

BPM Minerals Limited

ABN 60 644 263 516

Interim Financial Report for the half-year ended - 31 December 2020

| | |
|-----------------------------|---|
| Directors | Paul Lloyd - Non-Executive Chairman Emmanuel Correia – Non-Executive Director Greg Smith – Non-Executive Director |
| Chief Executive Officer | Chris Swallow |
| Company Secretary | Kelly Moore |
| Registered office | Ground Floor 24 Outram Street West Perth WA 6005 Ph: +61 8 9467 6393 Email: contact@bpmminerals.com Web: www.bpmminerals.com |
| Share registry | Automic Registry Services Level 2, 267 St Georges Terrace Perth WA 6000 Ph: 1300 288 664 www.automic.com.au |
| Auditor | HLB Mann Judd Perth Level 4, 130 Stirling Street Perth WA 6000 |
| Solicitors | Steinepreis Paganin Level 4, The Read Buildings 16 Milligan Street Perth WA 6000 |
| Securities exchange listing | Australian Securities Exchange (ASX code: BPM) |
| ACN | 644 263 516 |

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The Directors present their interim financial report of BPM Minerals Limited (referred to hereafter as the 'Company' or 'parent entity') and of the consolidated group (referred to hereafter as the 'Group'), being the Company and its controlled entities for the period from 11 September 2020 (date of incorporation) to 31 December 2020.

Directors

The following persons were Directors of BPM Minerals Limited during the financial year and up to the date of this report, unless otherwise stated:

Paul Lloyd (Non-executive Chairman) – appointed 5 October 2020
Emmanuel Correia (Non-executive Director) – appointed 11 September 2020
Greg Smith (Non-executive Director) – appointed 11 September 2020

All Directors held their position as a Director from the date of appointment and up to the date of this report, unless otherwise indicated.

Review of operations

The loss for the Group after providing for income tax amounted to \$103,192.

The following is a summary of the activities of BPM Minerals from incorporation to 31 December 2020. It is recommended that this half-yearly report be read in conjunction with any public announcements made by the Company during the period.

In accordance with the continuous disclosure requirements, readers are referred to the announcements lodged with the Australian Securities Exchange regarding the activities of the Company.

During the period, BPM Minerals Limited (the Company) was incorporated on 11 September 2020 to acquire its three Western Australian based gold and nickel projects, the Santy Gold Project, Nepean Gold and Nickel Project and the Claw Gold Project and proceed to explore and develop the projects.

Admission to the Official List of ASX Limited

BPM Minerals Limited was admitted to the Official List of ASX Limited on Thursday, 24 December 2020. BPM raised \$4,500,000 pursuant to the offer under its prospectus dated 13 November 2020 by the issue of 22,500,000 shares at an issue price of \$0.20 per share.

BPM commences trading on the ASX

Official quotation of BPM's ordinary fully paid shares commenced Wednesday, 30 December 2020, under code BPM.

Appointment of CEO

Post reporting period, the Company announced the appointment of Christopher (Chris) Swallow to the position of Chief Executive Officer.

Mr Swallow will lead the BPM team with more than 15 years' experience across both public and private sectors. Most recently Mr Swallow worked in an operational capacity as the Corporate Development Officer for Guinea-focused gold explorer Predictive Discovery Limited (ASX:PDI) and Minbos Resources Limited (ASX:MNB).

PROJECTS OVERVIEW

Nepean Project

The Nepean Gold and Nickel Project comprises a single granted exploration licence covering an area of approximately 39km². The Project is located approximately 500 km east of Perth and 30 km south-southwest of Coolgardie. The Nepean Gold and Nickel Project area is located within the Coolgardie Domain, close to the Bullabulling Domain which are separated by the Bullabulling Shear Zone.

The historical Nepean nickel sulphide deposit, which was discovered in 1968, is located less than 4 km north of BPM's Nepean Gold and Nickel Project.

Previous exploration during the 1980s targeted nickel sulphide mineralisation with only some drill hole samples sporadically analysed for gold.

Subsequent to the reporting period, the Company completed its maiden 5,836 meter (139-hole) aircore drill program in early March 2021, with drilling successfully intersecting greenstone lithologies under cover, including ultramafic rocks considered perspective for nickel mineralisation.

First assays from 5m composite samples at three high priority targets, as defined from historical exploration results, are expected to be received in late March.

Santy Project

The Santy Gold Project comprises two exploration licence applications covering an application area of approximately 251km². The project is located approximately 430 km north of Perth and 130 km northeast of Geraldton. The Santy Gold Project lies on the north-eastern end of the Archaean Talling Greenstone Belt, within the Norie Group, located along the western edge of the Murchison domain in the Yilgarn Craton.

The Santy Gold Project hosts various gold prospect areas within a mostly outcropping part of the Talling Greenstone Belt. Previous prospecting and reconnaissance at Santy discovered numerous sightings of visible gold within gossanous quartz scree proximal to outcropping and thinly concealed shear zones, within a strongly silicified package of felsic to intermediate tuffs, dacites, and rhyolites.

The Project is expected to be granted in late March 2021, with initial site visits by the BPM Exploration team for late map to include regolith mapping, ground truthing and sampling programs.

Claw Project

The Claw Gold Project comprises a single exploration licence application covering an application area of approximately 143km².

The Project is located approximately 250 km northeast of Perth and 40 km east of Wubin in the northern Wheatbelt region of Western Australia. The Claw Gold Project is located on the western margin of the Retaliation Greenstone Belt within the Murchison Province of the Yilgarn Craton. The Project is immediately south of the Mount Gibson gold mine and covers the interpreted southern extension of the Mount Gibson fault, which is interpreted to control the primary gold mineralisation at Mount Gibson.

The Claw Gold Project is mostly under cover and only limited previous exploration has occurred within the immediate project area.

The Company expects the Project to be granted in H2-2021 with initial exploration work to comprise an early or conceptual stage assessment for orogenic style gold mineralisation similar to the Mount Gibson gold mine area.

Significant changes in the state of affairs

During the period, the following significant changes occurred in the state of affairs:

- BPM Minerals Limited (the Company) was incorporated on 11 September 2020;
- On 11 September 2020, 5,000,000 shares were issued to the founders on incorporation of the Company at an issue price of \$0.001 per share;
- On 11 September, 4,500,000 shares were issued to seed capital investors at an issue price of \$0.10 per share, raising A\$450,000;
- On 22 December 2020, finalised the acquisition agreement with Beau Resources Pty Ltd through the issue of 3,000,000 shares in consideration for 100% of the issued shares in Santy Gold Pty Ltd, being the beneficial owner of the Nepean Gold and Nickel Project and the Santy Gold Project;
- Applied for a tenement comprising of the Claw Gold Project;
- On 24 December 2020, the Company was admitted to the official list of the ASX and official quotation of the Company's securities commenced on 30 December 2020;
- On 22 December 2020, the Company issued 22,500,000 full paid ordinary shares at \$0.20 per share (raising A\$4.5m before costs); and
- Issued 1,300,000 fully paid shares at \$0.20 on 22 December 2020 to the Lead Manager of the IPO and 1,300,000 Options exercisable at \$0.25 on successful admission to the ASX official list;

In the opinion of the Directors there were no other matters that significantly affected the state of affairs of the Group during the period, other than those matters noted above or referred to in the overview above.

Matters subsequent to the end of the financial period

On 5 February 2021, the Company announced the appointment of Mr Chris Swallow as Chief Executive Office with immediate effect.

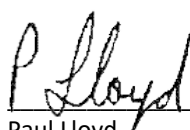
No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

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



Paul Lloyd
Non - Executive Chairman

12 March 2021
Perth, Western Australia

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of BPM Minerals Limited for the half-year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Perth, Western Australia
12 March 2021


D I Buckley
Partner

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BPM Minerals Limited
Statement of profit or loss and other comprehensive income
For the period ended 31 December 2020



| | Note | Consolidated 11 Sep 2020 to 31 Dec 2020 \$ |
|--|-------------|---|
| Expenses | | |
| Professional fees | | (53,873) |
| Insurance | | (21,315) |
| Compliance costs | | (14,369) |
| Tenement Fees | | (8,348) |
| Other expenses | | (5,267) |
| Finance costs | | (20) |
| Loss before income tax expense | | (103,192) |
| Income tax expense | | - |
| Loss after income tax expense for the period attributable to the owners of BPM Minerals Limited | | (103,192) |
| Other comprehensive income for the period, net of tax | | - |
| Total comprehensive loss for the period attributable to the owners of BPM Minerals Limited | | (103,192) |
| | | Cents |
| Basic loss per share | 17 | (1.03) |
| Diluted loss per share | 17 | (1.03) |

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

| | Note | Consolidated 31 December 2020 \$ |
|-----------------------------------|------|---|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | | 4,752,852 |
| Trade and other receivables | 6 | 44,825 |
| Total current assets | | <u>4,797,677</u> |
| Non-current assets | | |
| Exploration and evaluation assets | 7 | 633,732 |
| Total non-current assets | | <u>633,732</u> |
| Total assets | | <u>5,431,409</u> |
| Liabilities | | |
| Current liabilities | | |
| Trade and other payables | 8 | 443,556 |
| Total current liabilities | | <u>443,556</u> |
| Total liabilities | | <u>443,556</u> |
| Net assets | | <u>4,987,853</u> |
| Equity | | |
| Issued capital | 9 | 4,940,881 |
| Reserves | 11 | 150,164 |
| Accumulated losses | | <u>(103,192)</u> |
| Total equity | | <u>4,987,853</u> |

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

| Consolidated | Issued capital \$ | Share based payment reserve \$ | Accumulated losses \$ | Total equity \$ |
|--|----------------------------------|---|--------------------------------------|----------------------------|
| Balance at 11 September 2020 | - | - | - | - |
| Loss after income tax expense for the period | - | - | (103,192) | (103,192) |
| Other comprehensive income for the period, net of tax | - | - | - | - |
| Total comprehensive loss for the period | - | - | (103,192) | (103,192) |
| <i>Transactions with owners in their capacity as owners:</i> | | | | |
| Share-based payments (note 11) | - | 150,164 | - | 150,164 |
| Issued capital | 5,815,000 | - | - | 5,815,000 |
| Transaction costs | (874,119) | - | - | (874,119) |
| Balance at 31 December 2020 | <u>4,940,881</u> | <u>150,164</u> | <u>(103,192)</u> | <u>4,987,853</u> |

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

| | Note | Consolidated 11 Sep 2020 to 31 Dec 2020 \$ |
|--|-------------|---|
| Cash flows from operating activities | | |
| Payments to suppliers and employees | | (97,382) |
| Interest paid | | (20) |
| Net cash used in operating activities | | (97,402) |
| Cash flows from investing activities | | |
| Purchase of exploration assets | | (15,713) |
| Net cash used in investing activities | | (15,713) |
| Cash flows from financing activities | | |
| Proceeds from issue of shares | 9 | 4,955,000 |
| Share issue transaction costs | | (89,033) |
| Net cash provided by financing activities | | 4,865,967 |
| Net increase in cash and cash equivalents | | 4,752,852 |
| Cash and cash equivalents at the beginning of the financial period | | - |
| Cash and cash equivalents at the end of the financial period | | 4,752,852 |

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

Note 1. General information

The interim financial statements cover BPM Minerals Limited as a Group consisting of BPM Minerals Limited and the entities it controlled at the end of, or during, the period ended 31 December 2020. The financial statements are presented in Australian dollars, which is BPM Minerals Limited's functional and presentation currency.

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

The interim financial statements were authorised for issue, in accordance with a resolution of Directors, on 12 March 2021. The Directors have the power to amend and reissue the financial statements.

Note 2. Comparatives

As BPM Minerals Limited was incorporated on 11 September 2020, there are no comparatives to disclose in this interim financial report.

Note 3. Significant accounting policies

The principal accounting policies adopted in the preparation of the interim financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group 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.

Going concern

The interim financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group has incurred a net loss after tax for the period ended 31 December 2020 of \$103,192 and had net cash inflows from operating, investing and financing activities of \$4,752,852. As at 31 December 2020 the Group had a working capital surplus of \$4,354,121 and cash and cash equivalents of \$4,752,852.

Basis of preparation

This interim consolidated financial report is a general-purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The interim financial report does not include all of the notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that this financial report be read in conjunction with the Prospectus issued by the Company on 24 December 2020 and any public announcements made by BPM Minerals Limited and its controlled entities during the half-year in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001*. For the purpose of preparing the interim financial report, the half-year has been treated as a discrete reporting period.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income and certain classes of property, plant and equipment.

Note 3. Significant accounting policies (continued)

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

In accordance with the Corporations Act 2001, these interim financial statements present the results of the Group only.

Basis of consolidation

The consolidated interim financial statements incorporate the assets and liabilities of all subsidiaries of BPM Minerals Limited as at 31 December 2020 and the results of all subsidiaries for the half-year then ended. BPM Minerals Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the interim reporting period ended 31 December 2020. The Group has not yet fully assessed the financial impact of these new or amended Accounting Standards and Interpretations, however they are not expected to have a material impact on the financial statements of the Group.

Note 4. 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 4. Critical accounting judgements, estimates and assumptions (continued)

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees and external consultants where fair value of the service can not be reliably measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale. 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.

Note 5. Operating segments

Identification of reportable operating segments

The Group has identified its operating segments on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group currently operates in one operating segment being mineral exploration and evaluation in Australia.

Reportable segments disclosed are based on aggregating leases where the evaluation and exploration interests are considered to form a single project. This is indicated by:

- having the same ownership structure;
- exploration being focused on gold; and
- exploration programs targeting the leases as a group, indicated by the use of the same exploration team, shared geological data and knowledge across the leases.

Unless otherwise stated, all amounts reported to the Board of Directors as the chief decision maker are determined in accordance with AASB 8 Operating Segments.

Note 6. Trade and other receivables

Current assets

Goods and services tax receivable

| Consolidated | |
|---------------------|---------------------|
| 31 December | 30 June 2020 |
| 2020 | 2020 |
| \$ | \$ |
| 44,825 | - |

Note 6. Trade and other receivables (continued)

Accounting policy for other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Expected credit losses are based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate on overall expected credit loss rate for each group.

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows

Note 7. Exploration and evaluation assets

Non-current assets

Exploration and evaluation assets

| | Consolidated | |
|--|---------------------|---------------------|
| | 31 December | 30 June 2020 |
| | 2020 | 2020 |
| | \$ | \$ |
| | 633,732 | - |

Refer to note 15 for details of an asset acquisition during the period.

Accounting policy for exploration and evaluation assets

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure but does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest.

Each area of interest is limited to a size related to a known or probable mineral resource capable of supporting a mining operation.

Exploration and evaluation expenditure for each area of interest is expensed as incurred unless one of the following conditions is met:

- such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not yet reached a stage which 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.

Expenditure which fails to meet the conditions outlined above is written off, furthermore, the directors regularly review the carrying value of exploration and evaluation expenditure and make write downs if the values are not expected to be recoverable.

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition. Exploration assets acquired are reassessed on a regular basis and these costs are carried forward provided that at least one of the conditions referred to above is met.

Exploration and evaluation expenditure incurred subsequent to acquisition in respect of an exploration asset acquired, is accounted for in accordance with the policy outlined above for exploration expenditure incurred by or on behalf of the entity.

When an area of interest is abandoned, any expenditure carried forward in respect of that area is written off. Expenditure is not carried forward in respect of any area of interest unless the Group's right of tenure to that area of interest is current.

Note 8. Trade and other payables

| | Consolidated | |
|----------------------------|-------------------------|---------------------|
| | 31 December 2020 | 30 June 2020 |
| | \$ | \$ |
| <i>Current liabilities</i> | | |
| Trade payables | 443,556 | - |

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted.

Note 9. Issued capital

| | Consolidated | | | |
|------------------------------|-------------------------|---------------------|-------------------------|---------------------|
| | 31 December 2020 | 30 June 2020 | 31 December 2020 | 30 June 2020 |
| | Shares | Shares | \$ | \$ |
| Ordinary shares - fully paid | 36,300,000 | - | 4,940,881 | - |

| Details | Date | Shares | Issue price | \$ |
|--|-------------------|---------------|--------------------|-----------|
| Balance | 11 September 2020 | - | | - |
| Issued capital - founding capital | 11 September 2020 | 5,000,000 | \$0.001 | 5,000 |
| Issued capital - seed investors | 27 October 2020 | 4,500,000 | \$0.100 | 450,000 |
| Issued capital - compensation Lead Manager IPO | 22 December 2020 | 1,300,000 | \$0.200 | 260,000 |
| Issued capital - IPO | 22 December 2020 | 22,500,000 | \$0.200 | 4,500,000 |
| Issued capital - acquisition of Santy Gold Pty Ltd | 22 December 2020 | 3,000,000 | \$0.200 | 600,000 |
| Share issue transaction costs, net of tax | | - | \$0.000 | (874,119) |
| Balance | 31 December 2020 | 36,300,000 | | 4,940,881 |

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.

Accounting policy for issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 10. Related party transactions

| | Consolidated | |
|------------------------------|---------------------------------------|-----------------------------|
| | 11 Sep 2020 to 31 Dec 2020 | 31 December 2019 |
| | \$ | \$ |
| Short term employee benefits | - | - |

Other key management personnel transactions

A number of these companies transacted with the Company during the period. The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions to non-key management personnel related companies on an arm's length basis.

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence were as follows:

- Coral Brook Pty Ltd, a company of which Mr Paul Lloyd is a director, charged the Company for capital raising services totalling \$20,000 (2019: \$nil). \$20,000 was outstanding at period end.
- Cardrona Energy Pty Ltd, a company of which Mr Emmanuel Correia is a director, charged the Company for corporate advisory services totalling \$30,000 (2019: \$nil) and capital raising fees totalling \$20,000 (2019: \$nil). \$50,000 (2019: \$nil) was outstanding at period end.
- Mr Paul Lloyd purchased 1,466,667 Founder shares in the Company for an issue price of \$0.001 during the period. Mr Lloyd was also issued with 3,000,000 Founder options with an exercise price of \$0.25 and expiry of 11 September 2025 for nil consideration.
- Mr Emmanuel Correia purchased 1,466,667 Founder shares in the Company for an issue price of \$0.001 during the period. Mr Correia was also issued with 3,000,000 Founder options with an exercise price of \$0.25 and expiry of 11 September 2025 for nil consideration.
- Mr Greg Smith purchased 500,000 Founder shares in the Company for an issue price of \$0.001 during the period. Mr Smith was also issued with 1,000,000 Founder options with an exercise price of \$0.25 and expiry of 11 September 2025 for nil consideration.

Parent entity

BPM Minerals Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 12.

There were no transactions with related parties during the current and previous financial period.

Note 11. Options

On 11 September 2020 the Company issued 10,000,000 options to the Company's founders on incorporation of the Company. The options are exercisable at \$0.25 on or before 11 September 2025 and has a trivial balance on issue.

On 22 December 2020 the Company issued 1,300,000 options to the Lead Manager of the IPO on successful admission of the Company to the ASX. The options are exercisable at \$0.25 on or before 11 September 2025 and has a balance on issue.

Note 11. Options (continued)

Set out below are summaries of options granted by the Company:

| | Number of options 31 December 2020 | Exercise price 31 December 2020 |
|--|---|---------------------------------------|
| Outstanding at the beginning of the financial period | - | \$0.000 |
| Granted on incorporation - Founder options | 10,000,000 | \$0.250 |
| Granted admission to ASX - Lead Manager options* | 1,300,000 | \$0.250 |
| Outstanding at the end of the financial period | 11,300,000 | \$0.250 |

* Lead Manager options have been determined to have a total fair value of \$150,164. The options were valued using the Black Scholes method with the following assumptions:

- Exercise price of \$0.25
- Volatility of 80%
- Implied life of 5 years
- Risk free rate of 0.29%
- Dividend yield of nil

Note 12. Interests in subsidiaries

The consolidated interim financial statements incorporate the assets, liabilities and results of the following subsidiaries:

| Name | Principal place of business / Country of incorporation | Ownership interest | |
|-----------------------|---|--------------------------|-------------------|
| | | 31 December 2020 % | 30 June 2020 % |
| Claw Minerals Pty Ltd | Australia | 100% | - |
| Santy Gold Pty Ltd | Australia | 100% | - |

These entities are members of the tax consolidated group of which the Company is the head entity.

Note 13. Events after the reporting period

On 5 February 2021, the Company announced the appointment of Mr Chris Swallow as Chief Executive Office with immediate effect.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 14. Contingent liabilities

There are no contingent liabilities as at 31 December 2020.

Note 15. Asset acquisition

During the period the Company entered into an agreement with Beau Resources Pty Ltd to issue 3,000,000 fully paid shares with a fair value of \$0.20 per share to acquire 100% of the issued capital of Santy Gold Pty Ltd, the owner of the Santy Gold Project. The acquisition has been accounted for as an asset acquisition as it was not considered a business combination under AASB 3 *Business Combinations* and the consideration has been accounted for as a share-based payment transaction using the principles of AASB 2 *Share-Based Payments*.

Santy Gold Pty Ltd was incorporated on 1 October 2020 and as at the date of acquisition, being 22 December 2020, the fair value of the identifiable assets and liabilities of Santy Gold Pty Ltd was \$20 being made up of \$20 in cash and \$20 in share capital.

Consolidated
31 December
2020
\$

Purchase consideration comprises:

3,000,000 fully paid ordinary shares

600,000

The purchase price of \$600,000 has been capitalised as exploration and evaluation expenditure.

Note 16. Financial instruments

Fair value of financial instruments

The fair value of financial assets and financial liabilities not measured at fair value on a recurring basis approximates their carrying amount at balance date.

Note 17. Loss per share

Consolidated
11 Sep 2020 to
31 Dec 2020
\$

Loss after income tax attributable to the owners of BPM Minerals Limited

(103,192)

Cents

Cents

Basic loss per share

(1.03)

-

Diluted loss per share

(1.03)

-

Number

Number

Weighted average number of ordinary shares used in calculating basic loss per share

10,044,643

-

Weighted average number of ordinary shares used in calculating diluted loss per share

10,044,643

-

Note 18. Commitments

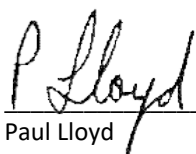
Other than the loan commitments entered into during the period, there were no significant changes in commitments held by the Group since the last annual reporting date.

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 Group's financial position as at 31 December 2020 and of its performance for the financial period 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

A handwritten signature in black ink, appearing to read "P Lloyd", written over a horizontal line.

Paul Lloyd
Non - Executive Chairman

12 March 2021
Perth, Western Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of BPM Minerals Limited

Report on the Condensed Interim Financial Report*Conclusion*

We have reviewed the accompanying interim financial report of BPM Minerals Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2020, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed 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, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of BPM Minerals Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. 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 auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the interim 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 interim financial report that gives a true and fair view and 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 interim 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 interim 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 2020 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 an interim 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*.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
12 March 2021



D I Buckley
Partner