



ABN 61 125 368 658

**FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2020**

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DIRECTORS' REPORT

The Directors of Queensland Pacific Metals Limited ("QPM" or "the Company"), formerly known as Pure Minerals Limited, present their report, together with the financial statements on the consolidated entity consisting of Queensland Pacific Metals Limited and its controlled entities for the half-year ended 31 December 2020 ("the Period").

It is recommended that the Directors' Report be read in conjunction with the annual financial statements for the year ended 30 June 2020 and considered together with any public announcement made by the Company during the Period and up to the date of this report.

1. DIRECTORS

The names of the Company's Directors who held office during the Period and until the date of this report are set out below. The Directors were in office for this entire Period unless otherwise stated.

Director	Position	Duration of Appointment
John Downie	Managing Director	17 May 2019 (current)
Eddie King	Non- Executive Director	26 March 2018 (current)
Cameron Mclean	Non- Executive Director	30 November 2018 (current)
Andrew Matheson	Non-Executive Director	30 April 2020 (resigned 15 July 2020)

2. REVIEW OF OPERATIONS AND ACTIVITIES

Townsville Energy Chemicals Hub ("TECH Project")

During the half year, QPM made significant progress on the TECH Project.

Product Marketing and Offtake

Product marketing of the key battery chemicals to be produced by the TECH Project, nickel sulfate and cobalt sulfate, was a key focus for QPM.

In October, QPM entered into a non-binding MOU with LG Chem regarding the supply of nickel and cobalt from the TECH Project. The key terms of the MOU are:

- LG Chem is seeking to purchase 10,000t of nickel in the form of mixed hydroxide precipitate ("MHP") and nickel sulfate;
- QPM and LG Chem agree to negotiate in good faith to enter into a binding offtake agreement at these quantities for an initial term of 3 to 5 years;
- Pricing will be linked to underlying commodity prices on an agreed exchange such as the London Metals Exchange; and
- LG Chem will consider assisting in financing of the TECH Project by way of a prepayment.

In November, QPM entered into a non-binding MOU with Samsung SDI in November regarding the supply of nickel from the TECH Project. The key terms of the MOU are:

- Samsung is seeking to purchase 6,000t of nickel in the form of mixed hydroxide precipitate ("MHP") and nickel sulfate;
- QPM and Samsung agree to negotiate in good faith to enter into a binding offtake agreement at these quantities for an initial term of 3 to 5 years; and
- Pricing will be linked to underlying commodity prices on an agreed exchange such as the London Metals Exchange.

The two MOUs highlight the strong demand for the battery chemicals to be produced by the TECH Project.

DIRTORS' REPORT (CONTINUED)

2. REVIEW OF OPERATIONS AND ACTIVITIES (CONTINUED)

Pilot Plant Activities

During the half year, a pilot plant was constructed at ALS Global's facilities in Perth, Western Australia, to pilot the Direct Nickel Process ("DNI Process™") on representative ore sourced from QPM's New Caledonian ore supply partners. The first continuous run on the pilot plant was completed just before the end of 2020.

The first continuous run was successful, allowing QPM to commission the plant and also produce MHP and other by-products.

The first continuous run of the pilot plant is part of a larger piloting program which will continue on into 2021.

Lansdown Eco-Industrial Precinct

QPM entered into a binding Reservation Deed with Townsville City Council ("TCC"), securing the TECH project site at Lansdown. In addition to the regional supporting infrastructure, Lansdown was previously a CSIRO farm and the site itself is flat which makes it ideal for civil works for the TECH Project. QPM is working closely with TCC and other stakeholders to determine the optimal way in which regional infrastructure can be accessed for the TECH Project. This includes road alignment into site and access to water, gas and power.

Environmental Approvals

QPM has appointed EMM Consulting Pty Ltd ("EMM") to lead its approvals process for the TECH Project. EMM has a strong track record with project approvals within Queensland and Australia.

From an approvals perspective, the TECH Project site has the benefit of being located in the Lansdown Eco-Industrial Precinct, which has been zoned for high impact, industrial use. The nature of business activity to be undertaken at the TECH Project is exactly what the Lansdown Eco-Industrial Precinct has been established for by TCC.

Project approvals are expected to be granted in the December quarter 2021.

Joint Iron Development with Korea Zinc

One of the co-products produced by the TECH Project is a high grade, low impurity haematite, or iron oxide.

Sun Metals Corporation Pty Ltd ("Sun Metals") owns and operates the Sun Metals zinc refinery in Townsville. Sun Metals is currently undertaking an expansion and upgrade of the refinery which will result in the production of its own iron oxide product.

During the quarter, QPM and Sun Metals entered into an MOU to assess the potential of combining the two iron oxide products to create a single, saleable product. The potential benefits for this include:

- Increased scale and market presence; and
- Potential cost savings arising from synergies relating to product agglomeration, logistics and marketing.

Corporate

Dr Stephen Grocott was appointed as CEO 21 July 2020. Dr Grocott brings to QPM a wealth of experience and a strong track record in project and process development. He has already made an outstanding contribution to the company in his short tenure.

In September, QPM raised \$4.4 million (before costs) in a capital raising. The raising was strongly supported by institutional and sophisticated investors.

DIRECTORS' REPORT (CONTINUED)

3. FINANCIAL RESULTS

The financial results of the Company for the half-year ended 31 December 2020 are:

	31-Dec-20	30-Jun-20
Cash and cash equivalents (\$)	3,553,077	1,556,678
Net assets (\$)	3,778,710	921,706
	31-Dec-20	31-Dec-19
Net loss after tax (\$)	(1,382,074)	(3,454,584)
Loss per share (cents)	(0.18)	(0.75)

4. EVENTS OCCURRING AFTER REPORTING DATE

On 2 February 2021, the Company announced that it had secured a \$1 million loan with Metamor Capital Partners. The key terms of the Metamor facility are:

- AUD 1m facility, immediately drawn down;
- Standard form cash loan with no conversion options;
- Repayable by the earlier of the receipt of QPM's tax return for the 30 June 2021 financial year or 15 November 2021;
- Interest rate of 12.5%, which is a reduction from the previous loan from last financial year;
- Metamor can terminate in the event of default by QPM (breach of material provision, insolvency event or other materially adverse event occurring); and
- Secured against the assets of QPM.

There has not been any other matter, or circumstance, that has arisen since the half-year ended 31 December 2020, that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity.

5. AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under s 307C of the Corporations Act 2001 is set out on page 6 for the half-year ended 31 December 2020.

This report is signed in accordance with a resolution of the Board of Directors.



John Downie
Managing Director
10 March 2021

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF QUEENSLAND PACIFIC METALS LIMITED

As lead auditor for the review of Queensland Pacific Metals Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Queensland Pacific Metals Limited and the entities it controlled during the period.



Jarrad Prue
Director

BDO Audit (WA) Pty Ltd
Perth, 10 March 2021

QUEENSLAND PACIFIC METALS LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Note	31-Dec-20 \$	31-Dec-19 \$
Other Income	2	2,208,392	53,639
TECH Project expenses		(2,739,261)	(951,684)
Consulting and legal fees		(82,543)	(77,685)
Compliance and regulatory expenses		(99,660)	(57,011)
Director fees		(124,845)	(121,546)
Salaries & wages		(114,153)	-
Professional fees		(228,755)	(249,627)
Insurance		(16,471)	(11,675)
Rent and office expenses		(5,043)	(25,659)
Other expenses		(52,759)	(7,058)
Share based payment expenses	7	(105,000)	(1,516,190)
Impairment of assets	6	-	(471,888)
Depreciation		(21,976)	(18,200)
Loss before income tax for the half-year		(1,382,074)	(3,454,584)
Income tax expense		-	-
Loss after income tax for the half-year		(1,382,074)	(3,454,584)
Total comprehensive loss for the half-year attributable to members of Queensland Pacific Metals Limited		(1,382,074)	(3,454,584)
Basic and diluted loss per share	11	(0.18)	(0.75)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the financial statements.

QUEENSLAND PACIFIC METALS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	31-Dec-20 \$	30-Jun-20 \$
ASSETS			
Current Assets			
Cash and cash equivalents	3	3,553,077	1,556,678
Other receivables		276,797	73,265
Total Current Assets		3,829,874	1,629,943
Non-Current Assets			
Exploration and evaluation expenditure	6	1,117,206	1,077,967
Right of use asset		25,638	47,614
Total Non-Current Assets		1,142,844	1,125,581
TOTAL ASSETS		4,972,718	2,755,524
LIABILITIES			
Current Liabilities			
Trade and other payables	4	1,160,263	323,929
Deferred CRC grant income	4	-	1,051,552
Borrowings	5	-	409,973
Lease liability		33,745	48,364
Total Current Liabilities		1,194,008	1,833,818
TOTAL LIABILITIES		1,194,008	1,833,818
NET ASSETS		3,778,710	921,706
EQUITY			
Issued capital	8	18,495,905	14,640,840
Reserves	7	4,379,060	3,995,047
Accumulated losses		(19,096,255)	(17,714,181)
TOTAL EQUITY		3,778,710	921,706

The Consolidated Statement of Financial Position should be read in conjunction with the notes to the financial statements.

QUEENSLAND PACIFIC METALS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Issued Capital \$	Share-base payment Reserve \$	Accumulated Losses \$	Total Equity \$
At 1 July 2020	14,640,840	3,995,047	(17,714,181)	921,706
Loss for the period	-	-	(1,382,074)	(1,382,074)
Total comprehensive loss for the half-year after tax	-	-	(1,382,074)	(1,382,074)
Transactions with owners in their capacity as owners				
Shares issued for services performed	20,623	-	-	20,623
Share-based payment expense	(279,013)	384,013	-	105,000
Share placement	4,113,455	-	-	4,113,455
Balance at 31 December 2020	18,495,905	4,379,060	(19,096,255)	3,778,710
At 1 July 2019	12,158,510	3,995,047	(12,733,638)	3,419,919
Loss for the period	-	-	(3,454,584)	(3,454,584)
Total comprehensive loss for the half-year after tax	-	-	(3,454,584)	(3,454,584)
Transactions with owners in their capacity as owners				
Milestone A shares	-	1,516,190	-	1,516,190
Tranche 2 (Net share issue costs)	586,809	-	-	586,809
Shares issued for services performed	75,344	-	-	75,344
Balance at 31 December 2019	12,820,663	5,511,237	(16,188,222)	2,143,678

The Consolidated Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

QUEENSLAND PACIFIC METALS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	31-Dec-20	31-Dec-19
	\$	\$
Cash flows used in operating activities		
Payment to suppliers and employees	(915,811)	(1,281,395)
Interest received	1,937	3,459
R&D tax offset and GST refund received	670,655	93,343
Grant income received	484,248	-
Interest paid	(719)	(821)
Payment for costs relating to the TECH Project	(1,893,535)	(876,340)
Net cash outflows used in operating activities	(1,653,225)	(2,061,754)
Cash flows from investing activities		
Payment of exploration activities capitalised	(39,239)	(76,710)
Net cash outflows used in investing activities	(39,239)	(76,710)
Cash flows from financing activities		
Proceeds from the issue of shares	4,400,000	622,364
Share issue costs	(286,545)	(35,554)
Receipt from borrowings	222,241	-
Repayment of borrowings	(632,214)	-
Principal lease payments	(14,619)	(18,200)
Net cash inflows provided by financing activities	3,688,863	568,610
Net (decrease) in cash and cash equivalents	1,996,399	(1,569,854)
Cash and cash equivalents at the beginning of the half-year	1,556,678	2,690,342
Cash and cash equivalents at the end of the half-year	3,553,077	1,120,488

The Consolidated Statement of Cash Flows should be
read in conjunction with the notes to the financial statements.

QUEENSLAND PACIFIC METALS LIMITED

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose interim financial statements for half-year reporting period ended 31 December 2020 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Queensland Pacific Metals Limited ("the Group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2020, together with any public announcements made during the following half-year.

Significant accounting judgments and key estimates

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

In preparing this half-year financial report, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2020.

Going Concern

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business.

New Accounting Standards

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. New and revised Standards and amendments thereof and Interpretations effective for the current period that are relevant to the Company are:

- AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
- AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework
- AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform
- AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia
- AASB 2020-4 Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions

Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

QUEENSLAND PACIFIC METALS LIMITED

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 2: OTHER INCOME

The following administration expense items are relevant in explaining the financial performance for the interim period:

	31-Dec-20 \$	31-Dec-19 \$
Interest income	1,937	3,639
R&D tax offset	670,655	-
Grant income	1,535,800	50,000
	2,208,392	53,639

NOTE 3: CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	31-Dec-20 \$	30 Jun-20 \$
Cash at Bank	3,482,957	505,126
Restricted cash*	70,120	1,051,552
	3,553,077	1,556,678

*Restricted cash is the cash received as a part of the CRC grant as at 31 December 2020.

NOTE 4: OTHER PAYABLES

	31-Dec-20 \$	30 Jun-20 \$
Trade payables	1,116,612	243,930
Accrued expenses	20,831	61,012
Other payables	22,820	18,987
Deferred CRC Grant Income	-	1,051,552
	1,160,263	1,375,481

NOTE 5: LOANS AND BORROWINGS

	31-Dec-20 \$	30 Jun-20 \$
Current		
R&D tax prepayment loan	-	409,973
	-	409,973

On 18 August 2020, the facility was amended to increase the amount of the facility to \$632,214. The additional amount of \$222,241 was drawn down on this date. Interest remained fixed at 13.5% per annum. The facility was fully repaid via the receipt of the 2020 R&D tax offset in November 2020.

QUEENSLAND PACIFIC METALS LIMITED

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 6: EXPLORATION & EVALUATION EXPENDITURE

	31-Dec-20	30 Jun-20
	\$	\$
Opening Balance	1,077,967	1,428,198
EE&E attributable to acquisitions	-	121,657
Expenditure capitalised during period	39,239	-
Impairment of capitalised expenditure	-	(471,888)
	1,117,206	1,077,967

NOTE 7: SHARE-BASED PAYMENTS

	31-Dec-20	31-Dec-19
	\$	\$
Deferred consideration ¹	-	1,516,190
Lead manager options ²	279,013	-
Performance rights – milestone 1 ³	105,000	-
	384,013	1,516,190

¹ During the previous period the Company satisfied milestone 1 of the consideration milestone shares from the QPM acquisition (116,630,000 Milestone shares to be issued at a price of \$0.013 per share) on the Completion of positive pre-feasibility study that demonstrates an IRR >20% and EBITDA of no less than A\$50M per annum which is verified in writing by QPM's independently engaged expert within 9 months from the date of settlement. The shares were valued using the grant date (1 May 2019) share issue price (\$0.013), the total value of the shares issued was \$1,516,190.

² On 2 December 2020, the Company issued 10,000,000 options to the lead managers of the placements which occurred during the period. The options are exercisable at \$0.03 on or before 25 September 2023. The Grant Date of the options is 27 November 2020 which is the date of the Annual General Meeting when the options were approved. In line with Australian Accounting Standards, these options have been fair valued based on grant date on 27 November 2020. The total value of the options issued was \$279,013 and has been recognised in capital raising costs. A corresponding entry has also been recognised in share-based payment reserve. The inputs used in the Black Scholes model to value the options are:

Grant date share price	\$0.042
Expected volatility	100%
Dividend yield	0%
Risk free rate	0.11%

³ As announced to ASX on 15 October 2020, the Company entered into a non-binding memorandum of understanding with LG Chem, Ltd. for the supply of nickel and cobalt from the TECH Project. Accordingly, the Company notes that 2,500,000 Performance Rights immediately vested on this date as a result of Milestone 1 being satisfied. The fair value of the performances rights is \$0.042, the grant date being the AGM approval date of 27 November 2020. The details of the milestone are as follows.

Milestone	No. Performance Rights
(Milestone 1): The Company enters into a Memorandum of Understanding (whether legally binding or not) with a potential customer regarding nickel sulphate offtake for the TECH Project which is required to be announced by the Company on the ASX.	2,500,000

QUEENSLAND PACIFIC METALS LIMITED

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 8: ISSUED CAPITAL

	31-Dec-20	30 Jun-20
	\$	\$
Issued and paid up Capital		
(a) 922,447,575 Ordinary Shares Fully Paid (June 2020: 628,171,793)	18,495,905	14,640,840
(b) Movement reconciliation		
At 30 June 2019		
	Number	\$
	434,598,824	12,158,510
Tranche 2 Shares issued at \$0.017 (net of costs)	36,609,636	586,810
Shares issued in lieu of cash ¹	8,333,333	75,344
Milestone A shares issued	116,630,000	1,516,190
Share capital raising \$0.01 (net of costs)	32,000,000	303,986
At 1 July 2020	628,171,793	14,640,840
Shares issued in lieu of services provided ²	942,448	20,623
Placement of shares (net of costs)	293,333,334	3,843,442
At 31 December 2020	922,447,575	18,495,905

¹ Shares issued in lieu of cash were valued based on the invoice for the services provided to the Company during the period.

² Shares were issued in lieu of 30% of Steve Grocott's salary for the months of July to September 2020.

NOTE 9: DIVIDENDS

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

NOTE 10: CONTINGENCIES

In July 2020, the Company entered into a CEO agreement with Mr Stephen Grocott. As part of the terms of the agreement, Mr Grocott will be issued up to 38,500,000 performance rights subject to certain milestones being met. The Performance Rights vest and can become convertible into Shares on a one for one basis upon and subject to satisfaction of the relevant milestone (each, a Milestone) by the relevant date, as set out in the table below.

Milestone	Completion Date	No. Performance Rights
(Milestone 2): The Company enters into a legally binding offtake agreements for at least 35% of the forecast nickel sulphate production for the first ≥ 5 years of TECH Project.	n/a	5,000,000
(Milestone 3): The Company enters into a legally binding offtake agreements for at least 35% of the forecast cobalt sulphate production for the first ≥ 5 years of TECH Project.	n/a	1,500,000
(Milestone 4): The Company enters into a legally binding offtake agreements for at least 35% of the forecast combined value of the iron oxide, high purity alumina and magnesia production for the first ≥ 3 years of TECH Project.	n/a	2,000,000

QUEENSLAND PACIFIC METALS LIMITED

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 10: CONTINGENCIES (CONTINUED)

Milestone	Completion Date	No. Performance Rights
(Milestone 5): Completion of a finalised, signed off Bankable or Definitive Feasibility Study for the TECH Project.	On or before 15 May 2021	7,500,000
	16 May 2021 to 31 December 2021	5,000,000
	1 January 2022 to 30 June 2022	3,000,000
(Milestone 6): Obtain all regulatory approvals required to build the TECH Project.	On or before 15 May 2022	7,500,000
	16 May 2022 to 31 August 2022	5,000,000
	1 September 2022 to 30 November 2022	2,500,000
(Milestone 7): The Board of the Company reaches a Final Investment Decision to proceed with the construction of the TECH Project.	On or before 15 November 2022	12,500,000
	16 November 2022 to 31 May 2023	10,000,000
	1 June 2023 to 30 November 2023	5,000,000

Management have applied judgement to whether the achievement of the milestones is possible. As per note 7, milestone 1 was achieved during the period and a share-based payments expense has been recognised in relation to these performance rights. While the achievement of milestones 2 to 7 are possible, it is currently not probable and so no value has been ascribed to them and these will be reassessed at each period end.

There has been no change to management's assessment of the probability of the contingencies disclosed at 30 June 2020.

NOTE 11: EARNINGS PER SHARE

	31-Dec-20 \$	31-Dec-19 \$
Loss after income tax attributable to owners of Queensland Pacific Metals Limited	(1,382,074)	(3,454,584)
Weighted average number of ordinary shares used in calculated basic earnings per share	783,196,931	459,607,009
Basic earnings/(loss) per share	(0.18)	(0.75)

QUEENSLAND PACIFIC METALS LIMITED

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

NOTE 12: SEGMENT INFORMATION

The Group operates two reportable segments being predominately in the area of mineral exploration in Western Australia and the TECH project in Queensland. Results of the two segments are analysed by the chief operating decision maker, this being the Board of Directors. Consequently, revenue, profit, net assets and total assets for the operating segments are reflected in this financial report.

	Corporate	Exploration	TECH Project	Total
31 December 2020				
Revenue	1,800	-	2,206,592	2,208,392
Result (loss)	(236,261)	-	(1,145,813)	(1,382,074)
31 December 2019				
Revenue	3,639	-	50,000	53,639
Result (loss)	(514,822)	(471,888)	(2,467,874)	(3,454,584)
31 December 2020				
Total assets	3,298,898	1,117,206	556,614	4,972,718
Total liabilities	228,833	-	965,175	1,194,008
30 June 2020				
Total assets	542,564	1,078,078	1,134,882	2,755,524
Total liabilities	504,765	-	1,329,053	1,833,818

NOTE 13: COMMITMENTS

There are no changes to commitments from 30 June 2020.

NOTE 14: RELATED PARTIES

There are no changes to related parties from 30 June 2020 except for the appointment of Mr Stephen Grocott as Chief Executive Officer of the Company, commencing on 21 July 2020.

- Service Fees: \$250,000 p.a. plus super, 3 months paid 70% cash 30% shares¹
- Term: Initial term one year from commencement date
- Period of notice: 3 months
- Termination: Any outstanding amounts to be paid at termination.
- 38,500,000 Performance Rights, see notes 7 and 10 for further details.

¹ The issue of shares in lieu of services provided has been accounted for in accordance with AASB Interpretation 19.

NOTE 15: SUBSEQUENT EVENTS

On 2 February 2021, the Company announced that it had secured a \$1 million loan with Metamor Capital Partners. The key terms of the Metamor facility are:

- AUD 1m facility, immediately drawn down;
- Standard form cash loan with no conversion options;
- Repayable by the earlier of the receipt of QPM's tax return for the 30 June 2021 financial year or 15 November 2021;
- Interest rate of 12.5%, which is a reduction from the previous loan from last financial year;
- Metamor can terminate in the event of default by QPM (breach of material provision, insolvency event or other materially adverse event occurring); and
- Secured against the assets of QPM.

There has not been any other matter, or circumstance, that has arisen since the half-year ended 31 December 2020, that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity.

QUEENSLAND PACIFIC METALS LIMITED

DIRECTORS DECLARATION

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

In accordance with a resolution of the directors of Queensland Pacific Metals Limited, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 7 to 16 are in accordance with the *Corporations Act 2001*, including:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - b. giving a true and fair view of the Company's financial position as at 31 December 2020 and of its performance for the half-year ended on that date.
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.



John Downie

Managing Director

10 March 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Queensland Pacific Metals Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Queensland Pacific Metals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the 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 the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and
- (ii) 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 the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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 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 Company's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A review of 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.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'J Prue', is written over a faint, larger 'BDO' watermark.

Jarrad Prue

Director

Perth, 10 March 2021