

Peak Minerals Limited

ABN 74 072 692 365

Consolidated Half Year Report - 31 December 2020

Peak Minerals Limited

Contents

31 December 2020

Corporate directory	2
Directors' report	3
Auditor's independence declaration	15
Statement of profit or loss and other comprehensive income	16
Statement of financial position	17
Statement of changes in equity	18
Statement of cash flows	19
Notes to the financial statements	20
Directors' declaration	28
Independent auditor's review report to the members of Peak Minerals Limited	29

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:

Level 4, 96 - 100 Albert Road
South Melbourne, VIC, 3205
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 11 March 2021.

Peak Minerals Limited
Corporate directory
31 December 2020

Directors	Robert Boston Wayne Loxton David Leavy
Company secretary	Melanie Leydin
Registered office	Level 4, 96-100 Albert Road South Melbourne VIC 3205
Principal place of business	Level 4, 96-100 Albert Road South Melbourne VIC 3205
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	www.peakminerals.com.au

Peak Minerals Limited
Directors' report
31 December 2020

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 2020.

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
Wayne Loxton (appointed 14 December 2020)
David Leavy
Ernest Thomas Eadie (ceased 14 December 2020)

Principal activities

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

- pursuing its strategy to acquire suitable gold and base metal exploration projects;
- carrying out exploration activities on gold and copper projects;
- this included the acquisition of a company holding copper tenements.

Review of operations

Highlights for the half year ended 31 December 2020 were:

- the acquisition of Greenrock Metals Pty Ltd (Greenrock Metals), which was completed in December 2020. Greenrock Metals has four copper projects located in Western Australia with two projects located in the Kimberleys and two located in the Meekatharra region. An initial exploratory drilling program commenced in the Copper Hills project in December 2020;
- completion of a geological review of the Hill End Gold Project with the aim of identifying opportunities to delineate additional resources. The review formulated a revised geological model, that is based off the extensive drilling database and results from the trial mining program undertaken in 2008-10;
- appointment of a new Managing Director, Wayne Loxton, in December 2020;
- completion, during July and August 2020, of the share placement and entitlements issue which commenced prior to the 30 June 2020;
- undertaking a share placement in September 2020 to raise \$2 million;
- change of name to Peak Minerals Limited.

The loss for the consolidated entity after providing for income tax amounted to \$4,825,383 (31 December 2019: \$2,392,459).

Much of this loss was generated by two major expense items; a \$1,515,495 impairment expense arising on the write down of the consolidated entity's Yendon HPA project, and a \$2,239,932 expense item relating to the expensing of tenement acquisition costs recognised upon the acquisition of Greenrock Metals by the consolidated entity in December 2020.

Corporate

The Company's name was changed from Pure Alumina Limited to Peak Minerals Limited in August 2020 following shareholder approval.

On 14 December 2020 Wayne Loxton was appointed as Managing Director replacing David Leavy, who remains as a director of the Company.

Also on 14 December 2020 the Company's Non-Executive Chairman, Tom Eadie, left the Board after having previously advised the Company that he would not seek re-election after retiring by rotation at the Company's Annual General Meeting. The Company would like to thank Mr Eadie for his leadership and contribution over his tenure. Rob Boston was appointed as Non-Executive Chairman to replace Mr Eadie.



Figure 1: Overview of Peak Minerals projects

- **The Copper Hills Project** covers an area of 9.2km² and is located 42km south of Meekatharra. The Lady Alma Igneous Complex underlies the majority of the Copper Hills tenure and hosts the Copper Hills and Lady Alma copper gold mineralisation. The Lady Alma Intrusive Complex has been assigned to the Meeline Intrusive Suite which also hosts the Windimurra, Barrambie and Youanmi Igneous Complexes. Drilling at Copper Hills commenced on 8 December 2020. Following a break over the Christmas period, drilling recommenced on 18 January 2021.
- **The Cork Tree Project** covers an area of 62km² and is located 28km south east of Sandfire's DeGrussa Copper-Gold Mine and 18km south east of the Monty Copper-Gold Mine. The primary source of the widespread secondary copper mineralisation at Cork Tree has not yet been found, nor has the near-surface anomaly been closed off. The location of the prospect at the edge of a mid-Proterozoic sedimentary basin abutting a basement high, and the presence of metalliferous inclusions in hydrocarbons, suggest potential for sediment hosted base metal mineralisation.
- **The Carson Project** is located in the Kimberley region, covers a total land area of 800Km² and includes approximately 250km of the Carson fault. It is a sediment-hosted mineralisation target with basalt and sandstone lithologies. Copper mineralisation was originally recorded in the late 1960s but there has been little follow up exploration since.
- **The Kimberley South Projects** consists of six individual tenements prospective for magmatic copper and nickel mineralisation. Drilling at the McGowan prospect returned a best intercept of 4.5 m @ 3.1% Cu, while rock chips collected from the same location assayed up to 41.5% Cu

Meekatharra region projects

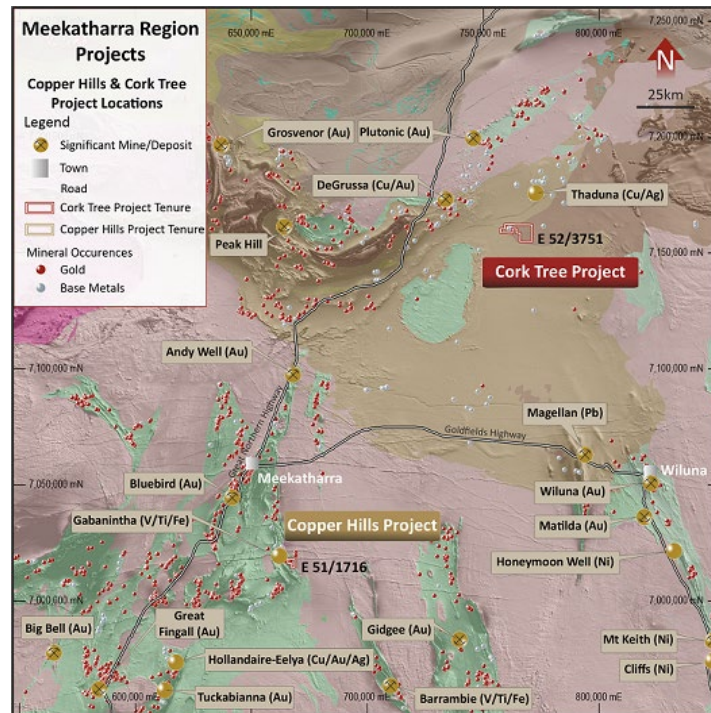


Figure 2: Copper Hills & Cork Tree Project Locations in the Meekatharra region

Copper Hills Project

The Copper Hills project is the immediate priority for Peak and the focus of an initial drilling program which began in December. First results from the program are expected to be received in the March Quarter 2021

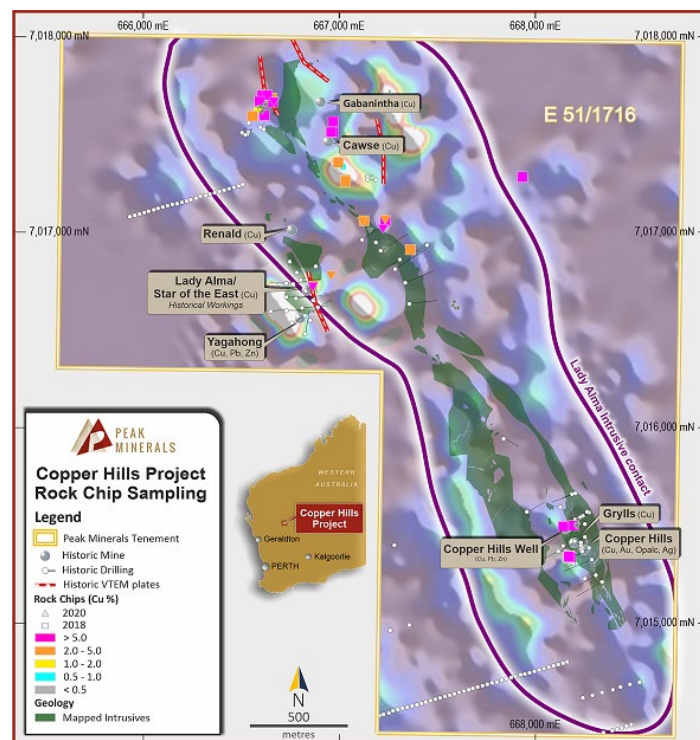


Figure 3: Copper Hills Project- Rock Chip Sampling, Interpreted Outline of Intrusive Contact and VTEM conductors

The Project hosts copper-gold mineralisation at the Copper Hills and Lady Alma prospects. The Lady Alma Igneous Complex has been assigned to the Meeline Intrusive Suite which also hosts the Windimurra, Barrambie and Youanmi Igneous Complexes.

The Lady Alma Intrusive Complex is dominated by gabbroic lithologies with zones of peridotite and pyroxenite and is interpreted to have intruded into the tholeiitic basalt dominated Norie Group Greenstone belt between 2800 and 2760Ma. It is interpreted that mafic-ultramafic intrusive lithologies at Lady Alma-Copper Hills were likely intruded as discrete differentiated intrusive bodies rather than the classical layered mafic-ultramafic intrusive complex. Additionally, studies have indicated the intrusive lithologies display geochemical signatures indicative of crustal contamination of the melt. This is a critical factor with respect to the formation of magmatic sulphides as crustal contamination is a common trigger for sulphur saturation within the melt.

The near surface mineralisation identified to date at the Copper Hills and Lady Alma prospects appears to indicate a number of similarities to mineralisation at the adjacent Gabanintha Gold Mine. The marked contrast is that the Copper Hills and Lady Alma prospects are relatively copper-rich with limited gold compared to Gabanintha. Copper mineralisation occurs as azurite, malachite and chalcopryite.

Previous exploration at Copper Hills identified a 3km prospective corridor defined by a combination of drilling, geochemistry, EM geophysics and historical mine workings.

Significant previous drilling results include:

- 101.72m at 0.46% Cu and 0.25g/t Au from 62m (hole CD6);
- 63m at 0.74% Cu from surface (hole CD7) including
 - o 13.7m at 0.95% Cu and 12.5m at 1.45% Cu.

Copper Hills- Geophysical Targeting and Field Reconnaissance Completed

The current data review has focused on identifying the source of the mineralisation since previously all drilling focussed on extending mineralisation of historic pits and conductors within 125m of surface. The historically modelled EM conductors are coincident with shallow underground mine workings and are not all fully tested.

The 2000m reverse circulation and 1500m diamond drilling program in progress at Copper Hills, which is testing multiple targets, is expected to finish in the March 2021 quarter with assay results to be returned thereafter.

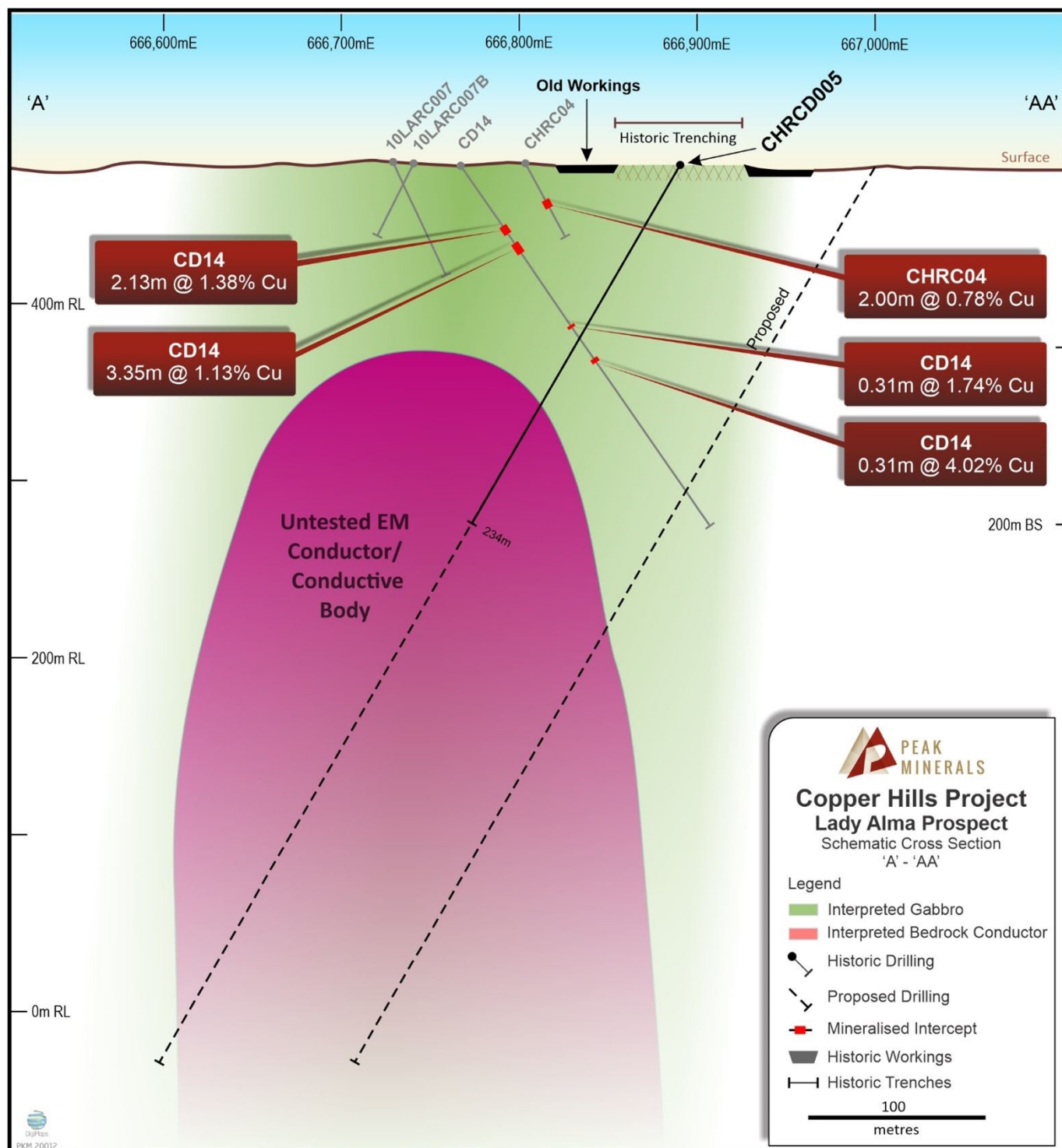


Figure 4: Schematic cross-section of the Lady Alma prospect showing historical drill intercepts and current completed RC precollar

Kimberley region projects

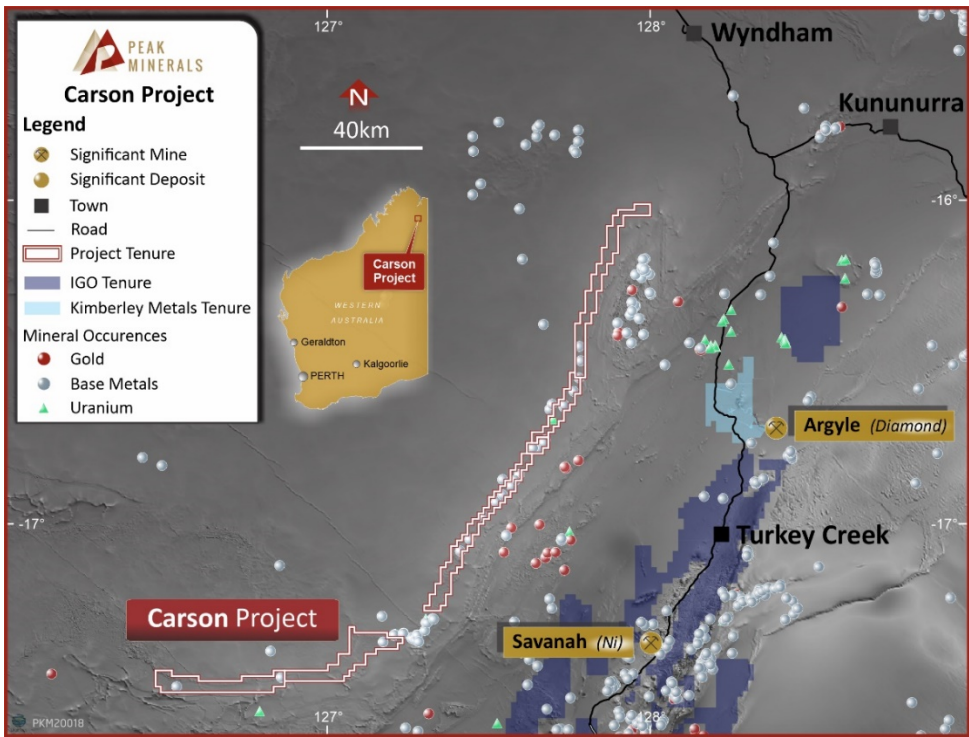


Figure 5: Carson Project Location in the Kimberley Region

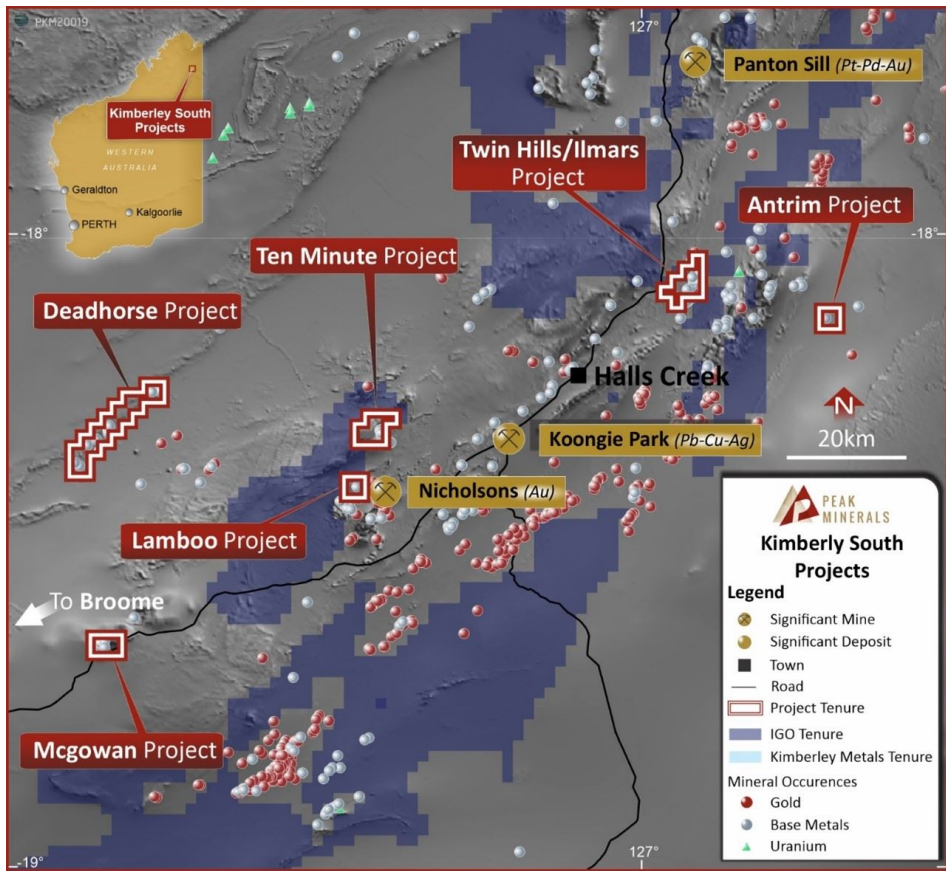
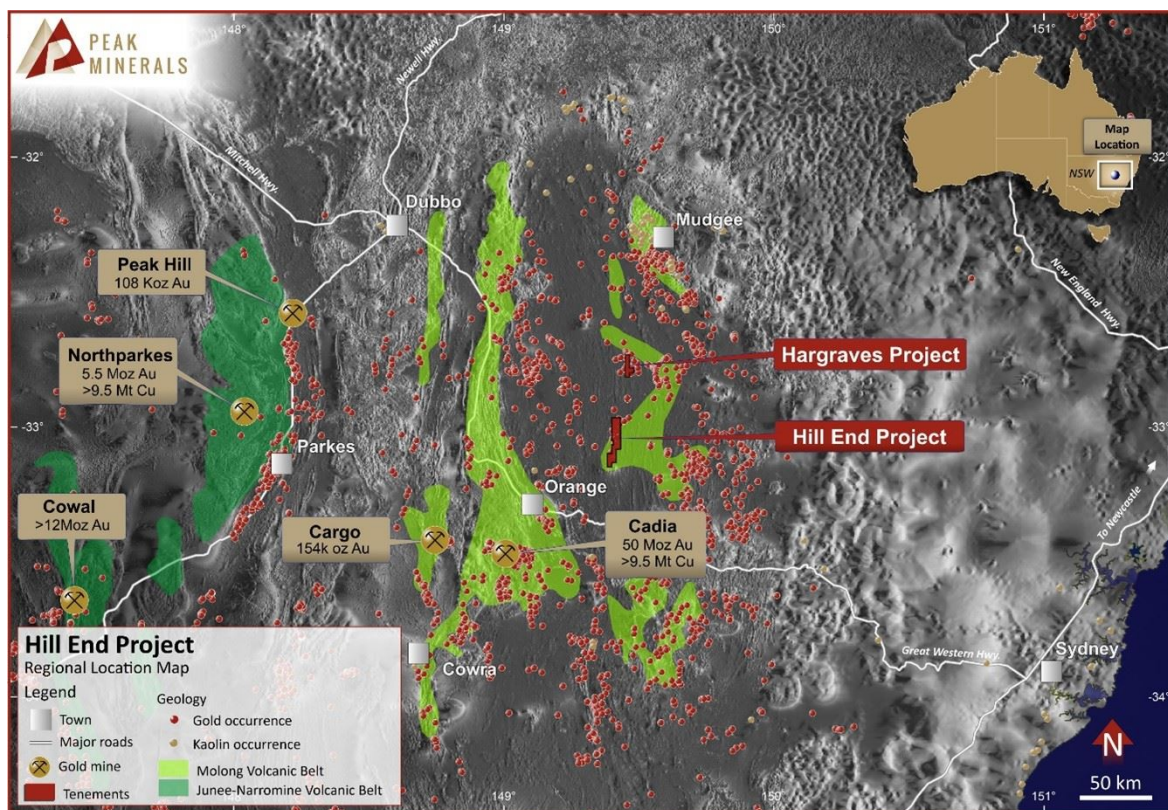


Figure 6: Kimberley South projects

Hill End and Hargraves Gold Projects, NSW

The Hill End and Hargraves Gold Projects are located on the Eastern Lachlan Fold Belt, New South Wales. There has been extensive historical mining in the region dating back to the 1850's. The main regional structure is a quartz hosted orebody that has undergone several stages of mineralisation.



During the September quarter, PUA completed a geological review of its Hill End Gold Project with the aim of identifying opportunities to delineate additional resources. The review formulated a revised geological model that is based off the extensive drilling database and results from the trial mining program undertaken in 2008-10.

The proposed exploration program consists of confirming the revised geological model, and assuming it accurately describes the mineralisation process, using the new model to plan an exploration program to identify strike and depth extension of the current mineralisation.

The Company's geologist Barbara Duggan, who joined in December 2020, has commenced a review of the geology and structural complexities at Hill End and Hargraves, with her initial findings confirming the potential to identify additional mineralisation at both Projects. An exploration plan is currently being developed to confirm the geological model and plan a drill campaign.

Gold projects Resource Statement

The combined projects have a JORC Resource of 501koz @ 3.3 g/t, consisting of:

2012 JORC-compliant Mineral Resources

Deposit	Classification	Tonnes (t)	Grade (Au g/t)	Contained oz
Hargraves*	Indicated	1,108,651	2.7	97,233
	Inferred	1,210,335	2.1	80,419
Sub-Total		2,318,986	2.4	177,652
Red Hill**	Indicated	413,000	1.4	18,600
	Inferred	1,063,000	1.8	61,400
Sub-Total		1,475,000	1.7	80,000
Total		3,794,986	2.1	257,652

* Hargraves: 0.8 g/t reporting cut-off. ASX announcement 29 May 2020:

<https://www.asx.com.au/asxpdf/20200529/pdf/44j6vrzbnmmsm3.pdf>

** Red Hill: 0.5 g/t per block, ordinary kriging grade interpolation, classified Mineral Resources limited to 160mRL below surface. ASX announcement 30 Nov 2015: <https://www.asx.com.au/asxpdf/20151130/pdf/433f59prb9x8km.pdf>

Hawkins Hill\Reward 2004 JORC-compliant Mineral Resources

	Classification	Tonnes (t)	Grade (Au g/t)	Contained oz
Hawkins Hill – Reward*	Measured	77,400	11.3	28,100
	Indicated	180,400	6.5	37,700
	Inferred	627,800	8.8	178,100
Total		885,600	8.6	243,900

* Cut-off grades Hawkins Hill\Reward: 0.5 g/t and inverse distance squared grade interpolation. ASX announcement 13 Oct 2010: <https://www.asx.com.au/asxpdf/20101013/pdf/31t2q5df28qlgb.pdf> . This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Pursuant to ASX Listing Rule 5.23.2, Peak Minerals Limited confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements referred to in the Resource Tables above and, in the case of estimates of mineral resources or ore reserves, that all material assumptions and technical parameters underpinning the estimates in those market announcements continue to apply and have not materially changed.

High Purity Alumina Project

In July 2020 the consolidated entity was advised by the Victorian Mines Department that the Retention License application covering the Yendon kaolin resource (RL6734) had been approved. The Yendon HPA Project remains on hold following the prioritisation of the consolidated entity's efforts towards its copper and gold projects, and pending developments in the HPA market.

During the half year ended 31 December 2020, the Board reviewed the Yendon HPA Project and its financial statements carrying value and concluded that, in light of the current status of the Project, it was prudent to write down the carrying value. Accordingly, an impairment loss of approximately \$1.5 million was recognised in the consolidated entity's profit and loss for the period, with the carrying value being written down to \$100,000.

Peak Minerals Limited
Directors' report
31 December 2020

Project	Tenement	Grant / Application Date	Expiry Date	Area
Hill End (NSW)	Exploration Licence No 5868 (1992)	18/06/2001	Renewal pending	16 units
Hill End (NSW)	Gold Lease No 5846 (1906)	15/02/1968	7/12/2024	2.044 hectares
Hill End (NSW)	Mining Lease No 1116 (1973)	28/03/1984	16/10/2024	15.71 hectares
Hill End (NSW)	Mining Lease No 1541 (1992)	17/10/2003	16/10/2024	279.20 hectares
Hill End (NSW)	Mining Lease No 315 (1973)	8/12/1976	7/12/2024	6.671 hectares
Hill End (NSW)	Mining Lease No 316 (1973)	8/12/1976	7/12/2024	8.846 hectares
Hill End (NSW)	Mining Lease No 317 (1973)	8/12/1976	7/12/2024	7.00 hectares
Hill End (NSW)	Mining Lease No 49 (1973)	30/07/1975	7/12/2024	1.618 hectares
Hill End (NSW)	Mining Lease No 50 (1973)	30/07/1975	7/12/2024	3.02 hectares
Hill End (NSW)	Mining Lease No 913 (1973)	20/01/1981	19/01/2023	22.00 hectares
Hill End (NSW)	Mining Lease No 914 (1973)	20/01/1981	19/01/2023	21.69 hectares
Hill End (NSW)	Mining Lease No 915 (1973)	4/02/1981	3/02/2023	13.27 hectares
Hargraves (NSW)	Exploration Licence No 6996 (1992)	21/12/2007	21/12/2021	6 units
Chambers Creek (NSW)	Exploration Licence No 8289 (1992)	24/3/2014	Renewal pending	3 Units
Yendon (Vic)	Exploration Licence No 5457	10/09/2013	09/09/2023	41 Graticules ²
Yendon (Vic)	Exploration Licence No 6428	22/12/2017	Renewal pending	49 Graticules ²
Yendon (Vic)	Retention Licence app No RL6734	03/07/2020	02/07/2025	225.2 hectares
Copper Hills (WA)	Exploration Licence No E51/1716	27/07/2016	26/07/2021	3 BL ³
Cork Tree (WA)	Exploration Licence No E52/3751 ¹	5/05/2020	4/05/2025	20 BL ³
Kimberley South (WA)	Exploration Licence No E80/5442 ¹	9/12/2019	Application	4 BL ³
Kimberley South (WA)	Exploration Licence No E80/5283 ¹	9/06/2020	8/06/2025	25 BL ³
Kimberley South (WA)	Exploration Licence No E80/5271 ¹	17/07/2019	16/07/2024	6 BL ³
Kimberley South (WA)	Exploration Licence No E80/5371 ¹	26/11/2020	25/11/2025	9 BL ³
Kimberley South (WA)	Exploration Licence No E80/5340 ¹	8/01/2020	7/01/2025	11 BL ³
Kimberley South (WA)	Exploration Licence No E80/5081 ¹	3/04/2018	2/04/2023	4 BL ³
Carson (WA)	Exploration Licence No E80/5502 ¹	30/06/2020	Application	70 BL ³
Carson (WA)	Exploration Licence No E80/5503 ¹	30/06/2020	Application	29 BL ³
Carson (WA)	Exploration Licence No E80/5504 ¹	30/06/2020	Application	70 BL ³
Carson (WA)	Exploration Licence No E80/5505 ¹	30/06/2020	Application	70 BL ³
Carson (WA)	Exploration Licence No E80/5506 ¹	30/06/2020	Application	60 BL ³

Notes to Tenement Schedule as at 31 December 2020:

- (1) The transfer of the Tenement's/Application's registered ownership to Greenrock Metals Pty Ltd/CU WA Pty Ltd (controlled entities of Peak Minerals Limited) is currently being processed by the Western Australia Department of Mines, therefore the current recorded holder of the tenement/application for tenement is a third party.
- (2) A graticule is essentially 1 sq. km or part thereof
- (3) BL = "Block" as defined by the *Mining Act 1978 (WA)*

Financial performance

The loss for the consolidated entity after providing for income tax for the half year ended 31 December 2020 was \$4,825,383 (31 December 2019: \$2,392,459).

A significant amount of this loss was attributable to the following non recurrent items:

- a \$2,239,932 expense item relating to the expensing of tenement acquisition costs recognised upon the acquisition of Greenrock Metals by the consolidated entity in December 2020; and
- a \$1,515,495 impairment expense arising on the write down of the consolidated entity's Yendon HPA project.

A significant amount of the loss for the comparative period ended 31 December 2019 was a loss of \$1,402,398 recognised in relation to the consolidated entity's decision to surrender its kaolin tenement at Pittong, Victoria.

Other expenses for the current period were approximately \$296,000, compared to \$153,000 for the corresponding period. The increase in these expenses reflects higher expenditure relating to the gold tenement assets, reflecting additional work performed thereon, and the payment of the option fee in relation to the Greenrock Metals acquisition. Administration costs for the current period were approximately \$796,000, compared to \$837,000 for the corresponding period. The decrease in these expenses mainly reflects the reduction in administrative costs relating to the HPA project.

Financial position

The net assets of the consolidated entity increased by \$1,122,843 to \$8,293,325 at 31 December 2020 (30 June 2020: \$7,170,482)

Cash increased from approximately \$485,000 to approximately \$3.12 million during the December 2020 half year, reflecting the receipt of proceeds from the Company's capital raisings.

The reduction in the balance of the consolidated entity's High Purity Alumina project of approximately \$1.5 million in the half year ended 31 December 2020 was due to the impairment expense arising on the write down of the consolidated entity's Yendon HPA.

The increase in issued capital reflects the shares issued under the Company's capital raisings, as well as 67 million shares issued to the vendors of Greenrock Metals as consideration for that acquisition.

The working capital position of the consolidated entity as at 31 December 2020 was an excess of current assets over current liabilities of \$2,893,190, compared to \$236,520 at 30 June 2020, with the increase being due mainly to the increase of the cash balance referred to above.

Significant changes in the state of affairs

On 7 July 2020, the Company issued 97,855,414 fully paid ordinary shares at \$0.009 per share in relation to the non-renounceable rights issue (Entitlement Offer) announced on 29 May 2020.

Also on 7 July 2020, the Company issued 48,927,637 listed options in relation to the Entitlement Offer. The options are exercisable at \$0.025 and expire on 30 December 2022.

On 10 July 2020, the Company issued 55,159,554 fully paid ordinary shares at \$0.009 per share in relation to the shortfall shares under the Entitlement Offer.

Furthermore on 10 July 2020, the Company issued 27,579,777 listed options in relation to the shortfall shares under the Entitlement Offer. The options are exercisable at \$0.025 and expire on 30 December 2022.

On 3 August 2020, the Company issued 195 fully paid ordinary shares at \$0.025 per share, on the exercise of 195 listed options.

Peak Minerals Limited
Directors' report
31 December 2020

On 4 August 2020, the Company:

- Issued 14,322,361 fully paid ordinary shares at \$0.00001 per share, as consideration for services rendered by the Joint Lead Managers and Underwriter to the Entitlement Offer;
- Issued 16,632,061 listed options in relation to the tranche 1 shares issued from the placement announced on 29 May 2020 (Placement). The options are exercisable at \$0.025 and expire on 30 December 2022;
- Issued 40,000,000 fully paid ordinary shares in relation to tranche 2 of the Placement. The shares were issued at an issue price of \$0.009 per share;
- Issued 20,000,000 listed options in relation to the tranche 2 shares issued from the Placement. The options are exercisable at \$0.025 and expire on 30 December 2022; and
- Issued 50,000,000 listed options as consideration for services rendered by the Joint Lead Managers and Underwriter to the Entitlement Offer. The options are exercisable at \$0.025 and expire on 30 December 2022.

On 6 August 2020, the Company announced that it had changed its name from Pure Alumina Limited to Peak Minerals Limited following approval by shareholders.

On 17 August 2020, the Company issued 20,000,000 unlisted options to directors as an incentive as approved by shareholders on 31 July 2020. The options are exercisable at \$0.0331 and expire on 30 December 2022.

On 17 August 2020, the Company issued 1,000,000 unlisted options to a contractor in recognition of services provided. The options are exercisable at \$0.0465 and expire on 30 December 2022.

On 1 September 2020, the Company issued 1,350 fully paid ordinary shares at \$0.025 per share, on the exercise of 1,350 PUAOD listed options.

On 21 September 2020, the Company announced:

- the proposed acquisition of Greenrock Metals Pty Ltd (Greenrock Metals) and its portfolio of four WA copper projects;
- the proposed appointment of Mr Wayne Loxton as Managing Director of the Company, upon completion of the Greenrock Metals acquisition; and
- a \$2 million capital raising via a placement with professional and sophisticated investors (September Placement), comprising the issue of 80,000,000 shares and 16,000,000 free attaching options.

On 28 September 2020, the Company issued 80,000,000 fully paid ordinary shares to professional and sophisticated investors pursuant to the placement announced on 21 September 2020. The shares were issued at an issue price of \$0.025 per share.

On 2 October 2020 the Company issued 20,000,000 listed options at \$0.00001 per option as consideration for services rendered by the Lead Manager of the September Placement. The options are exercisable at \$0.025 and expire on 30 December 2022.

On 6 October 2020, the Company issued 2,859 fully paid ordinary shares at \$0.025 per share, on the exercise of 2,859 PUAOD listed options.

On 19 October 2020 the Company issued 5,280,000 fully paid ordinary shares at \$0.00001 per share as consideration for services rendered by the Lead Manager of the September Placement.

On 3 November 2020, the Company issued 53,716 fully paid ordinary shares at \$0.025 per share, on the exercise of 53,716 PUAOD listed options.

On 14 December 2020:

- Chairman Tom Eadie stepped down from the Company's Board;
- Robert Boston as appointed as Non-Executive Chairman of the Company;
- Wayne Loxton was appointed as Managing Director of the Company, replacing David Leavy;
- at the Company's Annual General Meeting, the Company's shareholders approved the issue of shares by the Company to the vendors of Greenrock Metals as consideration for the Company's acquisition of Greenrock Metals.

On 17 December 2020 the Company issued 16,000,000 listed options in relation to the shares issued from the September Placement, as announced on 21 September 2020. The options are exercisable at \$0.025 and expire on 30 December 2022.

Peak Minerals Limited
Directors' report
31 December 2020

On 21 December 2020, the Company issued 40,000,000 unlisted options to newly-appointed Managing Director Wayne Loxton as an incentive, as approved by shareholders on 14 December 2020. The options are exercisable at \$0.05 and expire on 21 December 2023.

On 22 December 2020, the Company issued 15,000,000 unlisted options to a service provider as consideration for the provision of services. The options are exercisable at \$0.05 and expire on 31 December 2023.

On 22 December 2020, the Company's acquisition of Greenrock Metals, as announced on 21 September 2020, was completed following the finalisation of all contractual conditions. These included the issue by the Company, on 22 December 2020, of 67,000,000 fully paid ordinary shares to the vendors of Greenrock Metals as consideration for the Company's acquisition of Greenrock Metals. The shares were issued at a deemed issue price of \$0.03 per share.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and 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 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 3 February 2021, the Company issued 2,256 fully paid ordinary shares at \$0.025 per share, on the exercise of 2,256 PUAOD listed options.

On 4 February 2021, the Company issued 5,000,000 unlisted performance rights to an employee as an incentive. The performance rights will vest upon the achievement of applicable performance targets, have nil conversion price and expire on 4 January 2024.

No other matter or circumstance has arisen since 31 December 2020 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



Robert Boston
Chairman

11 March 2021

AUDITOR'S INDEPENDENCE DECLARATION

To the directors of Peak Minerals Limited

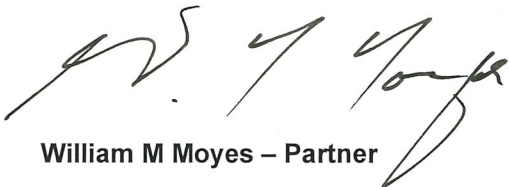
In accordance with section 307C of the Corporations Act 2001, as lead audit partner for the review of the financial statements of Peak Minerals Limited for the half-year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (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

Chartered Accountants



William M Moyes – Partner

Dated: 11 March 2021

Peak Minerals Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2020

		Consolidated	
	Note	31 December 2020	31 December 2019
		\$	\$
Revenue			
Other income	4	22,239	-
Interest revenue		543	395
Expenses			
Other expenses	5	(295,824)	(152,806)
Tenement acquisition expenditure expensed upon acquisition of Greenrock Metals	6	(2,239,932)	-
Impairment of assets	8	(1,515,495)	-
Loss on surrender of tenement	8	-	(1,402,398)
Administration		(795,961)	(836,745)
Finance costs		(953)	(905)
Loss before income tax expense		(4,825,383)	(2,392,459)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Peak Minerals Limited		(4,825,383)	(2,392,459)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Peak Minerals Limited		<u>(4,825,383)</u>	<u>(2,392,459)</u>
		Cents	Cents
Basic earnings per share	14	(0.98)	(1.08)
Diluted earnings per share	14	(0.98)	(1.08)

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

Peak Minerals Limited
Statement of financial position
As at 31 December 2020

		Consolidated	
	Note	31 December 2020	30 June 2020
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		3,121,083	484,659
Trade and other receivables		109,799	49,724
Total current assets		<u>3,230,882</u>	<u>534,383</u>
Non-current assets			
Other financial assets		636,750	636,750
Property, plant and equipment	7	129,381	145,892
Right-of-use assets		87,354	102,132
Exploration and evaluation	8	4,921,628	6,437,123
Total non-current assets		<u>5,775,113</u>	<u>7,321,897</u>
Total assets		<u>9,005,995</u>	<u>7,856,280</u>
Liabilities			
Current liabilities			
Trade and other payables	9	269,829	238,887
Lease liabilities		28,071	28,227
Employee benefits		39,792	30,749
Total current liabilities		<u>337,692</u>	<u>297,863</u>
Non-current liabilities			
Lease liabilities		59,934	74,294
Employee benefits		7,513	6,261
Other	10	307,531	307,380
Total non-current liabilities		<u>374,978</u>	<u>387,935</u>
Total liabilities		<u>712,670</u>	<u>685,798</u>
Net assets		<u>8,293,325</u>	<u>7,170,482</u>
Equity			
Issued capital	11	90,444,611	84,940,191
Reserves		559,306	200,848
Accumulated losses		(82,710,592)	(77,970,557)
Total equity		<u>8,293,325</u>	<u>7,170,482</u>

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

Peak Minerals Limited
Statement of changes in equity
For the half-year ended 31 December 2020

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2019	84,672,745	200,848	(75,066,284)	9,807,309
Loss after income tax expense for the half-year	-	-	(2,392,459)	(2,392,459)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(2,392,459)	(2,392,459)
Balance at 31 December 2019	<u>84,672,745</u>	<u>200,848</u>	<u>(77,458,743)</u>	<u>7,414,850</u>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
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 (note 11)	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>

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

Peak Minerals Limited
Statement of cash flows
For the half-year ended 31 December 2020

		Consolidated	
	Note	31 December 2020	31 December 2019
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(1,004,195)	(1,070,819)
Interest received		543	395
Other revenue		22,239	2,935
Interest and other finance costs paid		(953)	(905)
Option fee for Greenrock		(80,000)	-
Net cash used in operating activities		(1,062,366)	(1,068,394)
Cash flows from investing activities			
Payments for exploration and evaluation	8	-	(32,209)
Proceeds from disposal of property		-	290,000
Cash acquired upon acquisition of subsidiary		1,364	-
Net cash from investing activities		1,364	257,791
Cash flows from financing activities			
Proceeds from issue of shares	11	3,738,759	-
Share issue transaction costs		(26,819)	-
Payment of lease liabilities		(14,515)	(13,827)
Net cash from/(used in) financing activities		3,697,425	(13,827)
Net increase/(decrease) in cash and cash equivalents		2,636,423	(824,430)
Cash and cash equivalents at the beginning of the financial half-year		484,660	1,359,551
Cash and cash equivalents at the end of the financial half-year		<u>3,121,083</u>	<u>535,121</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 2020 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 2020 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 2020 was \$3,121,083 (30 June 2020: \$484,659).

The consolidated entity made a loss after tax of \$4,825,383, during the half year ended 31 December 2020 (2019: loss of \$2,392,459) and the net cash used in operating activities was \$1,062,366 (2019: \$1,068,394 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)

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.

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.

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. As Greenrock Metals 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.

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 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

	Consolidated 31 December 2020 \$	31 December 2019 \$
Other income	22,239	-

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

Note 5. Other expenses

	Consolidated 31 December 2020 \$	31 December 2019 \$
Depreciation	31,289	31,211
Hill End site expenses	184,535	121,595
Option fee for Greenrock acquisition	80,000	-
	295,824	152,806

Note 6. Tenement acquisition expenditure expensed upon acquisition of Greenrock Metals

	Consolidated 31 December 2020 \$	31 December 2019 \$
Tenement acquisition expenditure expensed	2,239,932	-

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.

Note 6. Tenement acquisition expenditure expensed upon acquisition of Greenrock Metals (continued)

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.

The value of this was determined as follows:

	Consolidated 31 December 2020 \$
Fair value of purchase consideration (Vendor Shares) - 67,000,000 shares x \$0.03/share:	2,010,000
Plus: excess of fair value of Green Metals liabilities over assets at acquisition date	<u>229,932</u>
Tenement acquisition expenditure	<u><u>2,239,932</u></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. Non-current assets - property, plant and equipment

	Consolidated 31 December 2020 \$	30 June 2020 \$
Land - at cost	<u>114,608</u>	<u>114,608</u>
Plant and equipment - at cost	2,129,352	2,129,352
Less: Accumulated depreciation	<u>(2,114,579)</u>	<u>(2,098,885)</u>
	<u>14,773</u>	<u>30,467</u>
Motor vehicles - at cost	46,783	46,783
Less: Accumulated depreciation	<u>(46,783)</u>	<u>(45,966)</u>
	<u>-</u>	<u>817</u>
	<u><u>129,381</u></u>	<u><u>145,892</u></u>

Note 8. Non-current assets - exploration and evaluation

	Consolidated	
	31 December	30 June 2020
	2020	2020
	\$	\$
Exploration and evaluation - Gold assets - at cost	39,920,143	39,920,143
Less: Impairment	(35,098,515)	(35,098,515)
	<u>4,821,628</u>	<u>4,821,628</u>
Exploration and evaluation - High Purity Alumina project - at cost	1,615,495	1,615,495
Less: Impairment	(1,515,495)	-
	<u>100,000</u>	<u>1,615,495</u>
	<u><u>4,921,628</u></u>	<u><u>6,437,123</u></u>

Reconciliations

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

	High Purity Alumina project \$	Gold tenements \$
Consolidated		
Balance at 1 July 2020	1,615,495	4,821,628
Impairment of assets*	(1,515,495)	-
Balance at 31 December 2020	<u><u>100,000</u></u>	<u><u>4,821,628</u></u>

- * During the half year ended 31 December 2020 the consolidated entity recorded an impairment expense of \$1,515,495 arising on the write down of the consolidated entity's Yendon High Purity Alumina (HPA) project. The Board noted that this project remained on hold following the prioritisation of the consolidated entity's efforts towards its copper and gold projects, and pending developments in the HPA market, and determined that it was therefore not likely that the consolidated entity would progress the project in the short term.

Accordingly, the Board reviewed the project's financial statements carrying value and concluded that, in light of the current status of the project, it was prudent to write down its carrying value to its estimated recoverable amount, which the Board determined to be \$100,000. Accordingly, an impairment loss of \$1,515,495 was recognised in the consolidated entity's profit and loss for the period.

During the previous half year ended 31 December 2019 the consolidated entity made the decision to surrender its tenement at Pittong, Victoria, which formed part of the Yendon HPA project. Accordingly, the costs attributable to that tenement were written off during the half year ended 31 December 2019 and a loss of \$1,402,398 was recognised during that period in relation to the surrender of the tenement.

Note 9. Current liabilities - trade and other payables

	Consolidated	
	31 December	30 June 2020
	2020	2020
	\$	\$
Trade payables	239,407	225,165
Other payables	30,422	13,722
	<u><u>269,829</u></u>	<u><u>238,887</u></u>

Peak Minerals Limited
Notes to the financial statements
31 December 2020

Note 10. Non-current liabilities - other

	Consolidated	
	31 December 2020	30 June 2020
	\$	\$
Provision for site rehabilitation	<u>307,531</u>	<u>307,380</u>

Note 11. Equity - issued capital

	Consolidated			
	31 December 2020	30 June 2020	31 December 2020	30 June 2020
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>614,700,396</u>	<u>255,024,947</u>	<u>90,444,611</u>	<u>84,940,191</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2020	255,024,947		84,940,191
Entitlement offer share issue	6 July 2020	97,855,414	\$0.009	880,699
Entitlement offer shortfall shares issue	10 July 2020	55,159,554	\$0.009	496,436
Option exercise	3 August 2020	195	\$0.025	5
Issue of shares to joint lead managers & underwriter	4 August 2020	14,322,361	\$0.009	129,020
Placement - Tranche 2 shares	4 August 2020	40,000,000	\$0.009	360,000
Option exercise	1 September 2020	1,350	\$0.025	34
Placement	28 September 2020	80,000,000	\$0.025	2,000,000
Option exercise	6 October 2020	2,859	\$0.025	71
Issue of shares to lead manager	19 October 2020	5,280,000	\$0.025	132,053
Option exercise	3 November 2020	53,716	\$0.025	1,343
Greenrock vendor shares	22 December 2020	67,000,000	\$0.030	2,010,000
Share Issue cost		-	\$0.000	(620,741)
Reversal of previously recorded share issue cost due to expiry of relevant options		-	\$0.000	115,500
Balance	31 December 2020	<u>614,700,396</u>		<u>90,444,611</u>

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 12. 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 2,000,000 ordinary shares 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 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, 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 2020 has been recognised as an expense in the consolidated statements of profit and loss for the year ended 30 June 2020 and for the half year ended 31 December 2020.

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 13. Events after the reporting period

On 3 February 2021, the Company issued 2,256 fully paid ordinary shares at \$0.025 per share, on the exercise of 2,256 PUAOD listed options.

On 4 February 2021, the Company issued 5,000,000 unlisted performance rights to an employee as an incentive. The performance rights will vest upon the achievement of applicable performance targets, have nil conversion price and expire on 4 January 2024.

No other matter or circumstance has arisen since 31 December 2020 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 14. Earnings per share

	Consolidated	
	31 December 2020	31 December 2019
	\$	\$
Loss after income tax attributable to the owners of Peak Minerals Limited	<u>(4,825,383)</u>	<u>(2,392,459)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>493,396,815</u>	<u>221,760,824</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>493,396,815</u>	<u>221,760,824</u>
	Cents	Cents
Basic earnings per share	(0.98)	(1.08)
Diluted earnings per share	(0.98)	(1.08)

Note 15. 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 2020 the Company made the following share based payments:

- issues of options to directors 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.

During the half year ended 31 December 2019 no share-based payments were made by the Company.

An overview of the share-based payments is as follows:

	Consolidated	
	31 December 2020	31 December 2019
	\$	\$
Options issued to directors as remuneration	197,784	-
Options issued to contractors as remuneration	5,840	-
Options issued to service providers as remuneration	5,682	-
Share-based payments recorded in statement of profit or loss and other comprehensive income	<u>209,306</u>	<u>-</u>
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	<u>593,921</u>	<u>-</u>
	<u>803,227</u>	<u>-</u>

Peak Minerals Limited
Directors' declaration
31 December 2020

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 2020 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



Robert Boston
Chairman

11 March 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Peak Minerals Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Peak Minerals Limited (the Company) and its subsidiaries (collectively the Consolidated Entity) which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year then ended, notes to the consolidated financial statements, including a summary of significant accounting policies, 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 is not in accordance with the Corporations Act 2001 including:

- (i) 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
- (i) complying with AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*.

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 \$4,825,383 (2019: \$2,392,459) during the half year ended 31 December 2020. 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 half-year financial report

The Directors of the company are responsible for the preparation of the 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.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of an Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Consolidated entity's financial position as at 31 December 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. As the auditor of Peak Minerals Limited and its controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

Moyes Yong + Co Partnership
ABN 36 528 219 967
Suite 1301, Level 13
115 Pitt Street
Sydney NSW 2000
GPO Box 4393,
Sydney NSW 2001
T: (02) 8256 1100
F: (02) 8256 1111
info@moyesyong.com.au

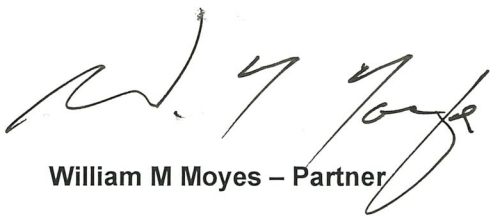
A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards 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.

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



Moyes Yong & Co Partnership

Chartered Accountants



William M Moyes – Partner

Dated: 11 March 2021



CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

Liability limited by a scheme approved under Professional Standards Legislation