



ABN: 27 128 806 977

**And Controlled Entities**

**CONSOLIDATED REPORT**

**For the Half-Year Ended  
31 December 2019**

CORPORATE DIRECTORY	1
DIRECTORS' REPORT	2
AUDITOR'S INDEPENDENCE DECLARATION	10
INDEPENDENT AUDITOR'S REVIEW REPORT	11
CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME	13
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	14
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	15
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	16
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	17
DIRECTORS' DECLARATION	25

### Competent Persons' Statements

Statements contained in this report relating to exploration results, historical exploration results, historical estimates of mineralisation and Exploration targets are based on, and fairly represents, information and supporting documentation prepared by Mr. Jeremy Read, who is a member of the Australian Institute of Mining & Metallurgy (AusIMM), Member No 224610. Mr Read is a full-time employee of the Company and has sufficient relevant experience in relation to the mineralisation styles being reported on to qualify as a Competent Person as defined in the *Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012*. Mr Read consents to the use of this information in this report in the form and context in which it appears.

Statements contained in this report relating to the Koitelainen Inferred Mineral Resource and the Airijoki Inferred Mineral Resource, are based on, and fairly represents, information and supporting documentation prepared by Mr. Chris Grove, who is a member of the Australian Institute of Mining & Metallurgy (AusIMM), Member No 310106. Mr Grove is a full-time employee of the mineral resource consulting company "Measured Group", who were contracted by Pursuit Minerals Limited to prepare an estimate of the Inferred Mineral Resource at Koitelainen and the Inferred Mineral Resource at Airijoki. Mr Grove has sufficient relevant experience in relation to the mineralisation styles being reported on to qualify as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012. Mr Grove consents to the use of this information in this report in the form and context in which it appears.

**DIRECTORS**

Peter Wall	Non-Executive Chairman
Matthew O’Kane	Non-Executive Director
Jeremy Read	Executive Director

**SECRETARY**

Stephen Kelly

**REGISTERED AND BUSINESS OFFICE**

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Perth WA 6000

**AUDITORS**

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Level 3, London House  
216 St Georges Terrace  
Perth WA 6000

Your Directors submit the financial report of the Consolidated Entity for the half-year ended 31 December 2019.

**DIRECTORS**

The following persons were directors of Pursuit Minerals Limited during the whole of the half-year under review and up to the date of this report, unless otherwise stated:

Peter Wall	Chairman
Matthew O'Kane	Non-Executive Director
Jeremy Read	Executive Director
Ian Wallace	Executive Director (resigned 3 July 2019)

**COMPANY SECRETARY**

Stephen Kelly

**PRINCIPAL ACTIVITIES**

The principal activity of the Consolidated Entity during the half-year was conducting mineral exploration activities on its vanadium tenements located in Sweden and Finland. In addition, the Consolidated Entity was actively engaged in assessing acquisition and joint venture opportunities in relation to other mineral resource projects.

**Sweden and Finland Vanadium Projects**

Pursuit holds extensive Mineral Reservations covering the Koitelainen, Ala Postojoki and Karhujupukka Vanadium Projects in northern Finland.

In Sweden, Pursuit holds the Airijoki Project in northern Sweden, made up of four Exploration Licences covering a total 32km<sup>2</sup>. The Company also holds exploration licences covering four project areas in central Sweden (Sumåssjön, Kramsta, Simesvallen and Storåsen). Mineral Exploration Licences, granted for three years until June 2021, allow the company to undertake exploration activities including geophysical surveys, mapping, sampling and drilling, subject to the relevant County Administration Boards approving work plans.

Pursuit has previously announced its intention to seek a strategic partner with the technical and financial resources to assist with progressing the Airijoki and Koitelainen Projects to their next stages of development. During the period, Pursuit continued to hold discussions with a number of companies possessing the capabilities which Pursuit is seeking in a partner to assist in advancing the projects. Pursuit will advise the market if those discussions lead to Pursuit securing a partner for the projects.

To assist in attracting a strategic partner for the vanadium portfolio, Pursuit reviewed each vanadium project and defined the work programs which are required to progress each project to its next technical key decision point. Priority is intended to be given to work programs which most cost effectively progress the overall vanadium portfolio towards achieving the Company's previously stated objective of developing projects within the vanadium portfolio via a two-phase development strategy as follows:

- **Phase One** – Produce high-grade vanadium magnetite concentrates from the Airijoki and Koitelainen Projects for sale into the European or global steel industries, or to global vanadium smelters, hence reducing pre-production capital expenditure requirements and timeframes to production.
- **Phase Two** – Process high-grade vanadium magnetite concentrates from multiple mineral resources into products, via a centralised downstream processing plant, for sale into the emerging European vanadium battery industry.

Since commencing its vanadium strategy, Pursuit has focussed on assessing its projects to deliver the Phase One objective stated above and has made rapid progress, with the completion of the Scoping Studies for the Airijoki and Koitelainen Projects in less than 12 months following initiation of the vanadium strategy.

During the half-year, Pursuit completed three detailed ground magnetic surveys on the Simesvallen Project in Central Sweden. The objective of completing the detailed ground magnetic surveys was to map the distribution of magnetite in mafic intrusions, as it is the magnetite which hosts the vanadium mineralisation. Furthermore, detailed ground magnetic data was shown to be highly effective on Pursuit's Airijoki Project in northern Sweden, at generating drill targets which delivered significant new vanadium intersections<sup>1</sup>. At Simesvallen, vanadium mineralisation has been intersected in historical drill holes over 560m of strike length. The ground magnetic data will assist in assessing the potential to extend this mineralisation further along strike and whether drill testing is warranted.

**Figure 1 - Pursuit Project Locations in Finland and Sweden**



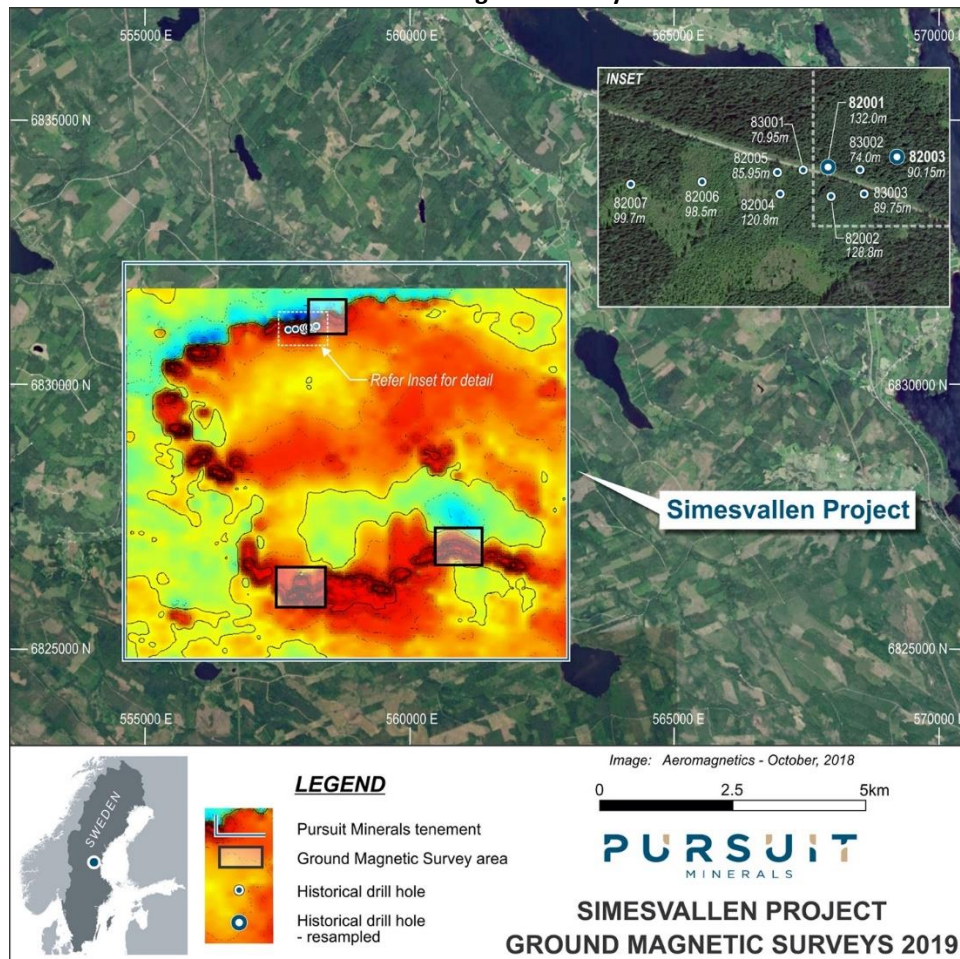
<sup>1</sup> See Pursuit Minerals ASX Announcement 29 October 2018. The Company is not aware of any new information or data that materially affects the information included in the referenced ASX announcement and confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Historical drilling at the Simesvallen prospect previously intersected vanadium mineralisation over a strike length of 560m, which is open to both the east and west, and includes the following historical intersections<sup>2</sup>:

- 8.75m @ 0.41% V2O5 (whole rock), in hole SIM82001 from 40.00m
- 13.9m @ 0.44% V2O5 (whole rock), in hole SIM82003 from 28.15m

Three areas were covered with detailed ground magnetic surveys, with data collected on lines spaced 25m apart (Figure 2). The northern survey area was designed to investigate the potential extension of the known vanadium mineralisation in holes SIM82001 and SIM82003 (Figure 3). The survey areas in the southeast and southwest of the Simesvallen project area were designed to investigate high intensity magnetic features whose causative sources are likely to be abundant magnetite.

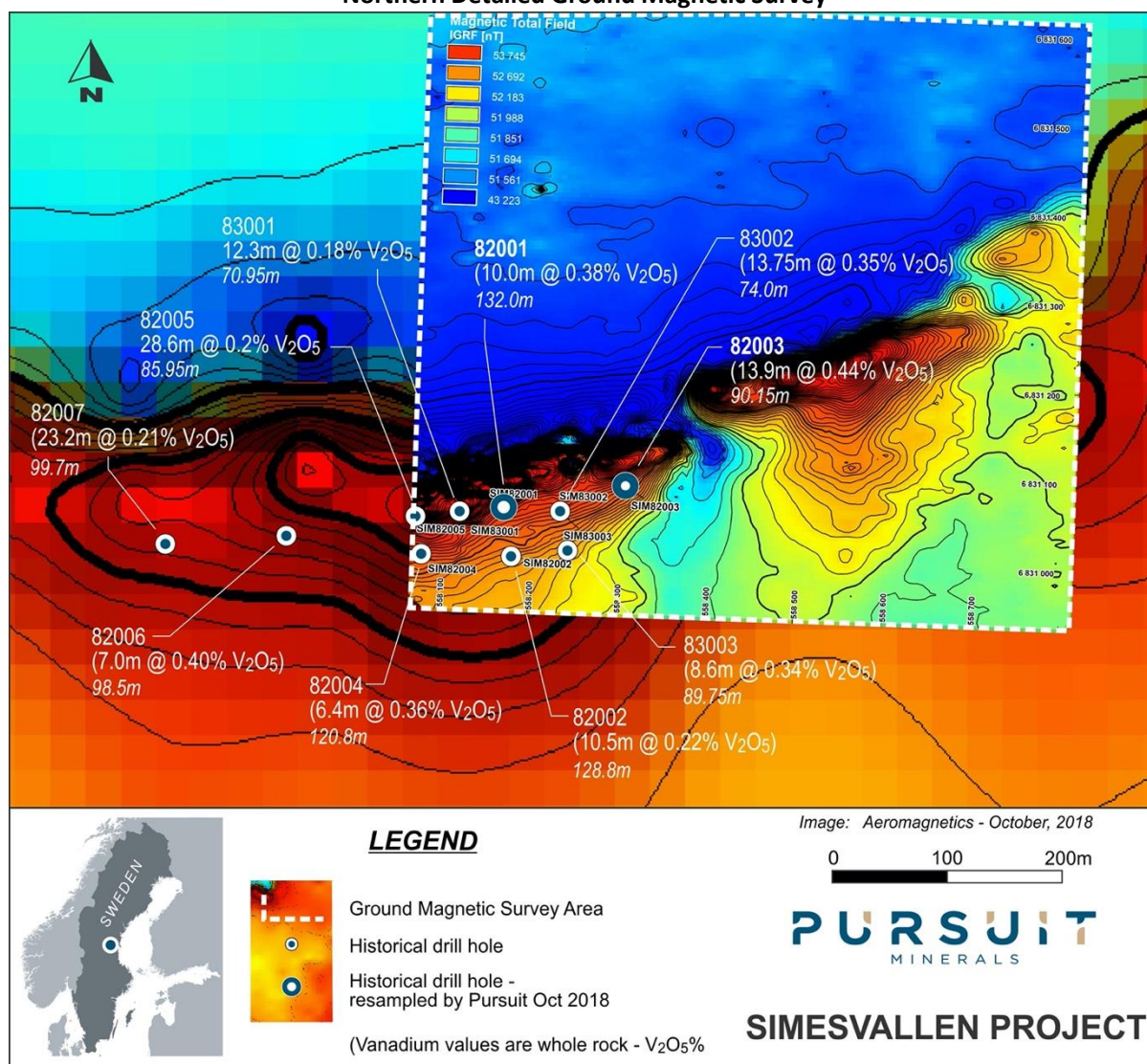
**Figure 2 – Simesvallen Project  
Detailed Ground Magnetic Survey Locations**



<sup>2</sup> See Pursuit Minerals ASX Announcement 29 October 2018. 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.



**Figure 3 – Simesvallen Project**  
**Northern Detailed Ground Magnetic Survey**



Modelling of the ground magnetic data indicates that the magnetic body mineralised with vanadium at the Simesvallen prospect, extends at least 340m further east to the Simesvallen East prospect and the thickness of the vanadium mineralised body increases to 50m.<sup>3</sup>

At the Spannarslatten prospect an intensive magnetic anomaly, striking east-west and in excess of 1000m strike length, is interpreted to be due to two magnetic bodies dipping 35° to the north and of thickness 40m and 30m respectively.<sup>3</sup>

At the Svedasen prospect the ground magnetic data indicates that the source of the magnetic anomaly is a flat lying intrusion folded about an east-west axis and varying in thickness from 18m to a maximum of 96m.<sup>3</sup>

<sup>3</sup> See Pursuit Minerals ASX Announcement 20 January 2020. The Company is not aware of any new information or data that materially affects the information included in the referenced ASX announcement.

Interpretation of the ground magnetic data achieved Pursuit's objective of mapping the distribution of magnetite within the mafic intrusions which host vanadium mineralisation and determining the orientation and thickness of the mafic intrusions.

To further develop the vanadium projects in a cost-effective manner and to assist in securing a partner, Pursuit is considering undertaking the following:

- Additional metallurgical test work on vanadium magnetite concentrates from the Airijoki Project with the objective of further increasing the mass recovery of vanadium into the magnetite concentrate.
- Discussions with its local Swedish consultants to determine the next steps for advancing testing of the Simesvallen East, Spannarslatten and Svedasen prospects on the Simesvallen vanadium project
- Detailed planning for an initial drill program on the Koitelainen Project subject to the granting of an Exploration Licence within the current Koitelainen Mineral Reservation. On 1<sup>st</sup> April 2019, Pursuit submitted a Natura2000 impact assessment document to the Finnish government. The outcome of this assessment will determine the terms and conditions attached to the granting of any Exploration Licence with the Koitelainen Mineral Reservation. Granting of an Exploration Licence is required before a first round of drilling can be undertaken, as on the current Koitelainen Mineral Reservation, only non-ground disturbing activities can be undertaken.

Pursuit considers that the above work programs will most cost effectively advance the vanadium project portfolio and enhance the probability of attracting a partner with the capabilities to assist with the development of the overall vanadium portfolio and achieving Pursuit's initial Phase One strategic goal.

## **Queensland Zinc Exploration Projects**

### **Paperbark Project**

The Paperbark Project is located approximately 215km north-northwest of Mount Isa and 25km south-east of the Century Mine in north-west Queensland. It occurs within the Lawn Hill Platform of the Western Succession of the Mt Isa Province.

No work was conducted on the Paperbark Project during the period.

### **Bluebush Project**

The Bluebush Project is located approximately 280km north-northwest of Mount Isa and 72km northeast of the Century Mine in northwest Queensland and occurs within the Lawn Hill Platform of the Western Succession of the Mt. Isa Province.

The project consists of two exploration permits (EPM's 8454 and 8937) covering an area of approximately 214km<sup>2</sup>. Previous drilling has intersected zinc mineralisation over an area of 120km<sup>2</sup> making Bluebush one of the largest areas of zinc mineralisation in Australia.



**Corporate**

During the period the Company implemented a management restructure and cost reduction program pending the return of more favourable market conditions for the financing of the Scandinavian vanadium projects.

Pursuit completed a \$1.43 million capital raising consisting of a \$0.69 million placement across two tranches and a non-renounceable \$0.74 million rights issue, via the following stages:

- Tranche 1 – 44,500,000 shares were issued on 10 July 2019 at a price of A\$0.01 per share to raise \$445,000 before costs
- Tranche 2 – 24,850,000 shares were issued on 15 October 2019 at a price of A\$0.01 per share to raise \$248,500 before costs.
- Entitlement Offer – 5,689,518 shares were issued on 8 July 2019 at a price of A\$0.01 per share to raise \$56,895 before costs
- Shortfall Offer – 68,652,927 shares were issued on 18 September 2019 at a price of A\$0.01 per share to raise \$686,529 before costs

In addition to the placement, 8,000,000 Class A Performance Rights were exercised and converted to ordinary shares on 6 August 2019. A further 8,000,000 Class B Performance Rights lapsed during the period due to the conditional milestone not being met.

As at December 2019, Pursuit had cash reserves of \$0.953 million.

**REVIEW OF RESULTS**

The loss after tax for the half-year ended 31 December 2019 was \$601,932 (2018: \$639,391 loss).

The significant items affecting the loss after tax were:

- a) Administrative and operating expenses totalling \$509,974 representing an 11% decrease on the prior half-year as a consequence of cost reduction programs implemented by management in July 2019;
- b) Exploration expenditure incurred on the Australian projects of \$105,212 that no longer qualifies for capitalisation following impairment of the tenements at the financial year-ended 30 June 2019. The majority of this expenditure relates to rehabilitation costs as the Company prepares to return the licences.

**SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

During the period the following changes in the state of affairs of the Company occurred:

- a) Mr Ian Wallace resigned as an Executive Director of the Company on 3 July 2019;
- b) On 23 August 2019 the Company announced that it had entered in an agreement with Mr Jeremy Read to provide consultancy services to the Company following the expiry of Mr Read's appointment as the Company's Managing Director. In addition to providing consultancy services, Mr Read has continued to serve on the Company's Board of Directors as an Executive Director.
- c) The Company implemented a management restructure and cost reduction program pending the return of more favourable market conditions for the financing of the Scandinavian vanadium projects.

## DIVIDENDS

No dividends were paid during the half-year and no recommendation is made as to payment of dividends.

## EVENTS SUBSEQUENT TO REPORTING DATE

Except for the matters noted below, there are no 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.

- a) On 17 February 2020, Pursuit has entered into a 12-month Option Agreement, with the ability to subsequently purchase a 100% interest, in a package of three highly prospective, advanced nickel sulphide projects in Norway, which are geologically analogous to the giant Voisey's Bay nickel deposit in Canada.

The package of advanced nickel sulphide projects comprises the Espedalen, Sigdal and Hosanger projects in southern and west-central Norway.

Pursuit is required to pay US\$25,000 cash, issue 20 million shares and incur exploration expenditure of US\$250,000 in 12 months to become entitled to exercise the option to acquire 100% of the projects.

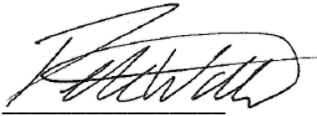
## SCHEDULE OF TENEMENTS

Project	Tenement	Location	Area (km <sup>2</sup> )	Expiry Date
Paperbark	EPM 14309	Queensland	75	12/9/22
Bluebush	EPM 8937	Queensland	144	6/9/19
Bluebush	EPM 8454	Queensland	70	11/11/19
Karhujupukka	Karhujupukka - Reservation	Finland	399	29/3/20
Karhujupukka	Karhujupukka North – Exploration Licence ML2018:0068	Finland	1	10/7/22
Karhujupukka	Karhujupukka South – Exploration Licence ML2018:0069	Finland	5.5	10/7/22
Koitelainen	Koitelainen A	Finland	44	29/3/20
Koitelainen	Koitelainen B	Finland	86	29/3/20
Ala Postojoki	Ala Postojoki - Reservation	Finland	50	7/8/2020
Simesvallen	Simesvallen nr 100	Sweden	63	20/6/21
Kullberget	Kullberget nr 100	Sweden	81	20/6/21
Kramsta	Kramsta nr 100	Sweden	16	20/6/21
Sumåsjön	Sumåsjön nr 1	Sweden	37	21/6/21
Airijoki	Airijoki nr 100	Sweden	9.6	27/6/21
Airijoki	Airijoki nr 101	Sweden	4.8	25/11/21
Airijoki	Airijoki nr 102	Sweden	13.5	25/11/21
Airijoki	Airijoki nr 103	Sweden	4.1	26/11/21

**AUDITOR'S DECLARATION OF INDEPENDENCE**

The auditor's independence declaration for the half-year ended 31 December 2019 has been received and is included within the financial statements.

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read 'Peter Wall', written over a horizontal line.

Peter Wall  
Chairman

12 March 2020

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To The Board of Directors

### **Auditor's Independence Declaration under Section 307C of the Corporations Act 2001**

As lead audit partner for the review of the financial statements of Pursuit Minerals Limited for the half year ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully



**BENTLEYS**  
**Chartered Accountants**



**DOUG BELL CA**  
**Partner**

Dated at Perth this 12<sup>th</sup> day of March 2020

## Independent Auditor's Review Report

### To the Members of Pursuit Minerals Limited

We have reviewed the accompanying half-year financial report of Pursuit Minerals Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled during the half-year.

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### 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 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

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 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 2019 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 the Consolidated Entity, 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.



# Independent Auditor's Review Report

To the Members of Pursuit Minerals Limited (Continued)



## Independence

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

## 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 Pursuit Minerals Limited and Controlled Entities 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 2019 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.

## Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Consolidated Entity incurred a net loss of \$601,932 during the half year ended 31 December 2019. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

**BENTLEYS**  
Chartered Accountants

**DOUG BELL CA**  
Partner

Dated at Perth this 12<sup>th</sup> day of March 2020

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND

OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019



	Note	Half-year ended 31 December 2019 \$	Half-year ended 31 December 2018 \$
Interest income	2	585	436
Rental income	2	1,818	13,855
<b>Revenue</b>		<b>2,403</b>	<b>14,291</b>
Administrative and other expenses	3	(509,974)	(569,895)
Exploration and evaluation costs		(105,212)	(1,651)
Impairment of exploration and evaluation expenditure	7	-	(1,514)
Share based payments	11	-	(76,793)
Gain on disposal of fixed assets		13,145	-
Finance costs		(2,294)	(3,829)
<b>Loss before tax</b>		<b>(601,932)</b>	<b>(639,391)</b>
Income tax benefit/(expense)	4	-	-
<b>Net loss for the half-year from operations</b>		<b>(601,932)</b>	<b>(639,391)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		(24,241)	(97,195)
<b>Total comprehensive loss for the half-year</b>		<b>(626,173)</b>	<b>(736,586)</b>
Loss attributable to:			
Owners of the parent		(626,173)	(639,391)
		(626,173)	(639,391)
Total comprehensive loss attributable to:			
Owners of the parent		(626,173)	(736,586)
		(626,173)	(736,586)
Basic and diluted loss per share (cents)	5	(0.21)	(0.66)

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 December 2019**



	<b>Note</b>	<b>Consolidated 31 December 2019 \$</b>	<b>Consolidated 30 June 2019 \$</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		953,055	530,674
Trade and other receivables	6	47,398	113,473
Prepayments		51,047	48,034
<b>Total Current Assets</b>		<b>1,051,500</b>	<b>692,181</b>
<b>Non-Current Assets</b>			
Exploration and evaluation assets	7	3,197,188	3,087,240
Plant and equipment	8	26,269	35,431
<b>Total Non-Current Assets</b>		<b>3,223,457</b>	<b>3,122,671</b>
<b>Total Assets</b>		<b>4,274,957</b>	<b>3,814,852</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	9	136,096	368,585
<b>Total Current Liabilities</b>		<b>136,096</b>	<b>368,585</b>
<b>Total Liabilities</b>		<b>136,096</b>	<b>368,585</b>
<b>Net (Deficiency)/Assets</b>		<b>4,138,861</b>	<b>3,446,267</b>
<b>EQUITY</b>			
Contributed equity	10	62,780,708	59,861,941
Share based payments reserve	11	5,716,474	7,316,474
Foreign currency translation reserve		(184,437)	(160,196)
Accumulated losses	12	(64,173,884)	(63,571,952)
<b>Total Equity</b>		<b>4,138,861</b>	<b>3,446,267</b>

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**



<b>Consolidated Entity</b>	<b>Contributed Equity \$</b>	<b>Share Based Payment Reserve \$</b>	<b>Foreign currency translation reserve \$</b>	<b>Accumulated Losses \$</b>	<b>Total \$</b>
<b>Balance at 1 July 2019</b>	<b>59,861,941</b>	<b>7,316,474</b>	<b>(160,196)</b>	<b>(63,571,952)</b>	<b>3,446,267</b>
Shares issued during the half-year	1,436,924	-	-	-	1,436,924
Conversion of performance rights	1,600,000	(1,600,000)	-	-	-
Share issue expenses	(118,157)	-	-	-	(118,157)
(Loss) for the half-year	-	-	-	(601,932)	(601,932)
Other comprehensive income	-	-	(24,241)	-	(24,241)
Total comprehensive loss for the half-year	-	-	(24,241)	(601,932)	(626,173)
<b>Balance at 31 December 2019</b>	<b>62,780,708</b>	<b>5,716,474</b>	<b>(184,437)</b>	<b>(64,173,884)</b>	<b>4,138,861</b>
<b>Balance at 1 July 2018</b>	<b>56,470,686</b>	<b>7,357,674</b>	<b>(2,748)</b>	<b>(56,227,955)</b>	<b>7,597,657</b>
Shares issued during the half-year	2,270,000	-	-	-	2,270,000
Share issue expenses	(377,458)	-	-	-	(377,458)
Options and performance rights issued	-	329,045	-	-	329,045
(Loss) for the half-year	-	-	-	(639,391)	(639,391)
Other comprehensive income	-	-	(97,195)	-	(97,195)
Total comprehensive loss for the half-year	-	-	(97,195)	(639,391)	(736,586)
<b>Balance at 31 December 2018</b>	<b>58,363,228</b>	<b>7,686,719</b>	<b>(99,943)</b>	<b>(56,867,346)</b>	<b>9,082,658</b>

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**



	<b>31 December 2019 \$ Inflows/ (Outflows)</b>	<b>31 December 2018 \$ Inflows/ (Outflows)</b>
<b>Cash flows from operating activities</b>		
Rental income received	1,818	13,855
Payments to suppliers and employees	(624,640)	(576,509)
Interest paid	(2,294)	(3,829)
Interest received	585	436
Net cash (used in) operating activities	(624,531)	(566,047)
<b>Cash flows from investing activities</b>		
Proceeds from sale of plant and equipment	17,105	-
Payments for plant and equipment	-	(29,524)
Payment for exploration and evaluation assets	(288,960)	(2,551,826)
Net cash (used in) investing activities	(271,855)	(2,581,350)
<b>Cash flows from financing activities</b>		
Proceeds from share issues	1,436,924	2,270,000
Costs of issuing equity	(118,157)	(125,206)
Net cash provided from financing activities	1,318,767	2,144,794
Net increase/(decrease) in cash held	422,381	(1,002,603)
Cash and cash equivalents at beginning of the period	530,674	2,624,043
Cash and cash equivalents at end of the period	953,055	1,621,440

The accompanying notes form part of these financial statements.



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

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2019 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This condensed consolidated interim 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 2019 and any public announcements made by Pursuit Minerals Limited ("the Company") during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting half-year except for the adoption of new and amended standards as set out below.

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.

**Going Concern**

As at 31 December 2019 the Consolidated Entity had cash reserves of \$953,055, net working capital of \$915,404 and net assets of \$4,138,861. The Company incurred a loss for the half year ended 31 December 2019 of \$601,932 (2018 loss: \$(639,391)) and net cash outflows from operating activities of \$624,531 (2018: \$566,047 outflows).

The ability of the Consolidated Entity to continue as a going concern is principally dependent upon the following:

- the ability of the Company to raise additional funding in the future; and
- the successful exploration and subsequent exploitation of the Consolidated Entity's tenements.

These conditions give rise to material uncertainty which may cast significant doubt over the Consolidated Entity's ability to continue as a going concern.

Based on the success of previous capital raisings combined with the potential to attract farm-in partners for projects and the potential sale of the current portfolio of exploration assets held, the Directors have prepared the financial statements on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

The Directors are confident of securing funds as and when necessary to meet the Consolidated Entity's obligations as and when they fall due.

Should the Consolidated Entity be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Consolidated Entity be unable to continue as a going concern.

	31 December 2019 \$	31 December 2018 \$
<b>2. Revenue</b>		
Interest income	585	436
Rental income	1,818	13,855
	<b>2,403</b>	<b>14,291</b>

Until September 2019 office space was rented out to two companies who paid monthly fees at market rates.

**3. Administrative and other expenses**

Accounting fees	64,154	52,080
Auditors' remuneration	14,489	15,685
Consulting fees	99,313	129,568
Depreciation	5,201	2,960
Directors and Key Management Personnel remuneration	144,434	225,753
Rent	13,475	31,212
Legal fees	76,931	127,106
Travel and accommodation	26,015	22,640
Foreign exchange gain/(loss)	6,330	(127,848)
Other administrative expenses	59,632	90,739
	<b>509,974</b>	<b>569,895</b>

**4. Income tax benefit/(expense)**

A reconciliation between the income tax expense and the product of accounting profit before income tax multiplied by the Consolidated Entity's applicable income tax rate is as follows:

Loss before tax	(601,932)	(639,391)
Statutory income tax rate for the Consolidated Entity	27.5%	27.5%
	<b>(165,531)</b>	<b>(175,833)</b>
Increase in income tax due to tax effect of:		
Different tax rates in other jurisdictions	4,907	-
Deductible capital raising costs	(81,182)	(34,432)
Non-deductible share-based payments expense	-	21,118
Non-deductible exploration expenditure	26,849	-
Movement in temporary differences	(19,536)	-
Capitalised exploration and evaluation expenditure	-	(2,264,774)
Current year tax losses not recognised	234,493	2,453,921
	<b>-</b>	<b>-</b>

	31 December 2019 \$	31 December 2018 \$
<b>5. Earnings/(loss) per share</b>		

The following reflects the loss and number of shares used in the calculation of the basic and diluted loss per share.

Basic and diluted loss per share (cents per share)	(0.21)	(0.66)
Net loss attributable to ordinary shareholders (\$)	(601,932)	(639,391)
	<b>Shares</b>	<b>Shares</b>
Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share	<b>281,645,315</b>	<b>96,746,659</b>

Options on issue at the end of the period have not been included in the determination of diluted earnings per share as they are not 'in the money' at reporting date and therefore are not considered to be potential ordinary shares.

**6. Trade and other receivables**

Goods and services tax receivable	<b>20,435</b>	48,396
Other receivables	<b>26,963</b>	65,077
	<b>47,398</b>	<b>113,473</b>

**7. Exploration and evaluation assets**

Balance at beginning of period	<b>3,087,240</b>	5,747,334
Exploration expenditure during the period	<b>133,357</b>	3,405,455
Impact of foreign exchange rates	<b>(23,409)</b>	124,638
Impairment	-	(6,190,187)
Balance at end of period	<b>3,197,188</b>	<b>3,087,240</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.

**8. Plant and equipment**

	Office Equipment \$	Software \$	Plant and Equipment \$	Total \$
Carrying value at 30 June 2018	10,700	-	5,036	15,736
Additions	-	29,524	-	29,524
Depreciation	(2,128)	(6,694)	(1,007)	(9,829)
Carrying value at 30 June 2019	<b>8,572</b>	<b>22,830</b>	<b>4,029</b>	<b>35,431</b>
Assets disposed	-	-	(3,961)	(3,961)
Depreciation	(856)	(4,277)	(68)	(5,201)
Carrying value at 31 December 2019	<b>7,716</b>	<b>18,553</b>	<b>-</b>	<b>26,269</b>

	31 December 2019 \$	30 June 2019 \$
Trade creditors	<b>27,235</b>	282,286
Sundry creditors and accruals	<b>108,861</b>	86,299
	<b>136,096</b>	368,585

	No.	31 December 2019 \$	No.	30 June 2019 \$
<b>10. Contributed equity</b>				
Balance at beginning of period	<b>178,527,328</b>	<b>59,861,941</b>	81,470,513	56,470,686
Share issue pursuant to Private Placement (i)	<b>69,350,000</b>	<b>693,500</b>	97,056,815	3,948,157
Share issue pursuant to non-renounceable rights issue (ii)	<b>74,342,445</b>	<b>743,424</b>	-	-
Performance rights exercised (iii)	<b>8,000,000</b>	<b>1,600,000</b>	-	-
Share issue costs		<b>(118,157)</b>	-	(556,902)
Balance at end of period	<b>330,219,773</b>	<b>62,780,708</b>	178,527,328	59,861,941

**10. Contributed equity (continued)**

- (i) The Company completed a private placement during the period, issued through two tranches as follows:
- Tranche 1 – 44,500,000 shares were issued on 10 July 2019 at a price of A\$0.01 per share to raise \$445,000 before costs
  - Tranche 2 – 24,850,000 shares were issued on 15 October 2019 at a price of A\$0.01 per share to raise \$248,500 before costs.
- (ii) Non-renounceable rights issue as follows:
- Entitlement Offer – 5,689,518 shares were issued on 8 July 2019 at a price of A\$0.01 per share to raise \$56,895 before costs
  - Shortfall Offer – 68,652,927 shares were issued on 18 September 2019 at a price of A\$0.01 per share to raise \$686,529 before costs
- (iii) On 5 August 2019, the Company issued 8,000,000 fully paid ordinary shares pursuant to the exercise of 8,000,000 Class A Performance Shares which had vested during the year ended 30 June 2019. The Performance Shares had been recognised on 14 August 2017 at a fair value of \$1,600,000.

	<b>31 December 2019 No.</b>	30 June 2019 No.
<u>Options on issue</u>		
Balance at beginning of period	<b>77,608,073</b>	16,530,670
Options issued	-	61,108,073
Options expired	-	(30,670)
Balance at end of period	<b>77,608,073</b>	<b>77,608,073</b>

	<b>31 December 2019 \$</b>	30 June 2019 \$
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**11. Share based payment reserve**

Share based payment reserve	<b>5,716,474</b>	7,316,474
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The Share based payment reserve is used to record the fair value of share-based payments made by the Company.

The following share-based payment transactions occurred during the period:

Options issued to Directors and Management Consultants	-	47,762
Options issued to Brokers to equity issue	-	311,038
Performance rights issued to Directors and Management Consultants in prior financial year	-	(400,000)
Conversion of performance rights	<b>(1,600,000)</b>	-
Total share-based payments for the year	<b>(1,600,000)</b>	(41,200)
Performance rights converted to issued capital	<b>1,600,000</b>	-
Share based payments recognised as capital raising costs	-	(281,827)
Share-based payments expense	-	(323,027)

Class A Performance Shares, which vested during the year ended 30 June 2019, were converted to ordinary shares on 5 August 2019. Refer note 10(iii) for further details.



## 12. Operating segments

Operating segments are identified based on the internal reports that are regularly reviewed by the Board of Director's, the entities' Chief Operation Decision Maker, for the purpose of allocating resources and assessing performance. The adoption of this "management approach" has resulted in the identification of reportable segments.

The Group reports financial information by projects grouped into Geographical location i.e. Australian projects, Swedish projects, and Finnish projects. Items of income and expenditure and assets and liabilities that are not allocated to the exploration projects are allocated to the Corporate segment.

The following tables present revenue and profit information for the Group's operating segments for the six months ended 31 December 2019 and 2018, respectively.

### (i) Segment performance

Half-Year 31 December 2019	Australian projects \$	Swedish Projects \$	Finnish Projects \$	Corporate \$	Total \$
Total segment revenue	-	-	-	2,403	2,403
Segment expenditure	-	(91,919)	(18,029)	(604,335)	(714,283)
Segment result	-	(91,919)	(18,029)	(601,932)	(711,880)

Reconciliation of segment result to Group loss before tax:

- Capitalised expenditure	109,948
- Impairment of exploration and evaluation expenditure	-

Net loss before tax **(601,932)**

Half-Year 31 December 2018	Australian projects \$	Swedish Projects \$	Finnish Projects \$	Corporate \$	Total \$
Total segment revenue	-	-	-	14,291	14,291
Segment expenditure	(627,544)	(1,497,834)	(364,345)	(652,168)	(3,141,891)
Segment result	(627,544)	(1,497,834)	(364,345)	(637,877)	(3,127,600)

Reconciliation of segment result to Group loss before tax:

- Capitalised expenditure	2,489,723
- Impairment of exploration and evaluation expenditure	(1,514)

Net loss before tax **(639,391)**

**12. Operating segments (continued)**

**(ii) Segment assets**

Half-Year 31 December 2019	Australia	Sweden	Finland	Total
	\$	\$	\$	\$
Segment assets	1,077,769	2,123,286	1,042,734	4,243,789

30 June 2019	Australia	Sweden	Finland	Total
	\$	\$	\$	\$
Segment assets	727,612	2,062,535	1,024,705	3,814,852

**13. Commitments and contingencies**

There have been no significant changes in contingent liabilities during the period.

**14. 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	\$18,000 for services provided in the half-year ended 31 December 2019.
Other	Steinepreis Paganin was paid or due to be paid an aggregate amount of \$78,276 for legal services rendered during the period.

**(b) Mr Matthew O’Kane**

Matthew O’Kane is a Non-Executive Director of the Company. The following payments/transactions occurred during the half-year:

Director fees	\$18,000 for services provided in the half-year ended 31 December 2019.
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**(c) Mr Jeremy Read**

Mr Read is a Non-Executive Director of the Company. The following payments/transactions occurred during the half-year:

Consultancy fees	\$41,800 for services provided in the half-year ended 31 December 2019.
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**16. Events after the end of the reporting period**

Except for the matters noted below, there are no 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.

- a) On 17 February 2020, Pursuit has entered into a 12-month Option Agreement, with the ability to subsequently purchase a 100% interest, in a package of three highly prospective, advanced nickel sulphide projects in Norway, which are geologically analogous to the giant Voisey's Bay nickel deposit in Canada.

The package of advanced nickel sulphide projects comprises the Espedalen, Sigdal and Hosanger projects in southern and west-central Norway.

Pursuit is required to pay US\$25,000 cash, issue 20 million shares and incur exploration expenditure of US\$250,000 in 12 months to become entitled to exercise the option to acquire 100% of the projects.

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 11 to 22, are in accordance with the Corporations Act 2001 and:
  - a. Comply with Accounting Standards AASB 134: Interim Financial Reporting; and
  - b. Give a true and fair view of the financial position as at 31 December 2019 and of the performance for the half year ended on that date of the Company and consolidated 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.



Peter Wall  
Chairman

12 March 2020