



ABN: 27 128 806 977

And Controlled Entities

CONSOLIDATED REPORT

**For the Half-Year Ended
31 December 2021**

CORPORATE DIRECTORY	1
DIRECTORS' REPORT	2
AUDITOR'S INDEPENDENCE DECLARATION	5
INDEPENDENT AUDITOR'S REVIEW REPORT	6
CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME	8
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	9
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	10
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	11
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	12
DIRECTORS' DECLARATION	23

Competent Person's Statement

Statements contained in this announcement relating to exploration results, are based on, and fairly represents, information and supporting documentation prepared by Mr. Mathew Perrot, who is a Registered Practicing Geologist Member No 10167 and a member of the Australian Institute of Geoscientists, Member No 2804. Mr. Perrot is a full-time employee the Company, as the Company's Exploration Manager and has sufficient relevant experience in relation to the mineralisation style being reported on to qualify as a Competent Person for reporting exploration results, as defined in the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012. Mr Perrot consents to the use of this information in this announcement in the form and context in which it appears.

Forward looking statements

Statements relating to the estimated or expected future production, operating results, cash flows and costs and financial condition of Pursuit Minerals Limited's planned work at the Company's projects and the expected results of such work are forward-looking statements. Forward looking statements are statements that are not historical facts and are generally, but not always, identified by words such as the following: expects, plans, anticipates, forecasts, believes, intends, estimates, projects, assumes, potential and similar expressions. Forward-looking statements also include reference to events or conditions that will, would, may, could or should occur. Information concerning exploration results and mineral reserve and resource estimates may also be deemed to be forward-looking statements, as it constitutes a prediction of what might be found to be present when and if a project is actually developed.

DIRECTORS

Mark Freeman	Chief Executive Officer / Executive Director
Peter Wall	Non-Executive Chairman
Bob Affleck	Technical Director / Executive Director

SECRETARY

Mark Freeman

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Level 11,
12-14 The Esplanade
Perth WA 6000

Your Directors submit the financial report of Pursuit Minerals Limited ("Pursuit" or the "Company") and its controlled entities (the "Group") for the half-year ended 31 December 2021.

DIRECTORS

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

Mark Freeman	Chief Executive Officer / Executive Director
Peter Wall	Non-Executive Chairman
Bob Affleck	Technical Director / Executive Director

COMPANY SECRETARY

Mark Freeman

OPERATING RESULT

The Group incurred an operating loss after income tax for the half-year ended 31 December 2021 of \$324,825 (half-year ended 31 December 2020: operating loss after income tax of \$3,294,212).

The loss for the half-year includes a gain on discontinued operations of \$270,335 relating primarily to \$175,000 of fees received for extending the settlement period for sale of the discontinued operations, as well as foreign exchange gains.

The Directors believe the Group is in a sound financial position to continue its exploration endeavours.

PRINCIPAL ACTIVITIES AND REVIEW OF OPERATIONS

The Group's principal business objectives are the acquisition, exploration, development and operation of PGE, copper, nickel silver, gold, vanadium and other mineral deposits.

Its strategy for the remainder of the year is to further exploration on its projects in Western Australia and to finalise the divestment of the Scandinavian projects.

Warrior Project

A maiden 8-hole diamond drilling program was completed during the period at Phil's Hill Prospect at Calingiri East highlighting an Ag-Au-Cu-As-Mo-Co-Bi sulphide mineral association with silver mineralisation up to 8.4 g/t. A 40 km² auger geochemistry program and follow-up Air Core (AC) drill program is scheduled for Phil's Hill Prospect in the second half of FY 2022

Field reconnaissance and rockchip sampling at Calingiri West (Anzac Hill) identified ultramafic pyroxenite rock, adjacent to DevEx's Sovereign Prospect. Surface EM and gravity surveys followed by an AC drill program are planned for this project in the second half of FY 2022.

An auger geochemical program is also planned for the Bindi Bindi prospect in the March 2022 quarter.

Commando Gold Project

The Company entered into a 12-month option agreement to acquire the highly prospective Commando Gold Project near Kalgoorlie in December 2021. The Commando Gold Project lies 38 km north of Kalgoorlie and is significantly under-explored compared to surrounding areas. In consideration for the option agreement Pursuit paid \$160,000 in cash and \$284,000 in Pursuit shares and options.

Combatant PGE-Ni-Cu Project

The Combatant PGE-Ni-Cu Project lies approximately 270km northeast from Geraldton and 210km west of Meekatharra. Sampling and reconnaissance completed during the half-year has identified 3 ultramafic units at Garden Well, Currie Currie Bore and Murrum Creek. The Company is currently reviewing existing geological

and geophysical information to better understand the prospectivity before heritage surveying and plans to conduct an AC drilling program in H2 2022.

Gladiator Gold Project

The Gladiator Project comprises 4 exploration licences located 10km northwest of Laverton in Western Australia. The Company is reviewing existing geological and geophysical information followed by a Heritage survey and AC testing of targets anticipated in the second half of 2022.

Sale of Scandinavian Assets for ~\$3.35 million

Kendrick Resources Plc (**Kendrick**) is targeting to list on the London Stock Exchange (**LSE**) prior to 31 March 2022. Kendrick's listing is in the final review stages with the Financial Services Authority in the UK and, in the meantime, Kendrick continues to cover all costs associated with the Scandinavian projects.

Kendrick has increased the consideration payable to Pursuit by GBP150,000 to GBP1.4 million in shares to extend settlement until 31 March 2022. GBP100,000 of this increase was agreed to after period end (refer to "Events Occurring After Reporting Period" below). Consideration will be paid to Pursuit as follows:

- GBP1.4 million (A\$2.60 million) in Kendrick shares immediately following listing on LSE;
- \$250,000 in cash, upon completion of a Bankable Feasibility Study on any of the Scandinavian Projects that demonstrate an internal rate of return of not less than 25%; and
- \$500,000 in cash upon a decision to mine in relation to any of the Scandinavian Projects.

Corporate

The Group had a cash position of \$7.4 million at period end and expects to settle the sale of the Scandinavian assets to Kendrick by 31 March 2022.

During the period, Pursuit issued 10,000,000 shares at a price of \$0.05025 per share or the remaining consideration payable for the acquisition of the Warrior Project.

Pursuit also issued 8,535,278 shares and 2.5 million options exercisable at \$0.0281 expiring 23 December 2024 during the period as payment for an option to acquire the Commando Gold Project.

Subsequent to period end, the Company issued 60,000,000 performance rights to directors, consultants and staff following approval by shareholders at the annual general meeting held 31 January 2022 (refer below).

EVENTS OCCURRING AFTER REPORTING PERIOD

The sale of the Group's Scandinavian assets to Kendrick has been extended to 31 March 2022 for an increase in consideration of GBP50,000 (agreement dated 24 February 2022), increasing the total consideration to GBP1,400,000. This is in addition to a GBP50,000 increase for extending the settlement date to 28 February 2022 (agreement dated 28 January 2022) and GBP50,000 increase for extending the settlement date to 31 January agreed in December 2021. The total GBP150,000 increase in consideration is payable in Kendrick shares immediately following Kendrick's listing on the London Stock Exchange.

The Company issued 60,000,000 performance rights to directors, consultants and staff following approval by shareholders at the annual general meeting held 31 January 2022. Performance rights issued to Directors are summarised below:

Name	Performance Rights A	Performance Rights B	Performance Rights C
Peter Christopher Wall	5,000,000	5,000,000	5,000,000
Mark Freeman	6,666,667	6,666,667	6,666,667
Robert (Bob) Affleck	5,000,000	5,000,000	5,000,000

Performance Rights A - vest following the Company's share price reaching 4 cents over 20 consecutive trading days.

Performance Rights B - vest following the Company's share price reaching 5 cents over 20 consecutive trading days.

Performance Rights C - vest following the Company's share price reaching 6 cents over 20 consecutive trading days.

No other matters or circumstances have arisen since the end of the period which will significantly affect, or may significantly affect, the state of affairs or operations of the reporting entity in future financial periods.

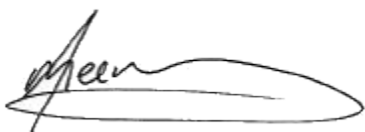
ROUNDING

The Company is of a kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest dollar, or in certain cases to the nearest thousand dollar.

AUDITOR'S DECLARATION OF INDEPENDENCE

The auditor's independence declaration for the half-year ended 31 December 2021 has been received and is included within the financial statements.

Signed in accordance with a resolution of the Directors.



Mark Freeman
CEO
16 March 2022

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF PURSUIT MINERALS LIMITED AND ITS CONTROLLED
ENTITIES**

In relation to the independent review for the half-year ended 31 December 2021, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

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

Pitcher Partners BA&A Pty Ltd

PITCHER PARTNERS BA&A PTY LTD



J C PALMER
Executive Director
Perth, 16 March 2022

PURSUIT MINERALS LIMITED
ABN 27 128 806 977

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF PURSUIT MINERALS LIMITED**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Pursuit Minerals Limited (the "Company") and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (a) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Auditor's Responsibility for the Review of the Financial Report

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

PURSUIT MINERALS LIMITED
ABN 27 128 806 977

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF PURSUIT MINERALS LIMITED

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

Pitcher Partners BA&A Pty Ltd

PITCHER PARTNERS BA&A PTY LTD



J C PALMER
Executive Director
Perth, 16 March 2022

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND



OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Note	Half-year ended 31 December 2021 \$	Half-year ended 31 December 2020 \$
Other income	3	298,717	-
Administrative and other expenses	4	(603,537)	(511,054)
Exploration and evaluation expenditure		(209,138)	-
Impairment of exploration and evaluation expenditure	7	(36,646)	(1,338,148)
Share based payments	11	(44,556)	(1,414,265)
Gain/ (loss) on foreign exchange		-	(386)
Loss before income tax from continuing operations		(595,160)	(3,263,853)
Income tax benefit/(expense)		-	-
Loss after income tax from continuing operations		(595,160)	(3,263,853)
Discontinued operations			
Gain/(loss) from discontinued operations		270,335	(30,359)
Gain/(loss) after income tax from discontinued operations		270,335	(30,359)
Net loss for the period		(324,825)	(3,294,212)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Discontinued operations - Exchange differences on translation of foreign operations		-	7,135
Total comprehensive loss for the half-year		(324,825)	(3,287,077)
Loss attributable to:			
Owners of the parent		(324,825)	(3,294,212)
		(324,825)	(3,294,212)
Total comprehensive loss attributable to:			
Owners of the parent		(324,825)	(3,287,077)
		(324,825)	(3,287,077)
Basic loss per share (cents) from continuing operations		(0.06)	(0.64)
Basic earnings per share (cents) from discontinued operations		0.03	(0.01)
Total basic loss per share (cents)		(0.03)	(0.65)
diluted loss per share (cents) from continuing operations		(0.06)	(0.64)
diluted earnings per share (cents) from discontinued operations		0.03	(0.01)
Total diluted loss per share (cents)		(0.03)	(0.65)

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021



	Note	Consolidated 31 December 2021 \$	Consolidated 30 June 2021 \$
ASSETS			
Current Assets			
Cash and cash equivalents		7,445,094	8,955,719
Trade and other receivables	6	73,997	161,733
Prepayments		199,331	264,530
Assets held for sale	5	2,416,472	2,309,121
Total Current Assets		10,134,894	11,691,103
Non-Current Assets			
Exploration and evaluation assets	7	4,115,826	2,878,940
Plant and equipment		51,628	-
Total Non-Current Assets		4,167,454	2,878,940
Total Assets		14,302,348	14,570,043
LIABILITIES			
Current Liabilities			
Trade and other payables	8	124,939	233,865
Other financial liabilities	9	-	700,000
Total Current Liabilities		124,939	933,865
Total Liabilities		124,939	933,865
Net Assets		14,177,409	13,636,178
EQUITY			
Contributed equity	10	75,096,766	74,319,266
Share based payments reserve	11	7,698,601	7,610,045
Accumulated losses		(68,617,958)	(68,293,133)
Total Equity		14,177,409	13,636,178

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**



Consolidated Entity	Contributed Equity	Share Based Payment Reserve	Foreign currency translation reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2021	74,319,266	7,610,045	-	(68,293,133)	13,636,178
(Loss) for the half-year	-	-	-	(324,825)	(324,825)
Total comprehensive loss for the half-year	-	-	-	(324,825)	(324,825)
Shares issued during the half-year	777,500	-	-	-	777,500
Share based payment	-	88,556	-	-	88,556
Balance at 31 December 2021	75,096,766	7,698,601	-	(68,617,958)	14,177,409
Balance at 1 July 2020	62,948,714	5,716,474	(144,815)	(64,592,140)	3,928,233
(Loss) for the half-year	-	-	-	(3,294,212)	(3,294,212)
Other comprehensive income	-	-	7,135	-	7,135
Total comprehensive loss for the half-year	-	-	7,135	(3,294,212)	(3,287,077)
Shares issued during the half-year	3,053,954	-	-	-	3,053,954
Share issue expenses	(151,144)	-	-	-	(151,144)
Share-based payment	-	1,414,265	-	-	1,414,265
Balance at 31 December 2020	65,851,524	7,130,739	(137,680)	(67,886,352)	4,958,231

The accompanying notes form part of these financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**



	31 December 2021 \$	31 December 2020 \$
Cash flows from operating activities		
Fees received	175,000	-
Payments to suppliers and employees	(614,201)	(457,844)
Interest paid	-	(649)
Net cash used in operating activities	(439,201)	(458,493)
Cash flows from investing activities		
Payments for plant and equipment	(4,771)	-
Proceeds from sale of exploration assets	100,301	-
Payments for acquisition of exploration and evaluation assets	(160,000)	(110,000)
Payment for exploration and evaluation assets	(1,064,454)	(172,293)
Proceeds from refund of deposits	22,500	-
Net cash used in investing activities	(1,106,424)	(282,293)
Cash flows from financing activities		
Proceeds from share issues	35,000	2,683,185
Costs of issuing equity	-	(21,625)
Net cash provided from financing activities	35,000	2,661,560
Net (decrease)/increase in cash held	(1,510,625)	1,920,774
Cash and cash equivalents at beginning of the period	8,955,719	462,064
Cash and cash equivalents at end of the period	7,445,094	2,382,838

The accompanying notes form part of these financial statements.

1. Corporate Information

This condensed general purpose financial report of Pursuit Minerals Ltd (“the Company”) and its controlled entities (the “Group”) for the half-year ended 31 December 2021 was authorised for issue in accordance with a resolution of the directors on 16 March 2022.

The Company’s principal activities are to carry out exploration of mineral tenements, to continue to seek extensions of areas held and to seek out new areas with mineral potential and to evaluate results achieved through surface sampling, geophysical surveys and drilling activities. The Company is incorporated in Australia and limited by shares which are quoted on the Australian Securities Exchange.

2. Basis of preparation of half-year report

This condensed general purpose financial report for the half-year reporting period ended 31 December 2021 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This half-yearly financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by Pursuit Minerals Limited (“the Company”) during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding half-year reporting.

The half-year financial report has been prepared on an historical cost basis, except where stated. For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

Adoption of new and revised Accounting Standards

In the reporting period, the Group has adopted all the new and revised accounting standards and Interpretations that are relevant to its operations and effective for the current financial year. The adoption of these new and revised accounting standards and interpretations did not have any material effect on the financial results or financial position of the Group or the Company for the reporting period. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Critical accounting estimates and judgements

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

In preparing the half-year consolidated financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were consistent with those that applied to the annual consolidated financial statements as at and for the year ended 30 June 2021.

Going concern

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

Rounding of Amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financials/Directors’ Reports) Instrument 2016/191, relating to the ‘rounding off’ of amounts in the Directors’ Report. Amounts in the Directors’ Report have been rounded off in accordance with that Class Order to the nearest dollar, or in certain cases to the nearest thousand dollar.

3. Other income	31 December 2021	31 December 2020
	\$	\$
Gain on sale of exploration tenement ⁽ⁱ⁾	100,301	-
Gain on revaluation of financial liability (refer note 9)	197,500	-
Other	916	-
	298,717	-

(i) As announced on 23 September 2021, the Company entered into a contract for the sale of its Paper Bark Project located in Queensland. Tenement EPM 14309 was sold for total consideration of \$110,000.

4. Expenses	31 December 2021	31 December 2020
	\$	\$
Administrative and other expenses		
Accounting fees	27,973	12,000
Auditor's remuneration	33,152	11,153
Consulting fees	23,518	34,853
Depreciation	2,245	24,513
Directors and Key Management Personnel remuneration	186,211	270,399
Rent	5,000	4,313
Legal and regulatory	127,494	58,176
Public relations	88,138	2,735
Exclusivity fee for acquisition of Commando Project (refer Note 7)	50,000	-
Other administrative expenses	59,806	92,912
	603,537	511,054

5. <i>Discontinued operations</i>	31 December 2021	31 December 2020
	\$	\$
Gain/ (loss) from discontinued operations of Scandinavian Projects	270,335	(30,359)

On 20 January 2021, the Group announced the execution of a sale agreement for its nickel and vanadium projects in Norway, Sweden and Finland.

Included in the Consolidated Statement of Cash Flows are cash inflows of \$175,000 received in relation to extension payments for the discontinued operations. The Extension Payments were paid by Kendrick Resources Plc to extend the settlement date to acquire the assets held for sale.

The gain includes:

- an increase in the sale consideration of GBP50,000 (A\$92,941) to reflect an extension to the settlement date for the sale of the Scandinavian assets. The additional consideration is payable in Kendrick shares immediately following listing on LSE.
- foreign exchange movements.
- other income and expenses relating to discontinued operations.

Movement in the carrying value of assets held for sale is summarised below:

	\$
Balance at beginning of period	2,309,121
Increase in consideration (GBP50,000)	92,941
Foreign exchange movement of consideration	<u>14,410</u>
Balance at end of period	<u>2,416,472</u>

6. <i>Trade and other receivables</i>	31 December 2021	30 June 2021
	\$	\$
Goods and services tax receivable	60,384	122,167
Deposits	13,613	39,566
	<u>73,997</u>	<u>161,733</u>

7. Exploration and evaluation assets	31 December 2021 \$ 4,115,826	30 June 2021 \$ 2,878,940
	Half year ended 31 December 2021 \$	Year ended 30 June 2021 \$
Balance at beginning of period	2,878,940	3,470,104
Exploration expenditure capitalised during the period	829,532	3,044,017
Acquisition of option over Commando Project ⁽ⁱ⁾	444,000	-
Assets held for sale	-	(2,309,534)
Impairment	(36,646)	(1,309,488)
Impact of foreign exchange	-	(16,159)
Balance at end of period	4,115,826	2,878,940

The ultimate recoupment of these costs is dependent on the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

(i) **Commando Project**

During the period Pursuit secured a 12-month option to acquire all of the tenements comprising the Commando Gold Project north of Kalgoorlie WA. Under the terms of the option Pursuit paid an initial exclusivity fee of \$50,000, \$160,000 in cash, \$240,000 in Pursuit shares and granted 2.5m unlisted Pursuit options valued at \$44,000 and are committed to spend a minimum of \$150,000 on exploration during the option period.

On exercise of the option Pursuit will have the right to acquire an interest in the Commando leases as follows:

1. If the Company elects to secure 100% ownership interest in the project, the Company will issue \$375,000 in value of Pursuit Shares at \$0.028 each (being ~13.3m shares) paid within 14 days of election; or
2. If the Company elects to only secure a 45% ownership interest in the project, the Company will issue \$175,000 in value of Pursuit Shares at \$0.028 each (being ~6.2m shares) and paid within 14 days of election.

All shares issued are subject to a 3 month escrow period.

8. Trade and other payables

	31 December 2021 \$	30 June 2021 \$
Trade creditors	54,300	148,599
Sundry creditors and accruals	70,639	85,266
	124,939	233,865

These amounts represent liabilities for goods and services provided to the Company prior to the end of the period and which are unpaid. Trade creditors are unsecured, non-interest bearing and are normally settled on 30-day terms. Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

9. Other financial liabilities

	31 December 2021 \$	30 June 2021 \$
Shares to be issued as part of the consideration payable for the Warrior Project	-	700,000
	-	700,000

Movement in the carrying value of other financial liabilities is summarised below:

Balance at beginning of period	700,000
Issue of shares as payment for Warrior Project tenements	(502,500)
Gain on revaluation of financial liability	(197,500)
Balance at end of period	-

The financial liability at 30 June 2021 related to consideration payable as part of the Group's acquisition of the Warrior area of interest (Note 7). The amount recognised at 30 June 2021 represents the fair value of shares to be issued at period end as per the terms of the acquisitions.

On 2 December 2020, Pursuit entered into a binding acquisition agreement to acquire a tenement package which collectively comprises the Warrior Project. Under the terms of the binding acquisition agreement, Pursuit paid \$300,000 in cash and 40,000,000 fully paid ordinary shares at settlement to the vendor. The final payment to acquire the Warrior Project tenements was made during the period, comprising 10,000,000 fully paid ordinary shares issued to the vendor upon transfer of all four tenements to Pursuit. The value of the final payment was amended from \$700,000 to \$502,500, reflecting the fall in the Company's share price from \$0.07 at 30 June 2021 to \$0.05025 at the date the shares were issued. The resulting gain has been recognised in profit and loss for the period.

10. <i>Contributed equity</i>	31 December 2021 \$	30 June 2021 \$
Share capital		
Ordinary fully paid shares	75,096,766	74,319,266

	Half year ended 31 December 2021		Year ended 30 June 2021	
	No.	\$	No.	\$
Balance at beginning of period	922,013,916	74,319,266	353,234,313	62,948,714
Conversion of options	5,000,000	35,000	23,100,000	162,000
Payment for Warrior Project tenements ⁽ⁱ⁾	10,000,000	502,500	40,000,000	800,000
Payment for option over Commando Project ⁽ⁱⁱ⁾	8,535,278	240,000	-	-
Payment for Gladiator Project tenements	-	-	645,076	50,000
Payment for tenements	-	-	4,608,444	50,000
Entitlement offer	-	-	147,391,145	1,326,520
Private placements	-	-	323,638,993	9,606,666
Shares issued in lieu of services received	-	-	29,395,945	536,089
Share issue costs	-	-	-	(1,160,721)
Balance at end of period	945,549,194	75,096,766	922,013,916	74,319,266

(i) On 13th September, the Company issued 10 million shares at a price of \$0.05025 for the remaining consideration for the acquisition of the Warrior Project (refer Note 9).

(ii) On 23rd December, the Company issued 8,535,278 shares at \$0.0281 per share as part of the consideration to acquire a 12 month option over the tenements comprising the Commando Project (refer Note 7).

	Half year ended 31 December 2021 No.	Year ended 30 June 2021 No.
Options on issue		
Balance at beginning of period	135,016,073	77,608,073
Options Issued as consideration for option over Commando Project (refer Note 7)	2,500,000	-
Options issued to Directors, consultants and brokers	-	84,000,000
Options exercised	(5,000,000)	(23,100,000)
Listed Options expired	(76,166,073)	-
Unlisted Options expired	(17,850,000)	(3,492,000)
Balance at end of period	38,500,000	135,016,073

10. Contributed equity (continued)

	Half year ended 31 December 2021 No.	Year ended 30 June 2021 No.
Performance rights on issue		
Balance at beginning of period	4,500,000	8,000,000
Performance rights issued to consultants	-	4,500,000
Performance rights expired	-	(8,000,000)
Balance at end of period	<u>4,500,000</u>	<u>4,500,000</u>

The Company issued 60,000,000 performance rights to directors, consultants and staff following approval by shareholders at the annual general meeting held 31 January 2022 (refer Note 15)

11. Share based payment reserve

	31 December 2021 \$	30 June 2021 \$
	<u>7,698,601</u>	<u>7,610,045</u>
	Half year ended 31 December 2021 \$	Year ended 30 June 2021 \$
Opening balance	7,610,045	5,716,474
Options Issued as consideration for option over Commando Project (refer Note 7) ⁽ⁱ⁾	44,000	-
Share-based payment expense – performance rights/options issued to management ⁽ⁱ⁾	44,556	1,418,103
Options issued to brokers	-	475,468
Closing balance	<u>7,698,601</u>	<u>7,610,045</u>

The Share based payment reserve is used to record the fair value of items recognised as expenses on valuation of options and other equity instruments issued by the Company.

- (i) On 23 December 2021, the Company issued 2,500,000 unlisted options as part of the consideration to acquire a 12 month option over the tenements comprising the Commando Project (refer Note 7). The options are exercisable at \$0.0281 on or before 23 December 2024, vested immediately on grant date and were valued at \$44,000 (refer below).

The Company also issued 4,500,000 performance rights to exploration consultants in the financial year ended 30 June 2021. The performance rights expire on or before 30 June 2024 and will vest following the Company's share price reaching 12 cents over 20 consecutive trading days. In addition, the performance rights were undertaken in 2 equal tranches, which will vest annual over 2 years, so long as the exploration consultants remain contracted to the Company upon vesting. Each performance right will convert into one fully paid ordinary share in the Company. The expense recognised in the period relates to the spreading of the fair value (measured at grant) date of these performance rights over their expected vesting period.

11. Share based payment reserve (continued)

Valuation inputs of options and performance rights contributing to share-based payments during the period are noted below:

	Options	Performance rights
Number issued	2,500,000	4,500,000
Valuation model	Black Scholes	Monte Carlo
Grant date	23-12-2021	24-06-2021
Expiry date	23-12-2024	30-06-2024
Dividend yield (%)	-	-
Expected volatility	116.4%	120%
Risk-free interest rate	0.95%	0.20%
Option life	3 years	3 years
Exercise price	\$0.0281	-
Grant date share price	\$0.026	\$0.065
Fair value at grant date per option / right	\$0.0176	\$0.0593
Fair value issued	\$44,000	\$266,850
Included in acquisition value / share-based payment expense during the period	\$44,000	\$44,556

12. Operating segments

Operating segments are identified based on the internal reports that are regularly reviewed by the Board of Director's, the entities' Chief Operation Decision Maker, for the purpose of allocating resources and assessing performance. The adoption of this "management approach" has resulted in the identification of reportable segments.

The Group reports financial information by projects grouped into Geographical location i.e. Australian projects and Scandinavian projects. Items of income and expenditure and assets and liabilities that are not allocated to the exploration projects are allocated to the Corporate segment.

The following tables present revenue and profit information for the Group's operating segments for the six months ended 31 December 2021 and 2020, respectively.

(i) Segment performance

Half-Year 31 December 2021	Australian projects	Scandinavian projects	Corporate	Total
	\$	\$	\$	\$
Total segment revenue	298,717	270,335	-	569,052
Segment expenditure	(259,138)	-	(598,093)	(857,231)
Segment result	39,579	270,335	(598,093)	(288,179)
Impairment of exploration and evaluation expenditure				(36,646)
Net loss before tax				(324,825)

12. Operating segments (continued)

Half-Year 31 December 2020	Australian projects \$	Scandinavian projects \$	Corporate \$	Total \$
Total segment revenue	-	-	-	-
Segment expenditure	(50)	(30,359)	(1,925,655)	(1,956,064)
Segment result	(50)	(30,359)	(1,925,655)	(1,956,064)
Impairment of exploration and evaluation expenditure				(1,338,148)
Net loss before tax				(3,294,212)

(ii) Segment assets

	Australia \$	Scandinavia \$	Total \$
31 December 2021			
Segment assets	11,885,876	2,416,472	14,302,348
Segment liabilities	(124,939)	-	(124,939)
Net assets	11,760,937	2,416,472	14,177,409
30 June 2021			
Segment assets	12,260,922	2,309,121	14,570,043
Segment Liabilities	(933,865)	-	(933,865)
Net assets	11,327,057	2,309,121	13,636,178

13. Commitments and contingencies

Warrior Project

On 2 December 2020, Pursuit announced the acquisition of the Warrior Project. As described in note 13, as part of the terms, Pursuit granted the vendor a 1% net smelter royalty ("NSR") on all minerals produced from the tenements and a milestone payment of \$200,000 in cash ("Milestone Payment") on achieving a mineralised drill intersection on one tenement of at least 10 metres of 2% nickel equivalent or better.

Under the terms of the option to acquire the Commando Gold Project tenements (refer Note 7) Pursuit are committed to spend a minimum of \$150,000 on exploration during the 12 month option period. Exercise of the option gives the Company the right to acquire an interest in the Commando leases.

(i) Operating expenditure commitments

Commitments for minimum payments under office rental agreements to which the Group is a party are:

	31 December 2021 \$	30 June 2021 \$
Later than one year but not later than five years	52,175	-

ii) Exploration expenditure commitments

Commitments for minimum exploration expenditure required to retain tenure on the Group's exploration tenements are:

	31 December 2021 \$	30 June 2021 \$
Later than one year but not later than five years	442,000	326,000

14. Related party transactions

During the period the Group had the following dealings with related parties:

(a) Mr Peter Wall

Mr Wall is a Non-Executive Director of the Company. He is also a partner at Steinepreis Paganin, a Perth based corporate law firm that provides legal services to the Company on commercial terms. The following payments / transactions occurred during the half-year:

Director fees: \$36,000 for services provided in the half-year ended 31 December 2021. An amount of \$6,000 was payable at 31 December 2021 (31 Dec 2020: \$18,000).

Other: Steinepreis Paganin was paid or due to be paid an aggregate amount of \$47,435 for legal services rendered during the period (31 Dec 2020: \$67,851). An amount of \$24,075 was payable at 31 December 2021.

(b) Mr Bob Affleck

Mr Affleck is a Non-Executive Director of the Company. The following payments / transactions occurred during the half-year:

Director fees: \$24,000 for services provided in the half-year ended 31 December 2021.

Other: \$30,000 for consulting services provided in the half-year ended 31 December 2021.

No amounts were payable at 31 December 2021.

(c) Mr Mark Freeman

Mr Freeman is Chief Executive Officer and an Executive Director of the Company. The following payments/transactions occurred during the half-year:

Director fees: \$90,000 for services provided in the half-year ended 31 December 2021 (31 Dec 2020: \$90,000)

Other: Meccano Consulting Pty Ltd (an entity related to Mr Freeman) was paid or due to be paid an aggregate amount of \$16,000 for accounting, bookkeeping and registered office services rendered during the period (Dec 2020: \$14,000).

No amounts were payable at 31 December 2021.

15. Events after the end of the reporting period

The sale of the Group's Scandinavian assets to Kendrick has been extended to 31 March 2022 for an increase in consideration of GBP50,000 (agreement dated 24 February 2022), increasing the total consideration to GBP1,400,000. This is in addition to a GBP50,000 increase for extending the settlement date to 28 February 2022 (agreement dated 28 January 2022) and GBP50,000 increase for extending the settlement date to 31 January agreed in December 2021. The total GBP150,000 increase in consideration is payable in Kendrick shares immediately following Kendrick's listing on the London Stock Exchange.

The Company issued 60,000,000 performance rights to directors, consultants and staff following approval by shareholders at the annual general meeting held 31 January 2022. Performance rights issued to Directors are summarised below:

Name	Performance Rights A	Performance Rights B	Performance Rights C
Peter Christopher Wall	5,000,000	5,000,000	5,000,000
Mark Freeman	6,666,667	6,666,667	6,666,667
Robert (Bob) Affleck	5,000,000	5,000,000	5,000,000

Performance Rights A - vest following the Company's share price reaching 4 cents over 20 consecutive trading days.

Performance Rights B - vest following the Company's share price reaching 5 cents over 20 consecutive trading days.

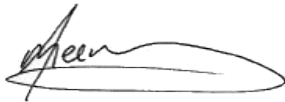
Performance Rights C - vest following the Company's share price reaching 6 cents over 20 consecutive trading days.

No other matters or circumstances have arisen since the end of the period which will significantly affect, or may significantly affect, the state of affairs or operations of the reporting entity in future financial periods.

The Directors of the Company declare that:

1. The financial statements and notes are in accordance with the *Corporations Act 2001* and:
 - a) Comply with Accounting Standards AASB 134: *Interim Financial Reporting*, and *Corporations Regulations 2001*; and
 - b) Give a true and fair view of the financial position as at 31 December 2021 and of the performance for the half year ended on that date of the Company and the Group.
2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Mark Freeman

16 March 2022