



Pure Minerals Limited

ABN 61 125 368 658

**FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2019**

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DIRECTORS' REPORT

The Directors of Pure Minerals Limited ("PM1" or "the Company") present their report, together with the financial statements on the consolidated entity consisting of Pure Minerals Limited and its controlled entities for the half-year ended 31 December 2019 ("the Period").

It is recommended that the Directors' Report be read in conjunction with the annual financial statements for the year ended 30 June 2019 and considered together with any public announcement made by the Company during the Period and up to the date of this report.

1. DIRECTORS

The names of the Company's Directors who held office during the Period and until the date of this report are set out below. The Directors were in office for this entire Period unless otherwise stated.

Director	Position	Duration of Appointment
John Downie	Managing Director	17 May 2019 (current)
Eddie King	Non- Executive Director	26 March 2018 (current)
Cameron Mclean	Non- Executive Director	30 November 2018 (current)

REVIEW OF OPERATIONS AND ACTIVITIES

Queensland Pacific Metals Pty Ltd

The Company's wholly owned subsidiary, Queensland Pacific Metals Pty Ltd ("QPM") continued to advance the development of the Townsville Energy Chemicals Hub ("TECH Project"), achieving a number of key milestones.

Land

QPM secured a conditional commitment from the Townsville City Council ("TCC") for a block of land to build the TECH Project on. The land is located in the Lansdown Industrial Precinct at Woodstock, 40km south of Townsville. TCC is currently in the process of rezoning Lansdown to a strategic high-impact industrial zone. The block of land is strategically located and is supported by key infrastructure including road, water and power.

Ore Supply

During the period, QPM also secured an extension to its ore supply agreement with its New Caledonian partners Societe des Mines de la Tontouta ("SMT") and Societe Miniere Georges Montagnat S.A.R.L ("SMGM"). The term of the agreement is now 10 years (previously 5 years) with a 5 year option on mutual agreement.

High Purity Alumina

QPM engaged the Stimulus Group ("Stimulus") to undertake laboratory scale testwork to investigate the potential of producing high purity alumina ("HPA") as a co-product at the TECH Project. This involved upgrading one of the existing co-products, aluminium hydroxide, into HPA. Stimulus successfully tested a flowsheet which produced 99.99% purity HPA. QPM subsequently commissioned feasibility studies to assess the commercial viability of producing HPA.

Power

QPM entered into a non-binding Memorandum of Understanding with Blue Energy Limited (ASX:BLU) regarding the supply of gas for the TECH Project. Blue Energy has significant gas reserves in its ATP 814P Sapphire Block. Blue Energy also has a non-binding MOU with North Queensland Gas Pipelines Pty Ltd

DIRCTORS' REPORT (CONTINUED)

("NQGP") regarding the potential use of the 391km onshore natural gas pipeline system, which transports gas from the Bowen Basin to Townsville. This pipeline runs alongside the Lansdown Industrial Park, the proposed site for the TECH Project.

Pre-Feasibility Study

QPM completed a positive Pre-Feasibility Study ("PFS") on the TECH Project confirming its economic potential. The PFS was completed by lead engineering company Lycopodium, supported by Boyd Willis Hydromet Consulting, Saunders Havill Group and Xenith.

Key outcomes of the PFS are detailed below:

Key Physical Outputs

Area	Output
Plant design life	30 years
Ore processed	565,714 (wet) tpa
Assumed ore grade	1.60% Nickel and 0.18% Cobalt
Nickel Sulphate production	26,398 tpa
Cobalt Sulphate production	3,097 tpa
Hematite	327,665 wmtpa
Magnesia	20,079 tpa
Aluminium Hydroxide	9,920 tpa

Key Financial Assumptions and Outputs

Area	Input/Output
Nickel price	USD 7.00/lb + USD 2.00 sulphate premium
Cobalt price	USD 25.00/lb
Exchange rate	0.68
Capex	USD 300m (AUD 441m)
Capex contingency	USD 49m (AUD 72m)
Revenue	AUD 279m
Operating Expenditure	AUD 155m
EBITDA	AUD 124m
Unit costs, net of co-products and sulphate premium (per lb nickel)	USD 0.56 (AUD 0.83)
Pre-Tax NPV (8% discount rate)	AUD 880m
Pre-Tax IRR	25.7%
Post-Tax NPV (8% discount rate)	AUD 568m
Post-Tax IRR	20.1%

DIRCTORS' REPORT (CONTINUED)

2. FINANCIAL RESULTS

The financial results of the Company for the half year ended 31 December 2019 are:

	31-Dec-19	30-Jun-19
Cash and cash equivalents (\$)	1,120,488	2,690,342
Net assets (\$)	2,143,678	3,419,919
	31-Dec-19	31-Dec-18
Net loss after tax (\$)	(3,454,584)	(584,130)
Loss per share (cents)	(0.75)	(0.19)

3. EVENTS OCCURRING AFTER REPORTING DATE

On 31 January 2020, the Company received an offer of a \$2.55m federal grant received under the CRC-P Program. The grant will be put towards ongoing feasibility work for the TECH Project.

On 5 February 2020, the Company issued 116,630,000 deferred consideration shares for Milestone A, upon the successful completion of a positive pre-feasibility study that demonstrated an IRR >20% and EBITDA of no less than A\$50M per annum.

On 11 February 2020, the Company acquired Sewa Bay Nickel Project which holds the tenement license EL 1761 located on Normanby Island. The acquisition consideration is based on contingent events, as described in the ASX announcement 11 February 2020.

There has not been any other matter, or circumstance, that has arisen since the half-year ended 31 December 2019, that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity.

4. AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under s 307C of the Corporations Act 2001 is set out on page 6 for the half-year ended 31 December 2019.

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



John Downie
Managing Director
13 March 2020

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF PURE MINERALS LIMITED

As lead auditor for the review of Pure Minerals Limited for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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



Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 13 March 2020

PURE MINERALS LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Note	31-Dec-19 \$	31-Dec-18 \$
Other Income	2	53,639	18,777
TECH Project expenses		(951,684)	-
Consulting and legal fees		(77,685)	(227,697)
Compliance and regulatory expenses		(57,011)	(52,297)
Director fees		(121,546)	(140,537)
Professional fees		(249,627)	(119,456)
Insurance		(11,675)	(6,433)
Rent and office expenses		(25,659)	(22,500)
Other expenses		(7,058)	(33,987)
Share based payment expenses	6	(1,516,190)	-
Impairment of assets	5	(471,888)	-
Depreciation	12	(18,200)	-
Loss before income tax for the half-year		(3,454,584)	(584,130)
Income tax expense		-	-
Loss after income tax for the half-year		(3,454,584)	(584,130)
Total comprehensive loss for the half-year attributable to members of Pure Minerals Limited		(3,454,584)	(584,130)
Members of the parent entity		(3,454,584)	(584,130)
Loss per share for the half-year attributable to the members of Pure Minerals Limited:			
Basic and diluted loss per share	11	(0.75)	(0.19)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the financial statements.

PURE MINERALS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Note	31-Dec-19 \$	30-Jun-19 \$
ASSETS			
Current Assets			
Cash and cash equivalents	3	1,120,488	2,690,342
Other receivables		155,483	66,612
Total Current Assets		1,275,971	2,756,954
Non-Current Assets			
Exploration and evaluation expenditure	5	1,033,020	1,428,198
Right of use asset	12	69,702	-
Total Non-Current Assets		1,102,722	1,428,198
TOTAL ASSETS		2,378,693	4,185,152
LIABILITIES			
Current Liabilities			
Trade and other payables	4	165,313	393,568
Deferred consideration		-	371,665
Lease liability	12	44,022	-
Total Current Liabilities		209,335	765,233
Non-Current Liabilities			
Lease liability	12	25,680	-
Total Non-Current Liabilities		25,680	-
TOTAL LIABILITIES		235,015	765,233
NET ASSETS		2,143,678	3,419,919
EQUITY			
Issued capital	7	12,820,663	12,158,510
Reserves		5,511,237	3,995,047
Accumulated losses		(16,188,222)	(12,733,638)
TOTAL EQUITY		2,143,678	3,419,919

The Consolidated Statement of Financial Position should be read in conjunction with the notes to the financial statements.

PURE MINERALS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Issued Capital \$	Share-base payment Reserve \$	Asset revaluation reserve \$	Non- Controlling Interest \$	Accumulated Losses \$	Total Equity \$
At 1 July 2019	12,158,510	3,995,047	-	-	(12,733,638)	3,419,919
Loss for the period	-	-	-	-	(3,454,584)	(3,454,584)
Total comprehensive loss for the half-year after tax	-	-	-	-	(3,454,584)	(3,454,584)
Transactions with owners in their capacity as owners						
Milestone A shares	-	1,516,190	-	-	-	1,516,190
Tranche 2 (Net share issue costs)	586,809	-	-	-	-	586,809
Shares issued for services performed	75,344	-	-	-	-	75,344
Balance at 31 December 2019	12,820,663	5,511,237	-	-	(16,188,222)	2,143,678
At 1 July 2018	10,383,419	4,456,583	(10,555)	40,000	(10,467,761)	4,401,686
Loss for the period	-	-	-	-	(584,130)	(584,130)
Total comprehensive loss for the half-year after tax	-	-	-	-	(584,130)	(584,130)
Transactions with owners in their capacity as owners						
Deferred consideration adjustment	-	(700,000)	-	-	-	(700,000)
Balance at 31 December 2018	10,383,419	3,756,583	(10,555)	40,000	(11,051,891)	3,117,556

The Consolidated Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

PURE MINERALS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	31-Dec-19	31-Dec-18
	\$	\$
Cash flows used in operating activities		
Payment to suppliers and employees	(1,281,395)	(749,741)
Interest received	3,459	18,773
GST refund	93,343	28,488
Interest payable	(821)	-
Payment for costs relating to the TECH Project	(876,340)	-
Net cash outflows used in operating activities	(2,061,754)	(702,480)
Cash flows from investing activities		
Payment of exploration activities capitalised	(76,710)	(122,711)
Net cash outflows used in investing activities	(76,710)	(122,711)
Cash flows from financing activities		
Proceeds from the issue of shares	622,364	-
Share issue costs	(35,554)	-
Principal lease payments	(18,200)	-
Net cash inflows provided by financing activities	568,610	-
Net (decrease) in cash and cash equivalents	(1,569,854)	(825,190)
Cash and cash equivalents at the beginning of the half-year	2,690,342	2,822,683
Cash and cash equivalents at the end of the half-year	1,120,488	1,997,493

The Consolidated Statement of Cash Flows should be
read in conjunction with the notes to the financial statements.

PURE MINERALS LIMITED
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose interim financial statements for half-year reporting period ended 31 December 2019 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Pure Minerals Limited ("the Group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2019, together with any public announcements made during the following half-year.

Significant accounting judgments and key estimates

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

In preparing this half-year financial report, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2019 with the exception noted below;

AASB 16 Leases

AASB 16 *Leases* replaces the provisions of AASB 117 *Leases* that relates to the recognition, classification and measurement of leases.

The adoption of AASB 16 *Leases* from 1 July 2019 resulted in changes to the accounting policies and adjustments to the amounts recognised in the financials. The new accounting policies are set out below. Comparative figures have not been restated in accordance with transitional provisions.

On 1 August 2019, the Company held one lease, for the principal office based in Brisbane. The Company assessed which business model applied to the lease and classified its lease into the appropriate AASB 16 category.

Initial recognition

The Company adopted AASB 16 *Leases* from 1 July 2019 as the lease agreement was signed 1 August 2019. The liability was measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate of 4.05% as at 1 August 2019. The initial amount recognised for each asset and liability is the same and uses the current borrowing rate.

At 1 July 2019 there was no lease agreement in place until 1 August 2019. The option to extend the lease has not be incorporated into the initial recognition as there is no reasonable certainty that it will be extended.

Subsequent recognition

PM1 will recognise a lease liability based on the discounted payments under the lease. The lease liability is to be measured with reference to an estimate of the lease term. PM1 will use the cost model to recognise the ROU asset and amortise it over the remaining four years of its term.

PURE MINERALS LIMITED
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

Going Concern

For the period ended 31 December 2019 the entity recorded a loss of \$3,454,584 and had net cash outflows from operating activities of \$2,061,754.

The ability of the entity to continue as a going concern is dependent on securing additional funding through new or existing investors to fund its operational and marketing activities.

These conditions indicate a material uncertainty that may cast a significant doubt about the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Management believe there are sufficient funds to meet the entity's working capital requirements and as at the date of this report.

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The CRC grant awarded to the Company;
- The current cash of the entity relative to its fixed and discretionary commitments;
- The entity also has the ability to reduce its expenditure to conserve cash; and
- Ability of the company to raise additional capital.

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

New Accounting Standards

The consolidated entity has adopted all of the new or amended Accounting Standards and interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Details of the impact of *AASB 16 Leases and IFRIC Uncertainty over Income Tax Treatments* have had are detailed below. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the consolidated entity.

Grant Income

Government grants are recognised only when there is reasonable assurance that (a) the entity will comply with any conditions attached to the grant and (b) the grant will be received.

A grant receivable as compensation for costs already incurred or immediate financial support, with no future related costs, should be recognised as income in the period which it was receivable.

AASB 16 – Leases

The Consolidated entity has adopted AASB 16 from 1 July 2019, as there were no leases before 1 August 2019 no comparatives have not been restated. Refer to the significant accounting judgements and key estimates for the impact on the adoption of AASB 16 Leases.

IFRIC 23 Uncertainty over Income Tax Treatments

IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments.

The Consolidated entity has adopted IFRIC 23 from 1 July 2019. The impact of adoption is not material to the financial statements.

PURE MINERALS LIMITED

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

NOTE 2: OTHER INCOME

The following administration expense items are relevant in explaining the financial performance for the interim period:

	31-Dec-19 \$	31-Dec-18 \$
Interest income	3,639	18,773
Grant income	50,000	-
	53,639	18,773

NOTE 3: CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	31-Dec-19 \$	30 Jun-19 \$
Cash at Bank	617,129	2,189,619
Short term deposits	503,359	500,723
	1,120,488	2,690,342

NOTE 4: OTHER PAYABLES

	31-Dec-19 \$	30 Jun-19 \$
Trade payables	68,139	154,248
Accrued expenses	84,601	233,436
Provisions	12,573	5,884
	165,313	393,568

NOTE 5: EXPLORATION & EVALUATION EXPENDITURE

	31-Dec-19 \$	30 Jun-19 \$
Opening Balance	1,428,198	1,723,361
EE&E attributable to acquisitions	-	1,007,900
Expenditure capitalised during period	76,710	98,006
Impairment of capitalised expenditure	(471,888)	(701,069)
Deferred consideration adjustment	-	(700,000)
	1,033,020	1,428,198

PURE MINERALS LIMITED

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

NOTE 6: SHARE BASED PAYMENT EXPENSE

	31-Dec-19 \$	31-Dec-18 \$
Deferred consideration*	1,516,190	-
	1,516,190	-

*During the period the Company satisfied milestone 1 (116,630,000 Milestone shares to be issued at a price of \$0.013 per share) on the Completion of positive pre-feasibility study that demonstrates an IRR >20% and EBITDA of no less than A\$50M per annum which is verified in writing by PM1's independently engaged expert within 9 months from the date of settlement.

The shares were valued using the grant date (1 May 2019) share issue price (\$0.013), the total value of the shares issued was \$1,516,190. The shares were issued subsequent to 31 December 2019, as such are held in reserves at period end as the milestone is equity settled rather than cash settled and doesn't qualify as a liability. Please refer to note 8 and 16.

NOTE 7: ISSUED CAPITAL

	31-Dec-19 \$	30 Jun-19 \$
Issued and paid up Capital		
a) 479,541,793 Ordinary Shares Fully Paid (June 2019: 434,598,824)	12,820,663	12,158,510
(b) Movement reconciliation	Number	\$
At 30 June 2018	314,379,059	10,383,419
Consideration for the acquisition of QPM	33,300,000	432,900
Shares issued at \$0.017 per share (net of costs)	86,919,765	1,342,191
At 1 July 2019	434,598,824	12,158,510
Shares issued at \$0.017 (net of costs)	36,609,636	586,809
Shares issued in lieu of services provided*	8,333,333	75,344
At 31 December 2019	479,541,793	12,820,663

*Shares issued in lieu of services provided, were valued based on the invoice for the services provided to the Company during the period.

PURE MINERALS LIMITED

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

NOTE 8 RESERVES

	31-Dec-19 \$	30 Jun-19 \$
Asset revaluation reserve	-	-
Share-based payment reserve	5,511,237	3,995,047
	5,511,237	3,995,047
<u>Movement reconciliation</u>		
Asset revaluation reserve		
Balance at the beginning of the year	-	(10,555)
Transfer to accumulated loss	-	10,555
	-	-
Share-based payment reserve		
Balance at the beginning of the year	3,995,047	4,456,583
Milestone share reserve	-	(700,000)
Issue of non-listed options	-	238,464
Milestone A*	1,516,190	-
	5,511,237	3,995,047

*refer to note 6

NOTE 9: DIVIDENDS

There were no dividends paid, recommended or declared during the current or previous financial half year.

NOTE 10: CONTINGENCIES

There are no changes to contingent liabilities or contingent assets from 30 June 2019, other than Milestone A which was satisfied during the period, refer to note 6.

NOTE 11: EARNINGS PER SHARE

	31-Dec-19 \$	31-Dec-18 \$
Loss after income tax attributable to owners of Pure Minerals Limited	(3,454,584)	(584,130)
Weighted average number of ordinary shares used in calculated basic earnings per share	459,607,009	314,379,059
Basic earnings/(loss) per share	(0.75)	(0.19)

PURE MINERALS LIMITED

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

NOTE 12: RIGHT OF USE ASSET AND LEASE LIABILITY

Amount recognised in the consolidated statement of financial position

	31-Dec-19 \$	30 Jun-19 \$
Right of Use asset		
<i>Property – Brisbane lease</i>		
At August 1, 2019	87,902	-
Depreciation	(18,200)	-
At 31 December 2019	69,702	-
Lease Liability		
At August 1, 2019	87,902	-
Lease payments	(19,021)	-
add interest	821	-
At 31 December 2019	69,702	-
Lease Liability		
Current	44,022	-
Non-current	25,680	-
At 31 December 2019	69,702	-

Amount recognised in the consolidated statement of profit or loss

	31-Dec-19 \$	31-Dec-18 \$
Depreciation of right of use asset	18,200	-
At 31 December 2019	18,200	-

The total cash outflow for the lease in the six months ended 31 December 2019 was \$19,021.

PURE MINERALS LIMITED

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

Note 13: SEGMENT INFORMATION

The Group operates two reportable segments being predominately in the area of mineral exploration in Western Australia and the TECH project in Queensland. Results of the two segments are analysed by the chief operating decision maker, this being the Board of Directors. Consequently, revenue, profit, net assets and total assets for the operating segments are reflected in this financial report.

	Corporate	Exploration	TECH Project	Total
31 December 2019				
Revenue	3,639	-	50,000	53,639
Result (loss)	(514,822)	(471,888)	(2,467,874)	(3,454,584)
31 December 2018				
Revenue	18,777	-	-	18,777
Result (loss)	(584,130)	-	-	(584,130)
31 December 2019				
Total assets	1,175,908	1,033,020	169,766	2,378,694
Total liabilities	89,521	-	145,494	235,015
30 June 2019				
Total assets	2,756,955	1,428,198	-	4,185,153
Total liabilities	258,612	372,325	134,296	765,233

NOTE 14: COMMITMENTS

There are no changes to commitments from 30 June 2019.

NOTE 15: RELATED PARTIES

There are no changes to related parties from 30 June 2019.

NOTE 16: SUBSEQUENT EVENTS

On 31 January 2020, the Company received an offer of a \$2.55m federal grant received under the CRC-P Program. The grant will be put towards ongoing feasibility work for the TECH Project.

On 5 February 2020, the Company issued 116,630,000 deferred consideration shares for Milestone A, upon the successful completion of a positive pre-feasibility study that demonstrated an IRR >20% and EBITDA of no less than A\$50M per annum.

On 11 February 2020, the Company acquired Sewa Bay Nickel Project which holds the tenement license EL 1761 located on Normanby Island. The acquisition consideration is based on contingent events, as described in the ASX announcement 11 February 2020.

There has not been any other matter, or circumstance, that has arisen since the half-year ended 31 December 2019, that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity.

PURE MINERALS LIMITED
DIRECTORS DECLARATION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

In accordance with a resolution of the directors of Pure Minerals Limited, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 7 to 17 are in accordance with the *Corporations Act 2001*, including:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - b. giving a true and fair view of the Company's financial position as at 31 December 2019 and of its performance for the half-year ended on that date.
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.



John Downie
Managing Director
13 March 2019

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Pure Minerals Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Pure Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, and notes comprising a statement of 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 half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2019 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the Half-Year Financial Report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2019 and its financial 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 Group, 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.

Independence

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

BDO Audit (WA) Pty Ltd

The image shows a handwritten signature in dark ink. The signature appears to be 'J Prue' written in a cursive, flowing style. Above the signature, the letters 'BDO' are handwritten in a simple, blocky font.

Jarrad Prue

Director

Perth, 13 March 2020