**

The Company issued 4,880,000 shares (value \$70,000) on 9 September 2022 as part of a deal to swap the Gladiator Tenements for the Oriental exploration prospect (previously announced to the ASX on 27 April 2022). There is a net smelter royalty payable of 1% of any future production from the Oriental tenements.

8. <i>Contributed equity</i>	31 December 2022 \$	30 June 2022 \$
Share capital		
Ordinary fully paid shares	<b>77,039,972</b>	75,156,766

	Half year ended 31 December 2022		Half year ended 31 December 2021	
	No.	\$	No.	\$
Balance at beginning of period	948,299,194	75,156,766	922,013,916	74,319,266
Acquisition of Commando Project <sup>(i)</sup>	13,336,372	250,106	8,535,278	240,000
Acquisition of Oriental Prospect <sup>(ii)</sup>	4,880,000	70,000	-	-
Acquisition of Warrior Project <sup>(iii)</sup>	-	-	10,000,000	502,500
Placement @ \$0.012 per share	125,000,000	1,500,000	-	-
Exercise of options	-	-	5,000,000	35,000
Shares issued in lieu of Director fees	6,034,288	93,100	-	-
Share issue costs	-	(30,000)	-	-
Balance at end of period	<b>1,097,549,854</b>	<b>77,039,972</b>	945,549,194	75,096,766

(i) On 23<sup>rd</sup> December 2021, the Company issued 8,535,278 shares (value \$240,000) as part of the consideration to acquire a 12 month option over the tenements comprising the Commando Project. On 19 December 2022 the Company issued 13,336,372 shares (value \$250,106) to exercise the option to acquire 100% of the Commando Project (refer Note 7).

(ii) On 9 September 2022 the Company issued 4,880,000 shares (value \$70,000) as part of a deal to swap the Gladiator Tenements for the Oriental exploration prospect (part of the Commando Project, refer note 8).

(iii) On 13<sup>th</sup> September 2021, the Company issued 10 million shares (value \$502,500) for the remaining consideration for the acquisition of the Warrior Project.

(iv) In July 2022 the Company established an equity financing facility to provide funding of up to \$5,000,000 over 12 months. Under the terms of the facility 45,000,000 shares were issued to the provider of the facility, Alpha Investment Partners, for nil consideration. The Company has the right to buy back these shares at any time for nil consideration. The Consolidated Entity controls when and if these shares are sold and can set a floor price for any sale. The sale price received by the Consolidated Entity is the higher of the floor price and up to a 10% discount on the Volume Weighted Average Price over a period set by the Company. As the Company retains control of these shares and can redeem or sell them at any time they have been classified as treasury shares and are excluded from issued share capital. Once the shares are sold they will be treated as issued ordinary shares and the proceeds will be included in contributed equity.

	Half year ended 31 December 2022 No.	Half year ended 31 December 2021 No.
<b>Options on issue</b>		
Balance at beginning of period	38,500,000	135,016,073
Options Issued as consideration for option over Commando Project	-	2,500,000
Options exercised	-	(5,000,000)
Listed Options expired	-	(76,166,073)
Unlisted Options expired	-	(17,850,000)
Balance at end of period	<b>38,500,000</b>	<b>38,500,000</b>

**8. Contributed equity** (continued)

	Half year ended 31 December 2022 No.	Half year ended 31 December 2021 No.
<b>Performance rights on issue</b>		
Balance at beginning of period	64,500,000	4,500,000
Performance rights to director <sup>(i)</sup>	5,000,000	-
Performance rights cancelled to directors, consultants and staff <sup>(ii)</sup>	(9,500,000)	-
Balance at end of period	60,000,000	4,500,000

- (i) The Company issued 5,000,000 performance rights to Bob Affleck, a Director of the Company following approval by shareholders at the annual general meeting held on 25 November 2022 (refer to Note 9).
- (ii) The Company cancelled 5,000,000 performance rights to a Mark Freeman, a Director of the Company and a total of 4,500,000 performance rights previously issued to consultants and staff (refer to Note 9).

**9. Share based payment reserve**

	31 December 2022 \$	30 June 2022 \$
	8,351,123	7,904,882
	Half year ended 31 December 2022 \$	Half-year ended 31 December 2021 \$
Opening balance	7,904,882	7,610,045
Options Issued as consideration for option over Commando Project (refer Note 7) <sup>(i)</sup>	-	44,000
Share-based payment expense – performance rights/options issued to management <sup>(ii)</sup>	446,241	44,556
Closing balance	8,351,123	7,698,601

The Share based payment reserve is used to record the fair value of items recognised as expenses on valuation of options and other equity instruments issued by the Company.

- (i) On 23 December 2021, the Company issued 2,500,000 unlisted options as part of the consideration to acquire a 12 month option over the tenements comprising the Commando Project (refer Note 7). The options are exercisable at \$0.0281 on or before 23 December 2024, vested immediately on grant date and were valued at \$44,000 (refer below).
- (ii) During the Annual General Meeting held on 25 November 2022 the following was resolved and included within the Share- based expense:
- The Company issued 5,000,000 performance rights to Bob Affleck, a Director of the Company with a total value of \$54,866 of which \$1,410 was recognised in the half-year ended 31 December 2022;
  - The Company cancelled 5,000,000 performance rights to Mark Freeman worth \$94,559, a Director of the Company and a total of 4,500,000 performance rights worth \$176,852 previously issued to consultants and staff of the Company;

9. **Share based payment reserve** (continued)

- The Company amortised the existing 45,000,000 performance rights issued to Directors and 10,000,000 performance rights issued to consultants and staff, \$142,873 and \$30,548 respectively over the vesting period. The original terms of the performance rights are disclosed in the Company's 2022 Annual Report.

Valuation inputs of performance rights issued and modified in the half-year ended 31 December 2022 contributing to share-based payments during the period are noted below:

	Performance Rights		
	Type A	Type B	Type C
Number issued to Bob Affleck	1,666,667	1,666,667	1,666,666
Number held by Directors and subject to amended terms <sup>(i)</sup>	15,000,000	15,000,000	15,000,000
Number held by staff and subject to amended terms <sup>(i)</sup>	1,666,667	1,666,667	1,666,666
Valuation model	Monte Carlo	Monte Carlo	Monte Carlo
Grant date	25 Nov 22	25 Nov 22	25 Nov 22
Expiry date	30 Jun 25	30 Jun 25	30 Jun 25
Dividend yield (%)	nil	nil	nil
Expected volatility (%)	120	120	120
Risk-free interest rate (%)	3.213	3.213	3.213
Grant date share price	\$0.012	\$0.012	\$0.012
Fair value at grant date per option / right	\$0.0115	\$0.0110	\$0.0105

- (i) The vesting milestones of these performance rights were varied following approval from shareholders at the 2022 Annual General Meeting on 25 November 2022. The vesting milestone share prices were varied as follows:

Type A – from 4 cents to 1.5 cents

Type B – from 5 cents to 2 cents

Type C – from 6 cents to 2.5 cents



# 10. *Fair value hierarchy*

The carrying values of financial assets and liabilities of the Consolidated Entity approximate their fair values. Fair values of financial assets and liabilities have been determined for measurement and / or disclosure purposes.

The Consolidated Entity classifies assets and liabilities carried at fair value using a fair value hierarchy that reflects the significance of the inputs used in determining that value. The table following analyses financial instruments carried at fair value by the valuation method. The different levels in the hierarchy have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Recurring fair value measurements	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>31 December 2022</b>				
Financial assets at fair value through profit or loss	654,191	-	-	654,191
<b>Total as at 31 December 2022</b>	<b>654,191</b>	<b>-</b>	<b>-</b>	<b>654,191</b>
<b>30 June 2022</b>				
Financial assets at fair value through profit or loss	1,238,471	-	-	1,238,471
<b>Total as at 30 June 2022</b>	<b>1,238,471</b>	<b>-</b>	<b>-</b>	<b>1,238,471</b>

Due to their short-term nature, the carrying amount of the current receivables and current payables is assumed to approximate their fair value.

# 11. *Operating segments*

Operating segments are identified based on the internal reports that are regularly reviewed by the Board of Directors, the entities' Chief Operation Decision Maker, for the purpose of allocating resources and assessing performance.

The Group reports financial information by projects grouped into Geographical areas. The Group disposed of the Scandinavian Projects in the prior financial year, hence now only have one operating segment being exploration for minerals on projects in Australia.

# 12. *Commitments and contingencies*

## **Warrior Project- Contingency**

The Company granted the vendor a 1% net smelter royalty ("NSR") on all future minerals produced from the tenements and a milestone payment of \$200,000 in cash ("Milestone Payment") on achieving a mineralised drill intersection on one tenement of at least 10 metres of 2% nickel equivalent or better.

## **Exploration expenditure commitments**

Commitments for minimum exploration expenditure required to retain tenure on the Group's exploration tenements are:

	31 December 2022 \$	30 June 2022 \$
Less than one year	<b>352,000</b>	<b>384,000</b>

**13. Related party transactions**

During the period the Group had the following dealings with related parties:

**(a) Mr Peter Wall**

Mr Wall is a Non-Executive Director of the Company. He is also a partner at Steinepreis Paganin, a Perth based corporate law firm that provides legal services to the Company on commercial terms. The following payments / transactions occurred during the half-year:

Director fees: \$33,300 for services provided in the half-year ended 31 December 2022. An amount of \$5,000 was payable at 31 December 2022 (31 Dec 2021: \$6,000).

Other: Steinepreis Paganin was paid or due to be paid an aggregate amount of \$22,963 for legal services rendered during the period (31 Dec 2021: \$47,435). No amount was payable at 31 December 2022 (31 Dec 2021: \$24,075).

15 million performance rights held by Mr Wall were subject to amended terms (refer note 8).

**(b) Mr Bob Affleck**

Mr Affleck is Managing Director of the Company. The following payments / transactions occurred during the half-year:

Director fees: \$122,000 for services provided in the half-year ended 31 December 2022 (31 Dec 2021: \$24,000). An amount of \$10,000 was payable at 31 December 2022 (31 Dec 2021: \$nil).

Other: No amounts were paid for consulting services provided in the half-year ended 31 December 2022 (31 Dec 2021: \$30,000).

5 million performance rights were issued to Mr Affleck during the period and 15 million performance rights held were subject to amended terms (refer note 8).

**(c) Mr Mark Freeman**

Mr Freeman is an Executive Director of the Company. The following payments/transactions occurred during the half-year:

Director fees: \$66,600 for services provided in the half-year ended 31 December 2022 (31 Dec 2021: \$90,000). An amount of \$10,000 was payable at 31 December 2022 (31 Dec 2021: \$nil).

Other: Meccano Consulting Pty Ltd (an entity related to Mr Freeman) was paid or due to be paid an aggregate amount of \$18,000 for accounting, bookkeeping and registered office services rendered during the period (31 Dec 2021: \$16,000). A life insurance premium of \$6,322 relating to Mr Freeman was paid in the period. An amount of \$3,000 was payable at 31 December 2022 (31 Dec 2021: \$nil).

5,000,000 performance rights held by Mr Freeman were cancelled in the period. 15 million performance rights held by Mr Freeman were subject to amended terms (refer note 8).

**14. Events after the end of the reporting period**

At a meeting held 7 February 2023 shareholders approved:

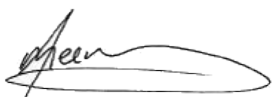
- At a meeting held 7 February 2023, shareholders approved (amongst other things):
  - The acquisition of 100% of Trilogy Minerals Pty Ltd (“Trilogy”), a lithium exploration and development company with five option interests to secure various tenements that are prospective for lithium located near Salta, Argentina in the Rio Grande Sur Project. Consideration for the acquisition consists of 1,375,000,000 shares on terms and conditions set out in the notice of meeting of the Company dated 3 January 2023;
  - The issue of 41,666,667 shares at a price of \$0.012 per share to raise \$500,000, these securities were issued on 6 March 2023; and
  - The issue of 40,000,000 options to each Director. The options have an exercise price of \$0.02 and expiry date of 9 Dec 2026. These securities were issued on 6 March 2023.
- On 6 March 2023, the Company issued 2,701,012 shares in lieu of director fees.
- On 6 March 2023, the Company issued 333,334 shares following the conversion of Performance Rights.

No other matters or circumstances have arisen since the end of the period which will significantly affect, or may significantly affect, the state of affairs or operations of the reporting entity in future financial periods.

The Directors of the Company declare that:

1. The financial statements and notes are in accordance with the *Corporations Act 2001* and:
  - a) Comply with Accounting Standards AASB 134: *Interim Financial Reporting*, and *Corporations Regulations 2001*; and
  - b) Give a true and fair view of the financial position as at 31 December 2022 and of the performance for the half year ended on that date of the Company and the Group.
2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Mark Freeman  
Director

15 March 2023