

Panther Metals Ltd
ABN 27 614 676 578

Interim Report for the half year ended 30 June 2021

Panther Metals Ltd
Director's Report
30 June 2021

The directors present their report, together with the financial statements, on Panther Metals Ltd (referred to hereafter as the 'company') for the half year ended 30 June 2021.

Directors

The following persons were directors of Panther Metals Ltd during or since the end of the period:

Daniel Tuffin (appointed 29 January 2021)

Kerim Sener

Ranko Matic (appointed 27 January 2021)

David Groves (appointed 1 April 2020 and resigned 25 May 2021)

Darren Hazelwood (appointed 18 March 2019 and resigned 21 May 2021)

Principal activities

The principal activities of the company is mineral exploration.

Dividends

No dividends were paid or declared during the financial period. No dividend has been recommended.

Review of operations

The loss for the company after providing for income tax for the six months ending 30 June 2021 was \$24,938 (12 months to 31 December 2020: \$71,710 loss).

On 27 February 2021 the company changed its status from a proprietary company to a public company.

On 10 March 2021 the company consolidated its issued capital on the basis that every 1.52224 shares be consolidated into one share with the resulting impact being that the holding at the time of 38,056,000 shares be consolidated and reduced to an amount of 25,000,000 shares.

In April 2021 the company sold its investment in Parthian Resources (HK) Limited to its parent company Panther Metals PLC.

On 14 May 2021 the company consolidated its issued capital on the basis that every 1.25 shares be consolidated into one share with the resulting impact being that the holding at the time of 25,000,000 shares be consolidated and reduced to an amount of 20,000,000 shares.

On 1 June 2021 the company raised \$300,000 through the issue of 3,000,000 shares to be spent on exploration activities.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the company during the financial period.

Matters subsequent to the end of the financial year

On 1 September 2021 the company raised \$300,000 through the issue of 3,000,000 shares to fund Initial Public Offering (IPO) costs and working capital.

On 1 September 2021 the company issued one ordinary share to Panther Metals PLC in full and final satisfaction of amounts previously owing by the company to Panther Metals PLC of \$343,162.

The company is also planning to raise \$5 million at \$0.20 per share via an IPO to fund further exploration activities utilizing leading industry techniques.

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

Panther Metals Ltd
Director's Report
30 June 2021

There have been no other matters or circumstances that have arisen since 30 June 2021 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company'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 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Ranko Matic
Executive Director
6 September 2021
Perth

Criterion Audit Pty Ltd

ABN 85 165 181 822

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LEEDERVILLE WA 6007

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To The Board of Directors

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

As lead audit director for the audit of the financial statements of Panther Metals Ltd for the financial period ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully



CHRIS WATTS CA
Director

CRITERION AUDIT PTY LTD

DATED at PERTH this 6th day of September 2021

Panther Metals Ltd
Statement of profit or loss and other comprehensive income
For the half year ended 30 June 2021

		6 months ended June 2021 \$	12 months ended December 2020 \$
Gain on disposal of investment		18,468	-
Interest income		-	123
Consultancy fees		(9,086)	(10,403)
Marketing fees		-	(42,966)
Director fees		(2,083)	(3,750)
Administrative fees		(32,206)	(7,514)
Impairment expense		-	(6,966)
Foreign exchange loss		(31)	(234)
Loss before income tax		(24,938)	(71,710)
Income tax expense		-	-
Loss after income tax expense for the period		(24,938)	(71,710)
Other comprehensive income		-	-
Total comprehensive loss for the period		(24,938)	(71,710)
Basic and diluted loss per share (cents per share) for loss attributable to ordinary equity holders of the Company	5	(0.09)	(0.19)

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

Panther Metals Ltd
Statement of financial position
As at 30 June 2021

	Notes	30 June 2021 \$	31 December 2020 \$
Current assets			
Cash and cash equivalents		130,416	427,194
Other assets	2	41,010	86,006
Trade and other receivables		16,707	3,291
Total current assets		188,133	516,491
Non current assets			
Exploration and evaluation expenditure	3	528,029	380,479
Trade and other receivables		557,765	483,681
Total non current assets		1,085,794	864,160
Total assets		1,273,927	1,380,651
Current liabilities			
Trade and other payables		931,879	1,313,665
Total current liabilities		931,879	1,313,665
Total liabilities		931,879	1,313,665
Net assets		342,048	66,986
Equity			
Issued capital	4	745,600	445,600
Accumulated losses		(403,552)	(378,614)
Total equity		342,048	66,986

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

Panther Metals Ltd
Statement of changes in equity
For the half year ended 30 June 2021

	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 January 2020	445,600	(306,904)	136,318
Loss after income tax expense for the period	-	(71,710)	(71,710)
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive loss for the period, net of tax	-	(71,710)	(71,710)
Contributions of equity	-	-	-
Balance at 31 December 2020	445,600	(378,614)	66,986
 Balance at 1 January 2021	 445,600	 (378,614)	 66,986
Loss after income tax expense for the period	-	(24,938)	(24,938)
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive loss for the period, net of tax	-	(24,938)	(24,938)
Contributions of equity	300,000	-	300,000
Balance at 30 June 2021	745,600	(403,552)	342,048

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

Panther Metals Ltd
Statement of cash flows
For the half year ended 30 June 2021

	Notes	6 months ended June 2021 \$	12 months ended December 2020 \$
Cash flow from operating activities			
Payments to suppliers and employees		(12,139)	(131,593)
Interest received		-	123
Net cash used in operating activities		(12,139)	(131,470)
 Cash flow from investing activities			
Payments for exploration and evaluation		(245,247)	(227,403)
Loans (repayment to)/from related entities		(339,392)	777,141
Net cash received from/(used in) investing activities		(584,639)	549,738
 Cash flow from financing activities			
Proceeds from the issue of shares		300,000	-
Net cash received from financing activities		300,000	-
 Net increase/(decrease) in cash and cash equivalents		(296,778)	418,268
Cash and cash equivalents at the beginning of the financial period		427,194	8,926
Cash and cash equivalents at the end of the financial period		130,416	427,194

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

Note 1. Significant accounting policies

Basis of preparation

The half-year financial report is a general purpose financial report that has been prepared in accordance with *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The half-year financial report does not include full disclosures of the type normally included in an annual financial report. It is recommended that this half-year financial report be read in conjunction with the annual financial report for the period ended 31 December 2020.

Reporting Basis and Conventions

The financial report has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's annual financial report for the period ended 31 December 2020. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Exploration and evaluation expenditure

Exploration and evaluation expenditures are written off as incurred, except when such costs are expected to be recouped through successful development and exploitation, or sale, of an area of interest. In addition, exploration assets recognised on acquisition of an entity are carried forward provided that exploration and/or evaluation activities in the area have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in relation to the area are continuing.

The expenditure carried forward when recovery is expected represents an accumulation of direct net exploration and evaluation costs incurred by or on behalf of the company and applicable indirect costs, in relation to separate areas of interest for which rights of tenure are current.

If it is established subsequently that economically recoverable reserves exist in a particular area of interest, resulting in the decision to develop a commercial mining operation, then in that year the accumulated expenditure attributable to that area, to the extent that it does not exceed the recoverable amount for the area concerned, will be transferred to mine development. As such it will be subsequently amortised against production from that area. Any excess of accumulated expenditure over recoverable amounts will be written off to profit or loss.

Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current period disclosures.

The current period relates to the six month ended 30 June 2021, with the prior comparative period being 12 months ended 31 December 2020.

New and Revised Accounting Standards and Interpretations

The Company has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the Company's accounting policies. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the Company.

Panther Metals Ltd
Notes to the financial statements
For the half year ended 30 June 2021

Going concern

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

As disclosed in the financial statements, the company has not commenced trading and incurred a loss before income tax for the six months ending 30 June 2021 of \$24,938 (12 months to 31 December 2020: loss of \$71,710) and had net cash outflows from operating activities for the six months ending 30 June 2021 of \$12,139 (12 months to 31 December 2020: \$131,470 outflow). As at 30 June 2021, the company had net current liabilities of \$743,746 (31 December 2020: net current liabilities of \$797,174).

On 31 January 2020, the World Health Organisation (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. Because of the rapid increase in exposure globally, on 11 March 2020, the WHO classified the COVID-19 outbreaks as a pandemic. These events are having a significant impact and recovery from the COVID-19 is unknown but it may have an impact on the company's activities and potentially impact on being able to raise capital in an uncertain market.

In context of this operating environment, the ability of the company to continue as a going concern is depending on securing additional funding through debt or equity to continue to fund its operational activities. These conditions indicate a material uncertainty that may cause 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.

The directors believe that there are reasonable grounds to believe that the company will continue as a going concern, after consideration of the following factors:

- The company is pursuing an initial public offering to the Official List of the Australian Securities Exchange to raise funding to continue commercialisation of the business.
- In accordance with the Corporations Act 2001, the company has plans to raise further working capital through the issue of equity.
- The company continues to keep costs at a minimum in order to conserve cash reserves for the next 12 months; and
- The company will continue to receive financial support from Panther Metals PLC for the next 12 months to assist in meeting Panther Metals Ltd's obligations as and when they fall due.

Accordingly, the Directors believe that the company will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

Should the company 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 or raise additional capital through equity or debts raisings and that the financial reports does not include any adjustments relating to the recoverability and classification or recorded asset amounts or liabilities that might be necessary should the company not continue as a going concern and meet its debts as and when they become due and payable. The directors plan to continue the company's operations on the basis as outlined above and believe there will be sufficient funds for the company to meet its obligations and liabilities for at least twelve months from the date of this report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the company is not able to continue as a going concern.

Panther Metals Ltd
Notes to the financial statements
For the half year ended 30 June 2021

Note 2. Other assets

	30 Jun 2021 \$	31 Dec 2020 \$
Prepayments	41,010	86,006

- Prepayments comprise of prepaid public relations fees.

Note 3. Exploration and evaluation expenditure

	30 Jun 2021 \$	31 Dec 2020 \$
Carrying amount at beginning of the period	380,479	3,288
Expenditure incurred during the period	279,907	99,051
Expenditure acquired during the period (i)	-	278,140
Expenditure disposed during the period	(132,357)	-
	<u>528,029</u>	<u>380,479</u>

- i. On 17 December 2020 the company acquired the Merolia Gold Project, located in near Laverton in Western Australia. Consideration for the acquisition of the project was comprised of:
- issue of 734,470 shares in Panther Metals PLC, the ultimate holding company of Panther Metals Ltd.
 - cash consideration of \$112,550.

Management has determined that the acquisition does not meet the definition of a business within AASB 3 Business Combinations. This transaction has been accounted for as an asset acquisition.

Note 4. Issued capital

Movements	30 Jun 2021 Shares	30 Jun 2021 \$
Opening balance	38,056,000	445,600
Share consolidation – 10 March 2021	(13,056,000)	-
Share consolidation – 14 May 2021	(5,000,000)	-
Issue of share capital – 1 June 2021	3,000,000	300,000
Closing balance	<u>23,000,000</u>	<u>745,600</u>

Panther Metals Ltd
Notes to the financial statements
For the half year ended 30 June 2021

Note 5. Loss per share

	6 months ended June 2021 \$	12 months ended December 2020 \$
a) Reconciliation of earnings to profit or loss:		
Loss used to calculate basic and diluted EPS	(24,938)	(71,710)
	Number	Number
b) Weighted average number of ordinary shares used as the denominator in calculating basic EPS	29,076,287	38,056,000
Weighted average number of dilutive options outstanding	-	-
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	29,076,287	38,056,000
	Cents	Cents
c) Basic and diluted loss per share	(0.09)	(0.19)

Note 6. Events after the reporting period

On 1 September 2021 the company raised \$300,000 through the issue of 3,000,000 shares to fund Initial Public Offering (IPO) costs and working capital.

On 1 September 2021 the company issued one ordinary share to Panther Metals PLC in full and final satisfaction of amounts previously owing by the company to Panther Metals PLC of \$343,162.

The company is also planning to raise \$5 million at \$0.20 per share via an IPO to fund further exploration activities utilizing leading industry techniques.

The impact of the Coronavirus (COVID-19) pandemic is ongoing. It is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided. There have been no other matters or circumstances that have arisen since 30 June 2021 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 7. Contingent assets

There were no contingent assets as at 30 June 2021.

Note 8. Contingent liabilities

There were no contingent liabilities as at 30 June 2021.

Note 9. Commitments

In order to maintain current rights of tenure, the company is required to perform minimum exploration work to meet the minimum expenditure requirements specified by the relevant State Governments. These obligations are not provided for in the financial report and are payable as follows:

	30 June 2021 \$	31 December 2020 \$
Less than one year	232,164	266,877
Between one and five years	378,207	483,760
Greater than five years	-	1,630
	610,371	752,267

The above represents commitments over the tenure of the tenements held by the company.

Panther Metals Ltd
Directors' declaration
30 June 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 Company's financial position as at 30 June 2021 and of its performance for the 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) of the Corporations Act 2001.

On behalf of the directors



Ranko Matic
Executive Director
6 September 2021
Perth

Independent Auditor's Review Report

To the Members of Panther Metals Ltd

Conclusion

We have reviewed the half-year financial report of Panther Metals Ltd ("the Company"), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Panther Metals Ltd does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Company's financial position as at 30 June 2021 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Regarding Continuation as a Going Concern

Without modifying our opinion above, we draw attention to Note 1 to the half year report, which indicates that the Company incurred a net loss of \$24,938 and had a net cash outflow from operating activities of \$12,139. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

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 Company in accordance with the ethical 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.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Half-Year Financial Report

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

Auditor's Responsibility for the Review of the Half-Year 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 Company's financial position as at 30 June 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 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.

Criterion Audit

CRITERION AUDIT PTY LTD

Chris Watts

CHRIS WATTS CA
Director

DATED at PERTH this 6th day of September 2021