

# **Peak Minerals Limited**

**ABN 74 072 692 365**

## **Consolidated Half Year Report - 31 December 2021**

# **Peak Minerals Limited**

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**31 December 2021**

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## **General information**

The financial statements cover Peak Minerals Limited as a consolidated entity consisting of Peak Minerals Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Peak Minerals Limited's functional and presentation currency.

Peak Minerals Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 23, 513 Hay Street  
Subiaco WA 6008  
AUSTRALIA

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 15 March 2022.

**Peak Minerals Limited**  
**Corporate directory**  
**31 December 2021**

Directors	Robert Boston (Non-Executive Chairman) Oonagh Malone (Non-Executive Director) Mathew O'Hara (Non-Executive Director)
Chief Executive Officer	Jennifer Neild (appointed on 18 August 2021)
Company secretary	Mathew O'Hara (appointed 15 December 2021)
Registered office	Suite 23, 513 Hay Street Subiaco WA 6008
Principal place of business	Suite 23, 513 Hay Street Subiaco WA 6008
Share register	Boardroom Limited Level 12, 225 George Street Sydney NSW 2000
Auditor	Moyes Yong + Co Suite 1301 Level 13, 115 Pitt Street Sydney NSW 2000
Stock exchange listing	Peak Minerals Limited shares are listed on the Australian Securities Exchange (ASX code: PUA)
Website	<a href="http://www.peakminerals.com.au">www.peakminerals.com.au</a>

**Peak Minerals Limited**  
**Directors' report**  
**31 December 2021**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Peak Minerals Limited (referred to hereafter as 'Peak Minerals', the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

**Directors**

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

Robert Boston (Non-Executive Chairman)  
Oonagh Malone (Non-Executive Director)  
Mathew O'Hara (Non-Executive Director)

**Principal activities**

During the financial half-year the principal continuing activities of the consolidated entity consisted of:

- carrying out exploration activities on its portfolio of copper projects; and
- executing the acquisition of copper tenements to expand its copper exploration portfolio.

**Dividends**

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

**Review of operations**

Highlights for the half year ended 31 December 2021 were:

- Continued exploration activities on the consolidated entity's copper tenements.
- Completion of the acquisition of CU2 WA Pty Ltd (CU2) in October 2021. CU2 holds a portfolio of pending and granted base and precious metals tenements and has earn-in agreements over another two tenements with this acquisition complementing the Green Rocks Metals projects.
- The appointment of Jennifer Neild as Chief Executive Officer on 18 August 2021.
- The Company conducted a share placement raising \$4.9 million (before costs).
- As announced on 12 August 2021, the Company undertook to demerge its Hill End and Hargraves gold assets (together, the Projects) via its 100% wholly owned subsidiary, Vertex Minerals Limited (Vertex).

As part of the demerger, Peak agreed to complete an in-specie distribution of the 15 million Vertex shares it received in consideration for the Projects, pursuant to which each eligible Peak shareholder would approximately 1 Vertex share for every 69 shares held in Peak.

The demerger was approved by Peak shareholders on 8 November 2021 and was completed in January 2022.

## Corporate activities

During the half-year ended 31 December 2021, the Company announced the appointment of Jennifer Neild as Chief Executive Officer. Jennifer is a highly experienced resource executive, geophysicist and geologist with significant experience in mineral exploration across a range of commodities and jurisdictions. She has previously held positions with Xstrata Nickel, Newmont Australia and has had exposure to multiple commodities in prominent mineral camps around the world with a strong track record of successful target generation.

The Company also completed a two-tranche Placement to raise a total of \$4.9 million (before costs) at \$0.015 per New Share with one free attaching PUAOD (listed Option) per two New Shares issued. Tranche 1 was completed on 27 October 2021 and raised approximately \$2.66 million (before costs) while Tranche 2, which was subject to shareholder approval received on 13 December 2021, was completed on 15 December 2021 and raised approximately \$2.24 million (before costs).

The Placement was strongly supported by new and existing institutional and sophisticated investors (and the Board and management) with the proceeds to be used for exploration activities across its portfolio of WA copper projects, with particular focus on the Green Rocks project, and for working capital purposes.

During the half year, the Company entered into agreements to acquire a number of base metal exploration projects, with a strong copper focus, within Western Australia. The Company completed the acquisition of 100% of the shares in CU2 WA Pty Ltd (**CU2**). CU2 owns a 100% interest in a portfolio of 31 pending and granted tenements, and two earn-in agreements on two additional tenements, E51/1818 and E51/1832, with the owners KOP Ventures Pty Ltd and Taruga Minerals Limited, respectively. The acquisition of CU2 provides Peak with control over a previously unidentified copper province.

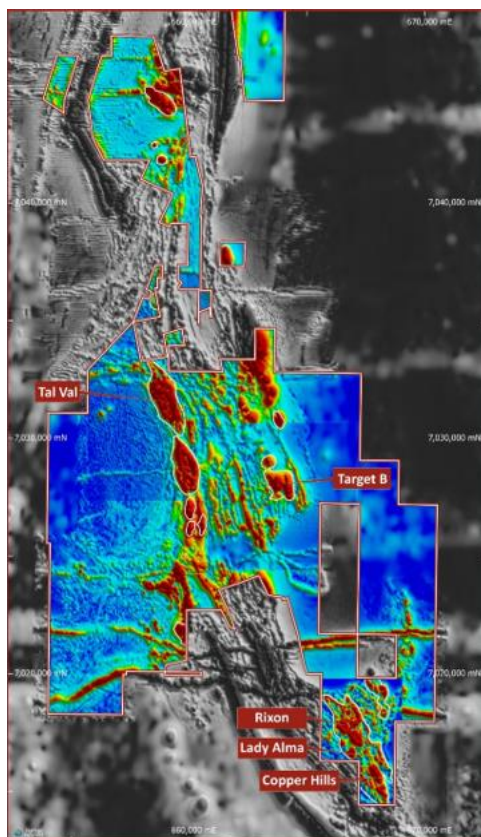
The Company now holds a strong portfolio of greenfields assets with an exploration strategy to systematically explore these to define a new magmatic sulphide province. This consists of three key assets being, the Green Rocks project, Earraheedy project and Kimberley project (consisting of Carson and the six South Kimberley tenements).



**Figure 1: WA projects location map**

**Exploration activities**

**Green Rocks project**



**Figure 2.** Overview of the tenement package at Green Rocks Project and the known prospects.

The Green Rocks project represents 234km<sup>2</sup> of contiguous landholding incorporating the Company's existing flagship prospects, Copper Hills and Lady Alma, and the newly acquired CU2 tenements.

The Green Rocks project is located southeast of Meekatharra, Western Australia. Peak is targeting intrusions within the Lady Alma Igneous Complex (LAIC), hosted by the Norie Greenstone Belt. The Company has completed reverse circulation (RC), air core and diamond drill programs. Supporting the drilling, Peak has completed downhole electromagnetic surveys, mapping, and rock chip programs to further understand the geology across this tenement package.

The project composes several prospects including:

- Copper Hills which hosts a 600m strike of disseminated mineralisation with zones of chalcopyrite veining in an interpreted contact shear zone of an intrusive gabbro;
- Lady Alma mineralisation which is hosted in a gabbro to peridotite and is comprised of fine-grained disseminated sulphide with chalcopyrite veins increasing in width at depth. A diamond drill hole was completed in 2021, assay results are pending;
- Rixon containing a 485m x 250m intrusion that is surrounded by gossan with malachite mineralisation. The mineralisation is hosted in a fine grained ultramafic that intrudes into a dunite with magnetite veining. The prospect draws analogues to Noront Resources Ltd's Eagle's Nest in Ontario, Canada (TSXV: NOV);
- Tal Val located on the edge of the intrusive granite and interpreted as a 2500 x 750m ovoid feature which has intruded into the LAIC; and
- Target B which is an interpreted 925 x 500m circular feature with historical shallow drilling yielding anomalous copper and gold mineralisation associated within gabbro.

**Peak Minerals Limited**  
**Directors' report**  
**31 December 2021**

Between August and November, 192 individual areas were sampled and sent for analysis predominantly at Rixon, Rinaldi, The Horn, Lady Alma, Copper Hills and Tal Val. The purpose of the program was to map out lithology variation on surface to better understand the intrusions and the mineralisation association. From this mapping and prior drilling data, a conceptual model was created which was released to the market on 20 January 2022.

A small number of results from the field program were initially released in August 2021 and notable copper values returned at:

- Rixon: **9.7% Cu, 11.3% Cu** and **14.4% Cu**
- Tal Val North: **3.25% Cu**; and
- Rinaldi: **13.2% Cu, 10.9% Cu, 10.3% Cu, 6.8% Cu** and **5.2% Cu**

In early March 2022, remaining results were released highlighting impressive nickel-copper values with 57 of 192 rock chips from outcrop returning > 1% Cu values at Rixon, Rinaldi, Lady Alma and Tal Val. 42 of these samples are from confirmed intrusions. Rixon confirms nickel-copper gossans and sulphide mineralisation with rock chips outcropping intrusives:

- **0.81% Ni, 8.14% Cu**, 0.07% S
- **0.65% Ni, 4.73% Cu**, 0.01% S
- **0.51% Ni, 7.93% Cu**, 0.36% S
- **0.39% Ni, 13.45% Cu**, 0.35% S
- **0.34% Ni, 11.55% Cu**, 0.42% S

17 samples returned **> 5% Cu** including:

- **8.80% Cu, 8.60% Cu, 8.49% Cu, 8.47% Cu, 8.14% Cu, 7.93% Cu, 7.44% Cu, 6.66% Cu, 6.50% Cu, 6.43% Cu** and **5.80% Cu**

With 6 samples **> 10% Cu** at Rixon, Rinaldi and Lady Alma:

- **22.70% Cu, 13.45% Cu, 12.05% Cu, 11.90% Cu, 11.55% Cu** and **10.15% Cu**

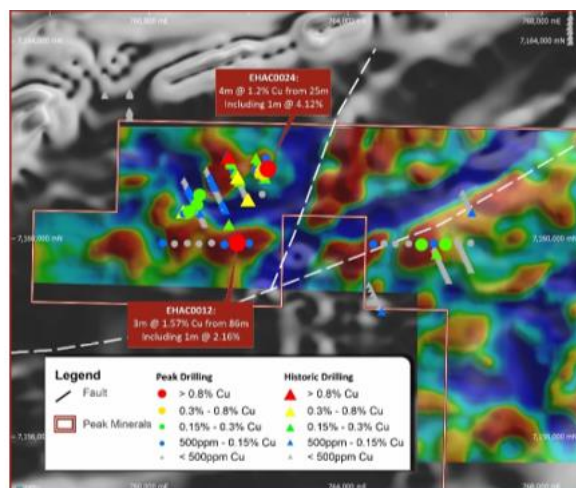
Upon receipt of the above rock chip assays, the conceptual model required minor adjustments. In January 2022, the 2015 VTEM was reprocessed independently as a test for the incoming Heli-EM data. The EM model was nearly coincident with the interpreted model. With the Heli-EM data and upcoming ground geophysics work, there will be full confidence to drill targets in May 2022.

### ***Earaheedy project***

The Earraheedy project (previously known as Cork Tree project) covers an area of 62km<sup>2</sup> within the Earraheedy Basin. The project is 28 km southeast of Sandfire's DeGrussa Copper-Gold Mine and 80 km west of Rumble Resources Chinook Project. The Cork Tree prospect was found by WMC (BHP) in the 1970's and independently discovered and drilled by CRA (Rio Tinto) in the 1990's. Historical geochemical sampling and drilling defined a copper rich oxide "blanket" measuring 1.1km by 2.0km.

On 2 December 2021, the results from the 2021 air core drill program were released to the ASX, including rock chip samples taken at this time. Historically, geochemical sampling and drilling defined a copper rich oxide "blanket" measuring 1.1km by 2.0km. Peak confirmed this zone and commenced a 26-hole air core drill program, totalling 1,279m, over Cork Tree and Merah prospects.

The historical copper oxide blanket was extended 1km to the south where EHAC0012 terminated at 89m in **3m** of **1.57% Cu** from 86m (see Figure 3). EHAC0024 was a step out from historical drilling and confirmed copper near the surface, **4m at 1.20% Cu** from 25m. Refer to Table 1 for additional results of the program. These results, combined with recently acquired gravity data over the Earraheedy basin, are assisting Peak with the planning of its exploration program for 2022.



**Figure 3.** Outline of the western portion of Earacheedy project showing the Basement Density Map

**Table 1.** Summary of mineralized intersections from 2021 drill program >0.20% Cu

Hole ID	From (m)	To (m)	Interval	Cu %	Pb (ppm)	Zn (ppm)
EHAC0007	35	36	1	0.23	17	597
EHAC0012	86	89	3	<b>1.57</b>	5	110
	including		1	<b>2.16</b>	5	135
EHAC0022	27	33	6	0.35	18	709
EHAC0024	21	25	4	<b>1.20</b>	37	102
	including		1	<b>4.12</b>	16	41
	29	30	1	0.31	26	77
	52	55	3	0.31	49	392

### Kimberley South projects

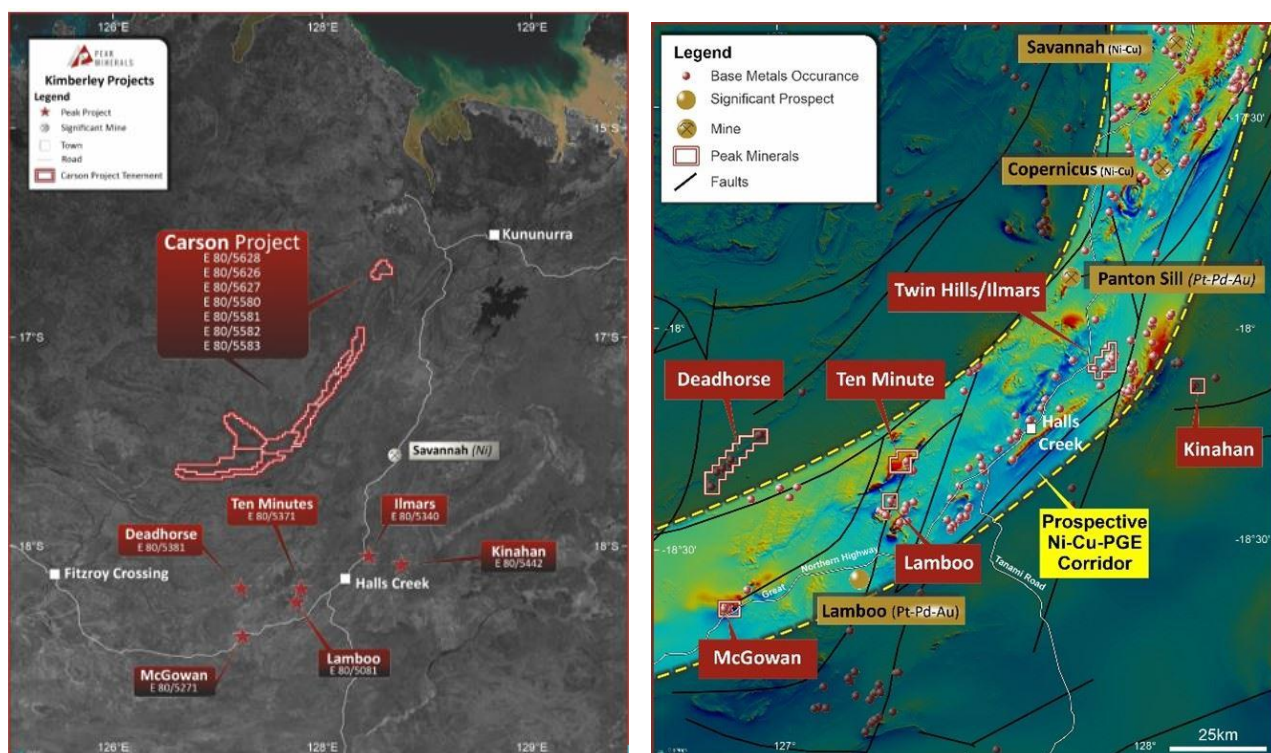
The Kimberley South project consists of 6 individual projects targeting magmatic copper and nickel sulphides along with sediment hosted copper mineralisation.

In April 2021, reconnaissance programs were conducted at Ten Minutes, McGowan, Deadhorse and Lamboo Prospect areas and an initial review was conducted at Ilmars. Rock chip sampling was completed assays are pending for Ilmars and Ten Minute.

At McGowan, three gossans were identified which were associated with an interpreted mafic intrusion measuring 8.0km by 3.4km in size. 115 rock chips were collected across this magnetics feature and multi-element assay analyses were completed. A gossan, 70m by 35m of gabbroic origin, and two additional gossans 1.4 km NE were sampled and results are summarised below:

- **22.10% Cu, 3.08g/t Au and 35.00 g/t Ag**
- **9.37% Cu, 4.05g/t Au and 29.00g/t Ag**
- **7.87% Cu, 4.27g/t Au and 91.70g/t Ag**
- Additional copper grades included: **12.55% Cu, 10.65% Cu, 9.88% Cu, 9.13% Cu, 8.98% Cu and 6.47% Cu and 5.13% Cu**





**Figures 4 and 5:** show the locations of the Kimberley projects which includes 6 tenements of Kimberley South and the Carson tenement

Rock chip samples from Deadhorse Project showed encouraging anomalism in an underexplored area, particularly:

- **2.48% Cu, 1.41g/t Ag, 0.03% Pb, 0.02% Zn**
- **0.27% Cu, 24.3 g/t Ag, 1.39% Pb, 1.99% Zn**

At Lamboo prospect, Peak confirmed a historical Ni-Cu soil anomaly corresponding to AEM and magnetics features.

- **0.84% Ni, 0.27% Cu**

### **Carson project**

The Carson project is a large sediment hosted copper target over 250km strike in the Kimberley region. The project covers an area of 800 km<sup>2</sup> with approximately 250 km of prospective strike. During the half-year ended 31 December 2021, the Company contracted a full geological review, including the reprocessing and interpretation of Sentinel-2 data. The study was completed in early Q1, 2022.

### **High Purity Alumina Project (HPA) – Victoria**

The Yendon HPA Project remains on hold following the prioritisation of the Company's efforts towards its copper projects and pending developments in the HPA market. COVID-19 has prevented travel interstate to inspect the property, however, a full desktop has occurred and a consultant has been engaged to continue this review onsite. No material work was carried out, although the Company continues to keep the tenements in good standing. A relinquishment of 34% of tenement EL 6428 occurred in November 2021 as required.

### **Competent Person's Statement**

The information in this announcement that relates to historical exploration results were reported by the Company in accordance with listing rule 5.7 on 11 November 2020, 23 August 2021, 10 November 2021, 15 November 2021, 30 November 2021, 2 December 2021, 20 January 2022 and 2 March 2022. The Company confirms it is not aware of any new information or data that materially affects the information included in the previous announcements.

## **Financial performance**

The loss for the consolidated entity after providing for income tax for the half year ended 31 December 2021 was \$4,368,958 (31 December 2020: \$4,825,383).

A significant amount of this loss was attributable to the following non recurrent items and refer to any material gain/loss arising from Vertex spin out:

- a \$1,923,031 expense item relating to the expensing of tenement acquisition costs recognised upon the acquisition of CU2 WA Pty Ltd by the consolidated entity in October 2021; and
- an impairment expense of \$618,412 arising from the writing down of gold project assets to their fair value in conjunction with their reclassification as Assets classified as held for distribution to owners ahead of their spin out as part of the demerger of the Company's gold projects.

Exploration project expenses for the current period were \$802,967, were higher compared to \$88,539 for the corresponding previous period, with the increase due to the consolidated entity's exploration activities on its Western Australian copper tenements. These activities had not commenced significantly in the previous period. Administration costs for the current period were \$875,714 compared to \$785,022 for the corresponding period, with the increase in these expenses mainly reflecting the increased level of administrative activity required to support the growth in exploration activities.

## **Financial position**

The net assets of the consolidated entity decreased to \$3,203,182 at 31 December 2021, from \$3,698,952 at 30 June 2021. The decrease reflected the net outcome of a number of offsetting factors, in particular:

- operating loss of \$4.37 million;
- share issues totalling approximately \$6.5 million, including share placements which generated cash proceeds of \$4.9m; and
- year end provisioning of \$3m for the forthcoming demerger of the consolidated entity's gold projects, which was finalised in January 2022.

Cash increased from approximately \$475,000 to approximately \$3.46 million during the December 2021 half year, reflecting the receipt of proceeds from the Company's capital raisings.

The increase in issued capital reflects the shares issued under the Company's capital raisings, as well as 100 million shares issued to the vendors of CU2 WA Pty Ltd. as consideration for that acquisition.

The working capital position of the consolidated entity as at 31 December 2021, excluding the temporary effect of the reclassification of assets and liabilities associated with the demerger, was an excess of current assets over current liabilities of approximately \$3.18 million, with the significant increase since 30 June 2021 being mainly due to the increase of the cash balance due to capital raisings referred to above.

## **Significant changes in the state of affairs**

On 12 August 2021, the Company announced the spinout of its non-core gold assets. The Company agreed to divest its Hill End and Hargraves gold assets to Vertex Minerals Limited (Vertex) in consideration for 15,000,000 fully paid ordinary shares in Vertex and a cash payment, both post the completion of an IPO and ASX listing by Vertex, which occurred in January 2022.

On 18 August 2021, the Company announced the appointment of Ms Jennifer Neild as Chief Executive Officer.

On 8 October 2021 the Company completed the acquisition of CU2 WA Pty Ltd (CU2), issuing 98,000,000 fully paid ordinary shares, at a deemed value of \$0.025 (2.5 cents) per share, and 98,000,000 options, with an exercise price of \$A0.05 (5 cents) and expiry date of 31 December 2023, as consideration to vendors of CU2. Additional consideration of 2,000,000 and 2,000,000 options, on the same terms as those referred to above were issued to a related CU2 vendor on 18 November 2021.

On 27 October 2021 the Company issued 177,599,968 Fully Paid Ordinary Shares (Shares) to professional and sophisticated investors at an Issue Price of \$0.015 (1.5 cents) per share as the first tranche of a share placement.

**Peak Minerals Limited**  
**Directors' report**  
**31 December 2021**

On 18 November 2021 the Company issued 2,000,000 Fully Paid Ordinary Shares and 2,000,000 unlisted options (expiring at 31 December 2023 with an exercise price of \$0.05) to a related vendor of CU2 WA Pty Ltd as part consideration for the acquisition by the Company of CU2 WA Pty Ltd, as approved by the Shareholders at the General Meeting held on 8 November 2021.

On 15 December 2021 the Company issued 149,066,700 Fully Paid Ordinary Shares (Shares) and 163,333,313 listed options (with an exercise price of \$0.025 (2.5 cents), expiring 30 December 2022) to professional and sophisticated investors at an Issue Price of \$0.015 (1.5 cents) per Share as the second tranche of a share placement.

On 15 December 2021, the Company announced the appointment of Mr Mathew O'Hara as its Company Secretary.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

**Matters subsequent to the end of the financial half-year**

On 12 January 2022, the Company announced that the demerger of Vertex Minerals Limited (Vertex) had been completed, with Shareholders of the Company receiving an in-specie distribution of 15 million Vertex shares on a pro-rata basis. Vertex commenced trading on the ASX on 17 January 2022 under the ASX ticker "VTX".

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



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Robert Boston  
Chairman

15 March 2022



Moyes Yong + Co Partnership

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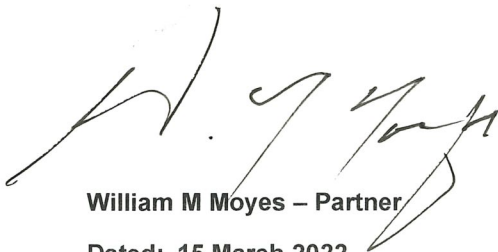
## AUDITOR'S INDEPENDENCE DECLARATION

To the directors of Peak Minerals Limited

In accordance with section 307C of the Corporations Act 2001, as lead audit partner for the review of the financial statements of Peak Minerals Limited for the half-year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

**Moyes Yong & Co Partnership**



**William M Moyes – Partner**

**Dated: 15 March 2022**

**Peak Minerals Limited**  
**Consolidated Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2021**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 December 2021</b>	<b>31 December 2020</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Other income	4	909	22,239
Interest revenue		515	543
<b>Expenses</b>			
Exploration project expenses	5	(802,967)	(88,539)
Tenement acquisition expenditure expensed upon acquisition of subsidiary	6	(1,923,031)	(2,239,932)
Depreciation and amortisation expense		(482)	-
Impairment of assets	10	(618,412)	(1,515,495)
Administration		(875,714)	(785,022)
<b>Loss before income tax expense from continuing operations</b>		(4,219,182)	(4,606,206)
Income tax expense		-	-
Loss after income tax expense from continuing operations		(4,219,182)	(4,606,206)
Loss after income tax expense from discontinued operations	7	(149,776)	(219,177)
<b>Loss after income tax expense for the half-year attributable to the owners of Peak Minerals Limited</b>		(4,368,958)	(4,825,383)
Other comprehensive income for the half-year, net of tax		-	-
<b>Total comprehensive income for the half-year attributable to the owners of Peak Minerals Limited</b>		<u>(4,368,958)</u>	<u>(4,825,383)</u>
Total comprehensive income for the half-year is attributable to:			
Continuing operations		(4,368,958)	(4,825,383)
Discontinued operations		-	-
		<u>(4,368,958)</u>	<u>(4,825,383)</u>
		<b>Cents</b>	<b>Cents</b>
<b>Earnings per share for loss from continuing operations attributable to the owners of Peak Minerals Limited</b>			
Basic earnings per share	18	(0.57)	(0.93)
Diluted earnings per share	18	(0.57)	(0.93)
<b>Earnings per share for loss from discontinued operations attributable to the owners of Peak Minerals Limited</b>			
Basic earnings per share	18	(0.02)	(0.04)
Diluted earnings per share	18	(0.02)	(0.04)
<b>Earnings per share for loss attributable to the owners of Peak Minerals Limited</b>			
Basic earnings per share	18	(0.59)	(0.98)
Diluted earnings per share	18	(0.59)	(0.98)

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Peak Minerals Limited**  
**Consolidated Statement of financial position**  
**As at 31 December 2021**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 December</b>	<b>30 June 2021</b>
		<b>2021</b>	<b>\$</b>
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		3,457,943	474,879
Trade and other receivables		129,917	229,523
		<u>3,587,860</u>	<u>704,402</u>
Assets of disposal group classified as held for distribution to owners	8	3,244,496	-
Total current assets		<u>6,832,356</u>	<u>704,402</u>
<b>Non-current assets</b>			
Other financial assets		50,000	615,000
Property, plant and equipment	9	2,411	121,588
Right-of-use assets		-	89,163
Exploration and evaluation	10	100,000	3,185,911
Total non-current assets		<u>152,411</u>	<u>4,011,662</u>
<b>Total assets</b>		<u>6,984,767</u>	<u>4,716,064</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	11	387,703	616,773
Lease liabilities		-	36,761
Employee benefits		21,785	11,067
Provisions	12	3,000,000	-
		<u>3,409,488</u>	<u>664,601</u>
Liabilities associated with assets of disposal group classified as held for distribution to owners		368,037	-
Total current liabilities		<u>3,777,525</u>	<u>664,601</u>
<b>Non-current liabilities</b>			
Lease liabilities		-	55,320
Employee benefits		4,060	1,255
Other provisions	13	-	295,936
Total non-current liabilities		<u>4,060</u>	<u>352,511</u>
<b>Total liabilities</b>		<u>3,781,585</u>	<u>1,017,112</u>
<b>Net assets</b>		<u>3,203,182</u>	<u>3,698,952</u>
<b>Equity</b>			
Issued capital	14	96,653,663	90,445,889
Reserves	15	(1,827,832)	506,754
Accumulated losses		<u>(91,622,649)</u>	<u>(87,253,691)</u>
<b>Total equity</b>		<u>3,203,182</u>	<u>3,698,952</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Peak Minerals Limited**  
**Consolidated Statement of changes in equity**  
**For the half-year ended 31 December 2021**

<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2020	84,940,191	200,848	(77,970,557)	7,170,482
Loss after income tax expense for the half-year	-	-	(4,825,383)	(4,825,383)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(4,825,383)	(4,825,383)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	5,388,920	-	-	5,388,920
Share based payments - Employee options	-	197,784	-	197,784
Share based payments - Service provider options	-	361,522	-	361,522
Expiry of options	115,500	(200,848)	85,348	-
Balance at 31 December 2020	<u>90,444,611</u>	<u>559,306</u>	<u>(82,710,592)</u>	<u>8,293,325</u>

<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Options reserve \$</b>	<b>Demerger reserve \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2021	90,445,889	506,754	-	(87,253,691)	3,698,952
Loss after income tax expense for the half-year	-	-	-	(4,368,958)	(4,368,958)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	-	(4,368,958)	(4,368,958)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 14)	6,207,774	-	-	-	6,207,774
Share based payments - Employee options	-	379,595	-	-	379,595
Share based payments - Service provider options	-	55,819	-	-	55,819
Issue of options as consideration for acquisition	-	230,000	-	-	230,000
Demerger of gold assets	-	-	(3,000,000)	-	(3,000,000)
Balance at 31 December 2021	<u>96,653,663</u>	<u>1,172,168</u>	<u>(3,000,000)</u>	<u>(91,622,649)</u>	<u>3,203,182</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**Peak Minerals Limited**  
**Consolidated Statement of cash flows**  
**For the half-year ended 31 December 2021**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 December 2021</b>	<b>31 December 2020</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(1,691,254)	(1,004,195)
Interest received		515	543
Other revenue		-	22,239
Interest and other finance costs paid		(2,332)	(953)
Option fee for Greenrock Metals Pty Ltd		-	(80,000)
Other (net of GST refund)		89,421	-
		<hr/>	<hr/>
Net cash used in operating activities		(1,603,650)	(1,062,366)
<b>Cash flows from investing activities</b>			
Payments for plant and equipment	9	(5,933)	-
Payments for security deposits		(20,000)	-
Proceeds from disposal of plant and equipment		909	-
Cash acquired upon acquisition of subsidiary		-	1,364
		<hr/>	<hr/>
Net cash from/(used in) investing activities		(25,024)	1,364
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	14	4,900,000	3,738,759
Share issue transaction costs		(270,465)	(26,819)
Payment of lease liabilities		(17,797)	(14,515)
		<hr/>	<hr/>
Net cash from financing activities		4,611,738	3,697,425
Net increase in cash and cash equivalents		2,983,064	2,636,423
Cash and cash equivalents at the beginning of the financial half-year		474,879	484,660
		<hr/>	<hr/>
Cash and cash equivalents at the end of the financial half-year		<u>3,457,943</u>	<u>3,121,083</u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*



## **Note 1. Significant accounting policies**

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

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

### **New or amended Accounting Standards and Interpretations adopted**

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.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### **Going concern**

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and realisation of assets and liabilities in the ordinary course of business. The going concern of the consolidated entity is dependent upon it maintaining sufficient funds for its operations and commitments.

The cash balance as at 31 December 2021 was \$3,457,943 (30 June 2021: \$474,879).

The consolidated entity made a loss after tax of \$4,368,958, during the half year ended 31 December 2021 (2020: loss of \$4,825,383) and the net cash used in operating activities was \$1,603,650 (2020: \$1,062,366 net outflow).

Notwithstanding these results, the directors believe that the company will be able to continue as a going concern and as a result the financial statements have been prepared on a going concern basis. The accounts have been prepared on the assumption that the company is a going concern for the following reasons:

- the ability of the consolidated entity to scale back parts of its operations and reduce costs if required;
- the Board is of the opinion that the consolidated entity has, or shall have access to, sufficient funds to meet the planned corporate activities and working capital requirements; and
- as the Company is an ASX-listed entity, the consolidated entity has the ability to raise additional funds if required.

In the event that the Group is unable to achieve the actions noted above, the Group may not be able to continue as a going concern, it may be required to realise its assets at amounts different to those currently recognised, settle liabilities other than in the ordinary course of business and make provisions for other costs which may arise as a result of cessation or curtailment of normal business operations.

## **Note 2. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

**Note 2. Critical accounting judgements, estimates and assumptions (continued)**

*Impairment*

The consolidated entity assesses impairment at each reporting date by evaluating conditions specific to the consolidated entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Calculations used to assess recoverable amounts incorporate a number of key estimates.

It is reasonably possible that the underlying metal price assumption may change which may then impact the estimated life of mine determinant and may then require a material adjustment to the carrying value of mining plant and equipment, mining infrastructure and mining development assets. Furthermore, the expected future cash flows used to determine the value-in-use of these assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as metal spot prices, discount rates, estimates of costs to produce reserves and future capital expenditure.

*Estimates of reserve quantities*

The estimated quantities of proved and probable reserves reported by the consolidated entity are integral to the calculation of amortisation expenses and to assessments of possible impairment of assets. Estimated reserve quantities are based on interpretations of geological and geophysical models and assessments of the technical feasibility and commercial viability of producing the reserves. These assessments require assumptions to be made regarding future development and production costs. The estimates of reserves may change from period to period as the economic assumptions used to estimate the reserves can change from period to period, and as additional geological data is generated during the course of the operations.

*Exploration and evaluation costs*

In accordance with accounting standard *AASB 6 Exploration for and Evaluation of Mineral Resources* the consolidated entity decides, for each area of interest, whether expenditures incurred in the exploration for and evaluation of mineral resources in that area of interest shall be either:

- (a) expensed as incurred; or
- (b) partially or fully capitalised, and recognised as an exploration and evaluation asset if the relevant requirements of paragraph Aus7.2 of *AASB 6* are satisfied.

For areas of interest where the consolidated entity decides to capitalise exploration and evaluation costs, these costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

*Business combinations*

Business combinations are accounted for using the acquisition method. Significant judgment required to determine if a transaction can be recognised as business combination. To recognise the transaction as a business combination, the acquisition of a business should meet qualitative and quantitative criteria of a business as defined by *AASB 3 Business Combinations*, in particular the following as per *AASB 3.B7*;

- Inputs – an economic resource (e.g. non-current assets, intellectual property) that creates outputs when one or more processes are applied to it;
- Process – a system, standard, protocol, convention or rule that when applied to an input or inputs, creates outputs (e.g. strategic management, operational processes, resource management);
- Output – the result of inputs and processes applied to those inputs.

**Note 2. Critical accounting judgements, estimates and assumptions (continued)**

If a transaction does not meet the definitions of a business combination, it is accounted as an asset acquisition under AASB 3.2 (b). Under this method all identifiable assets and liabilities of the company acquired and value of the purchase consideration are accounted at their fair values.

During October 2021, the consolidated entity acquired 100% of the issued capital of CU2 WA Pty Ltd (CU2), which owns interests in copper projects in Western Australia. As CU2 had only been recently incorporated, and had only recently commenced exploration activities, in the absence of proven or probable reserves or a plan for site development, the Company concluded that this acquisition did not meet the definition of a business under AASB 3 and therefore initially recognised the transaction as an asset acquisition, the relevant asset being tenement acquisition expenditure for the tenements controlled by Greenrock Metals Pty Ltd.

Following the acquisition, the consolidated entity determined that, for the CU2 areas of interest, the relevant requirements of paragraph Aus7.2 of AASB 6 were not satisfied, in particular as CU2's exploration activities were at a very early stage, and it was not possible to determine whether the expenditure could be recouped through successful development and exploitation of the areas of interest, or by their sale. Therefore, that expenditure was expensed as incurred in accordance with the consolidated entity's accounting policy as set out in the *Exploration and evaluation costs* section above.

Further information regarding this acquisition and the expensing of the tenement acquisition expenditure is contained in note 6 to the financial statements.

**Note 3. Operating segments**

*Identification of reportable operating segments*

The consolidated entity is organised into one operating segment, being mineral exploration and evaluation operations. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The CODM reviews expenditure reports on exploration projects. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information is reported to the CODM on a monthly basis.

**Note 4. Other income**

	<b>Consolidated</b>	
	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>\$</b>	<b>\$</b>
Other income	909	22,239

Other income in the previous period relates to government Covid-19-related incentives received during the period.

**Note 5. Exploration project expenses**

	<b>Consolidated</b>	
	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>\$</b>	<b>\$</b>
Yendon project expenses	17,850	8,539
Green Rocks & CU2 WA exploration project expenses	785,117	-
Option fee for Greenrock Metals Pty Ltd acquisition	-	80,000
	<b>802,967</b>	<b>88,539</b>

**Note 6. Tenement acquisition expenditure expensed upon acquisition of subsidiary**

	<b>Consolidated</b>	
	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>\$</b>	<b>\$</b>
Tenement acquisition expenditure expensed	<u>1,923,031</u>	<u>2,239,932</u>

**(a) Acquisition of CU WA Pty Ltd**

On 8 October 2021, the consolidated entity acquired 98% of the issued capital of CU2 WA Pty Ltd (CU2), which owns interests in copper projects in Western Australia (the **Acquisition**). It acquired the remaining 2% of issued capital of CU2 on 18 November 2021.

In consideration for the Acquisition, the Company issued 100,000,000 fully paid ordinary shares in the capital of the Company (**Vendor Shares**) at a contractual deemed issue price of \$0.025 (2.5 cents) per share and 100,000,000 options, with an exercise price of \$0.05 (5 cents) and expiry date of 31 December 2023 (**Vendor Options**).

To determine the fair value of the Vendor Shares at the date of the Acquisition, the Company used the weighted average of the 15-day volume-weighted average prices of the Company's shares at the respective dates of issue of the Consideration Shares, which was calculated as \$0.016 (1.6 cents) per Vendor Share. To determine the fair value of the Vendor Options at the date of the Acquisition, the Company used the Black-Scholes option valuation model, which produced a value of \$0.0023 (0.23 cents) per Vendor Option.

The Company, at the time of acquisition, assessed that, as CU2 had only been recently incorporated, and had only recently commenced exploration activities, and in the absence of proven or probable reserves or a plan for site development, this acquisition did not meet the definition of a business under AASB 3 and therefore was initially recognised and accounted for the transaction as an asset acquisition, the relevant asset being tenement acquisition expenditure for the tenements controlled by CU2 WA Pty Ltd.

The value of this was determined as follows:

	<b>Consolidated</b>	
	<b>31 December 2021</b>	<b>30 June 2021</b>
	<b>\$</b>	<b>\$</b>
Fair value of purchase consideration (Vendor Shares) - 100,000,000 shares x \$0.016/share:	1,600,000	-
Fair value of purchase consideration (Vendor Options) - 100,000,000 options x \$0.0023/option:	230,000	-
Plus: excess of fair value of CU2 WA liabilities over assets at acquisition date	<u>93,031</u>	<u>-</u>
Tenement acquisition expenditure	<u>1,923,031</u>	<u>-</u>

Following the acquisition, the consolidated entity determined that, for the CU2 areas of interest, the relevant requirements of paragraph Aus7.2 of AASB 6 were not satisfied, in particular as CU2's exploration activities were at a very early stage, and it was not possible to determine whether the expenditure could be recouped through successful development and exploitation of the areas of interest, or by their sale. Therefore the tenement acquisition expenditure was expensed through profit and loss as incurred in accordance with the consolidated entity's accounting policy as set out in the *Exploration and evaluation costs* section in Note 2.

**Note 6. Tenement acquisition expenditure expensed upon acquisition of subsidiary (continued)**

**(b) Acquisition of Greenrock Metals Pty Ltd (prior year acquisition)**

On 22 December 2020, the consolidated entity acquired 100% of the issued capital of Greenrock Metals Pty Ltd (Greenrock Metals), which owns interests in copper projects in Western Australia (the Acquisition).

In consideration for the Acquisition, the Company issued 67,000,000 fully paid ordinary shares in the capital of the Company (Vendor Shares) at a deemed issue price of \$0.03 (3 cents) per share, in accordance with the relevant share sale contract. The Acquisition was completed on 22 December 2020 on which date the Vendor Shares were issued. The Company has determined that the contractual value 3 cents per share was an appropriate measure of the fair value of the Vendor Shares issued as consideration for the acquisition, as this value was not materially different from the 15-day volume weighted average price of the Company's shares (3.01 cents) at the date of the issue of the Vendor Shares.

The Company, at the time of acquisition, assessed that, as Greenrock Metals had only been recently incorporated, and had only recently commenced exploration activities, and in the absence of proven or probable reserves or a plan for site development, this acquisition did not meet the definition of a business under AASB 3 and therefore was initially recognised and accounted for the transaction as an asset acquisition, the relevant asset being tenement acquisition expenditure for the tenements controlled by Greenrock Metals.

	<b>Consolidated</b>	
	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>\$</b>	<b>\$</b>
Fair value of purchase consideration (Vendor Shares) - 67,000,000 shares x \$0.03/share:	-	2,010,000
Plus: excess of fair value of Greenrock Metals liabilities over assets at acquisition date	-	229,932
	<u>-</u>	<u>2,239,932</u>

Following the acquisition, the consolidated entity determined that, for the Greenrock Metals areas of interest, the relevant requirements of paragraph Aus7.2 of AASB 6 were not satisfied, in particular as Greenrock Metals' exploration activities were at a very early stage, and it was not possible to determine whether the expenditure could be recouped through successful development and exploitation of the areas of interest, or by their sale. Therefore the tenement acquisition expenditure was expensed through profit and loss as incurred in accordance with the consolidated entity's accounting policy as set out in the *Exploration and evaluation costs* section in Note 2.

**Note 7. Discontinued operations**

*Description*

On 12 January 2022, the Company announced that the demerger of its gold operations to Vertex Minerals Limited (Vertex) had been completed. This resulted in the Hill End and Hargraves Gold projects in New South Wales being divested from the Company. Shareholders of the Company on the record date (30 December 2021) received an in-specie distribution of 15 million Vertex shares on a pro-rata basis. Vertex commenced trading on the ASX on 17 January 2022 under the ASX ticker "VTX".

The net assets of Hill End and Hargraves Gold projects in New South Wales were measured at the lower of carrying amount and fair value.

**Accounting policy for discontinued operations**

A discontinued operation is a component of the Consolidated Entity that has been disposed of or is held for distribution to the owners and that represents a separate major line of business or a separate geographical area of operations, is part of a single co-ordinate plan to dispose of such a line of business or area of operations or is a subsidiary acquired exclusively with a view to resale. The results of the discontinued operations are presented separately on the face of the statement of profit or loss.

The Company has assessed that, in light of its forthcoming demerger following the end of the financial period, the gold operations of the Company is a discontinued operation.

**Peak Minerals Limited**  
**Notes to the financial statements**  
**31 December 2021**

**Note 7. Discontinued operations (continued)**

*Financial performance information*

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>\$</b>	<b>\$</b>
Depreciation	(21,793)	(31,289)
Salaries	(14,400)	(2,400)
Other expenses	(111,251)	(184,535)
Finance costs	(2,332)	(953)
Total expenses	<u>(149,776)</u>	<u>(219,177)</u>
Loss before income tax expense	(149,776)	(219,177)
Income tax expense	-	-
Loss after income tax expense from discontinued operations	<u><u>(149,776)</u></u>	<u><u>(219,177)</u></u>

*Cash flow information*

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>\$</b>	<b>\$</b>
Net cash used in operating activities	<u><u>(127,983)</u></u>	<u><u>(187,888)</u></u>

*Carrying amounts of assets and liabilities held for distribution to owners*

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>\$</b>	<b>\$</b>
Property, plant and equipment	7,333	-
Right of use assets - land and buildings	70,056	-
Performance guarantee bonds	585,000	-
Land - at cost	114,608	-
Exploration and evaluation - gold assets	2,467,499	-
Total assets	<u>3,244,496</u>	<u>-</u>
Lease liability	74,284	-
Provisions	293,754	-
Total liabilities	<u>368,038</u>	<u>-</u>
Net assets	<u><u>2,876,458</u></u>	<u><u>-</u></u>

**Note 8. Current assets - Assets of disposal group classified as held for distribution to owners**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June 2021</b>
	<b>2021</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Plant and equipment	7,333	-
Exploration and evaluation - Gold assets	2,467,499	-
Performance guarantee bonds	585,000	-
Exploration property - real property	114,608	-
Right of use asset - land and buildings	70,056	-
	<u>3,244,496</u>	<u>-</u>

**Note 9. Non-current assets - property, plant and equipment**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June 2021</b>
	<b>2021</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Real Property - at cost	-	114,608
Plant and equipment - at cost	2,893	2,172,779
Less: Accumulated depreciation	(482)	(2,165,799)
	<u>2,411</u>	<u>6,980</u>
	<u>2,411</u>	<u>121,588</u>

The reduction of the above Real Property - at cost and the majority of Plant & equipment at cost assets in the half year ended 31 December 2021 is due to those assets being reclassified as "Assets classified as held for distribution for owners" in relation to the post-31 December 2021 demerger of the Company's gold exploration assets - refer Note 7.

**Note 10. Non-current assets - exploration and evaluation**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June 2021</b>
	<b>2021</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Exploration and evaluation - Gold assets - at cost	-	39,920,139
Less: Impairment	-	(36,834,228)
	<u>-</u>	<u>3,085,911</u>
Exploration and evaluation - Yendon Alumina project - at cost	1,615,495	1,615,495
Less: Impairment	(1,515,495)	(1,515,495)
	<u>100,000</u>	<u>100,000</u>
	<u>100,000</u>	<u>3,185,911</u>

**Note 10. Non-current assets - exploration and evaluation (continued)**

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	Yendon Alumina project \$	Gold tenements \$
<b>Consolidated</b>		
Balance at 1 July 2021	100,000	3,085,911
Classified as held for distribution to owners (note 8)	-	(2,467,499)
Impairment of assets*	-	(618,412)
	<u>100,000</u>	<u>-</u>
Balance at 31 December 2021		

- \* In accordance with accounting standard AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* these assets, which were to be included in assets to be spun out of the Company as part of the gold assets demerger referred to in Note 8, were measured at lower of their carrying amount and fair value less costs to distribute. It was determined that the carrying value of the assets exceeded their fair value by \$618,412. Accordingly the assets were written down by \$618,412 prior to their reclassification and the amount of the write down was recorded as an Impairment expense in the Statement of profit and loss and other comprehensive income.

**Note 11. Current liabilities - trade and other payables**

	<b>Consolidated</b>	
	<b>31 December 2021 \$</b>	<b>30 June 2021 \$</b>
Trade payables	330,783	536,959
Other payables	56,920	79,814
	<u>387,703</u>	<u>616,773</u>

**Note 12. Current liabilities - provisions**

	<b>Consolidated</b>	
	<b>31 December 2021 \$</b>	<b>30 June 2021 \$</b>
Provision for capital return	<u>3,000,000</u>	<u>-</u>

*Provision for capital return*

On 8 November 2021 the shareholders of the Company approved resolutions to demerge the Company's gold projects to a new ASX listed company – Vertex Minerals. The demerger was undertaken as a capital return by way of an in-specie distribution on a one for approximately 60 basis of Vertex shares (previously owned by the Company) to the Company's shareholders in January 2022. A provision for the capital return is recorded in the financial statements at the fair value of the 15m Vertex shares to be distributed, in accordance with the relevant shareholder resolution, which is based on the IPO price of those shares of \$0.20 (20 cents) per share.



**Note 13. Non-current liabilities - other provisions**

	<b>Consolidated</b>	
	<b>31 December 2021</b>	<b>30 June 2021</b>
	<b>\$</b>	<b>\$</b>
Provision for site rehabilitation	-	295,936

**Note 14. Equity - issued capital**

	<b>Consolidated</b>			
	<b>31 December 2021</b>	<b>30 June 2021</b>	<b>31 December 2021</b>	<b>30 June 2021</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$</b>	<b>\$</b>
Ordinary shares - fully paid	1,041,369,320	614,702,652	96,653,663	90,445,889

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>\$</b>
Balance	1 July 2021	614,702,652		90,445,889
CU2 WA vendor shares	8 October 2021	98,000,000	\$0.016	1,568,000
Placement - Tranche 1 shares	27 October 2021	177,599,968	\$0.015	2,664,000
CU2 WA vendor shares	18 November 2021	2,000,000	\$0.016	32,000
Placement - Tranche 2 shares	15 December 2021	149,066,700	\$0.015	2,236,000
Share Issue cost		-	\$0.000	(292,226)
		-	\$0.000	-
Balance	31 December 2021	1,041,369,320		96,653,663

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Share buy-back*

There is no current on-market share buy-back.

**Note 15. Equity - reserves**

	<b>Consolidated</b>	
	<b>31 December 2021</b>	<b>30 June 2021</b>
	<b>\$</b>	<b>\$</b>
Options reserve	1,172,168	506,754
Demerger reserve	(3,000,000)	-
	(1,827,832)	506,754

*Options reserve*

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

**Note 15. Equity - reserves (continued)**

*Demerger reserve*

On 8 November 2021 the shareholders of the Company approved resolutions to demerge the Company's gold projects to a new ASX listed company – Vertex Minerals. The demerger was undertaken as a capital return by way of an in-specie distribution on a one for approximately 60 basis of Vertex shares (previously owned by the Company) to the Company's shareholders in January 2022.

This reserve recognises the expected effect of the future return of capital in connection with the demerger of the Company's gold assets after the end of the financial period and is equal to the fair value of the 15m Vertex shares to be distributed, in accordance with the relevant shareholder resolution, which is based on the IPO price of those shares of \$0.20 (20 cents) per share.

**Note 16. Contingent liabilities**

*Hargraves Tenement*

During the 2007-08 year the Company acquired an interest in the Hargraves tenement. The acquisition cost included \$300,000 plus the issue of 2,000,000 ordinary fully paid shares and 2,000,000 listed options which expired on 12 September 2008. These amounts were recorded during the year ending 30 June 2008. The Company will issue the vendors an additional 80,000 ordinary shares (on a post-consolidation basis) in the event that the Company estimates 70,000 ozs of recoverable gold in Mineral Reserves on the tenements and a further 2,000,000 ordinary shares (on a post-consolidation basis) in the event that 70,000 ozs are produced from the tenement.

*First Tiffany*

On 1 April 2014 the Company announced that it had received a summons filed by Tiffany in the Supreme Court of New South Wales claiming an order that the Company pay Tiffany 15% of the value of minerals extracted by HEG from certain mining tenements encompassed by a portion of EL 5868 in the Hill End locality of New South Wales (plus interest and costs).

The Company applied successfully to the court for Tiffany to provide security of costs. Tiffany failed to provide security and the Company successfully applied to the court to have the claim dismissed. The Company was awarded costs and Tiffany is barred from commencing fresh proceedings until it has paid the Company's costs as ordered. Costs are yet to be determined.

*HPA Project*

Under the terms of the Asset Sale Agreement in relation to the acquisition of the HPA project including the Victorian tenements and all of the ordinary shares in Pure Alumina Pty Ltd (since renamed Yendon HPA Pty Ltd), there are several future contingent payments.

On completion of a Definitive Feasibility Study the Company is required to pay a success fee of \$1.5 million settled by the issue of shares. If the Definitive Feasibility Study is not completed within 2 years of the completion date of the acquisition (i.e. by 28 August 2019) the Company is required to pay the vendors \$8,333 per month until the earlier of the completion of the Definitive Feasibility Study or 30 June 2022. The amount of the success fee arising in the period up to and including 31 December 2021 has been recognised as an expense in the consolidated statements of profit and loss for the year ended 30 June 2021 and for the half year ended 31 December 2021.

On completion of a legally binding offtake agreement over all of the product from the project for a period of at least 1.5 times the project payback period, the Company is required to pay a success fee of \$0.5 million settled by the issue of shares.

**Note 17. Events after the reporting period**

On 12 January 2022, the Company announced that the demerger of Vertex Minerals Limited (Vertex) had been completed, with Shareholders of the Company receiving an in-specie distribution of 15 million Vertex shares on a pro-rata basis. Vertex commenced trading on the ASX on 17 January 2022 under the ASX ticker "VTX".

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Note 18. Earnings per share**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>31 December</b>	<b>31 December</b>
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Earnings per share for loss from continuing operations</i>		
Loss after income tax attributable to the owners of Peak Minerals Limited	<u>(4,219,182)</u>	<u>(4,606,206)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>737,929,455</u>	<u>493,396,815</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>737,929,455</u>	<u>493,396,815</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(0.57)	(0.93)
Diluted earnings per share	(0.57)	(0.93)
	<b>Consolidated</b>	<b>Consolidated</b>
	<b>31 December</b>	<b>31 December</b>
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Earnings per share for loss from discontinued operations</i>		
Loss after income tax attributable to the owners of Peak Minerals Limited	<u>(149,776)</u>	<u>(219,177)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>737,929,455</u>	<u>493,396,815</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>737,929,455</u>	<u>493,396,815</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(0.02)	(0.04)
Diluted earnings per share	(0.02)	(0.04)
	<b>Consolidated</b>	<b>Consolidated</b>
	<b>31 December</b>	<b>31 December</b>
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Earnings per share for loss</i>		
Loss after income tax attributable to the owners of Peak Minerals Limited	<u>(4,368,958)</u>	<u>(4,825,383)</u>

**Note 18. Earnings per share (continued)**

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	737,929,455	493,396,815
Weighted average number of ordinary shares used in calculating diluted earnings per share	737,929,455	493,396,815
	Cents	Cents
Basic earnings per share	(0.59)	(0.98)
Diluted earnings per share	(0.59)	(0.98)

**Note 19. Share-based payments**

*Shares and options issued to employees and third parties in return for services*

The Company may, from time to time, issue shares to employee and third parties as consideration for goods and/or services provided to the consolidated entity by those parties. All such transactions are settled in equity and vest immediately, unless otherwise stated.

During the half year ended 31 December 2021 the Company made the following share based payments:

- issues of options to directors and chief executive officer as remuneration, as approved by shareholders in general meetings;
- issue of options to a contractor as remuneration;
- issues of shares and options to service providers as payment for services.

An overview of the share-based payments made in the half year ended 31 December 2021 is as follows:

	Consolidated 31 December 2021 \$	31 December 2020 \$
Options issued to directors as remuneration	213,750	197,784
Options issued to contractors as remuneration	-	5,840
Options issued to service providers as remuneration	144,000	5,682
Performance rights issued to employee as remuneration	21,845	-
Options issued to corporate advisor as remuneration	55,819	-
Share-based payments recorded in statement of profit or loss and other comprehensive income	435,414	209,306
Shares issued to service providers as consideration for capital raising services	-	243,921
Options issued to service providers as consideration for capital raising services	-	350,000
Share-based payments recorded in equity as share issue costs	-	593,921
	435,414	803,227

**Peak Minerals Limited**  
**Directors' declaration**  
**31 December 2021**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



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Robert Boston  
Chairman

15 March 2022



## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Peak Minerals Limited

### Report on the half-year financial report

#### Conclusion

We have reviewed the accompanying half-year financial report of Peak Minerals Limited and its controlled entities (the Consolidated Entity) which comprises the consolidated statement of financial position as at 31 December 2021, 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, notes comprising 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 half-year financial report of Peak Minerals Limited and its controlled entities does not comply with the Corporations Act 2001 including:

- (i) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (i) 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*. 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 Consolidated Entity 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.

#### Emphasis of Matter - Material uncertainty related to going concern

We draw attention to Note 1 of the financial report, which indicated that the Consolidated Entity incurred a net operating loss before taxation of \$4,368,958 (2020: \$4,825,383) during the half year ended 31 December 2021. This condition, 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 opinion is not modified in respect of this matter.

#### Responsibilities of the directors for the financial report

The Directors of the Consolidated Entity 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 financial report that is free from material misstatement, whether due to fraud or error.

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**Auditor's responsibility for the review of the financial report**


Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

**Independence**

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

**Moyes Yong & Co Partnership**



**William M Moyes – Partner**

**Dated: 15 March 2022**



CHARTERED ACCOUNTANTS  
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