



Peak Minerals Limited

ABN 74 072 692 365

**Consolidated Interim Financial Report
For the Half Year Ended 31 December 2022**

CONTENTS

CORPORATE DIRECTORY	2
DIRECTORS' REPORT	3
AUDITOR'S INDEPENDENCE DECLARATION	11
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	12
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	13
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	14
CONSOLIDATED STATEMENT OF CASHFLOWS	15
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	16
DIRECTORS' DECLARATION	25
INDEPENDENT AUDITOR'S REVIEW REPORT	26

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CORPORATE DIRECTORY

Directors

Robert Boston - Non-Executive Chairman

Oonagh Malone - Non-Executive Director

Mathew O'Hara - Non-Executive Director

Chief Executive Officer

Jennifer Neild

Company Secretary

Mathew O'Hara

Contact Information

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Stock Exchange Listing

Australian Securities Exchange (ASX)

ASX Code: PUA

Australian Business Number

ABN – 74 072 692 365

Share Registry

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Perth WA 6000

DIRECTORS' REPORT

The Directors of Peak Minerals Limited (**Peak** or the **Company**) and its controlled entities (collectively, the **Group**) present their report together with the financial statements of the Group for the half year ended 31 December 2022.

Board of Directors

The names of the directors who held office during or since the end of the interim period and until the date of this report are as follows. The Directors held office for the full half year unless specified below:

Non-Executive Chairman	Robert Boston
Non-Executive Director	Oonagh Malone
Non-Executive Director	Mathew O'Hara

Principal Activities

During the financial year the Group continued to pursue its Western Australian focused exploration programs on its emerging magmatic sulphide province.

Operating Results

The loss of the Group for the half year ended 31 December 2022 after providing for income tax amounted to \$893,587 (31 December 2021: loss of \$4,368,958).

Financial Position

The net assets of the Group as at 31 December 2022 are \$1,078,047 (30 June 2022: \$1,971,505).

Significant Events After Balance Date

No matters or circumstances have arisen since the end of the financial half year that significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Auditor's Independence

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included within this financial report.

Review of Operations

During the half-year ended 31 December 2022, Peak continued to pursue its Western Australian focused exploration programs on its emerging magmatic sulphide province, with the Green Rocks and Earraheedy projects being the centre of those exploration activities. In addition to that, the Company continued to progress activities at its Yendon Kaolin Project in Victoria as well as its ongoing assessment of its Kimberley based tenement package.

Western Australian Copper Assets

- **Green Rocks Project**
 - 260km² of contiguous landholding which incorporates the Company's existing Copper Hills and Lady Alma prospects.
- **Earraheedy Project**
 - covering an area of 62km² and only 28km southeast of Sandfire's DeGrussa Copper-Gold Mine and 18km southeast of the Monty Copper-Gold Mine.
- **Kimberley Projects**
 - **Kimberley South Project**
 - o consists of 6 individual tenements prospective for magmatic sulphides; and
 - o sediment hosted copper mineralisation.
 - **Carson Project**
 - Large sediment hosted copper target over 250km strike in the Kimberley.



Figure 1. WA Projects Location Map.

Green Rocks Project

During June 2022, the Company completed a reverse circulation (RC) drilling program at its Green Rocks Project. The program was designed to follow up on geophysical anomalies and test favourable geology.

At Target B, 2 holes were drilled targeting a conductive plate, with a further 2 holes being drilled at the Rixon prospect and 1 hole at the Lady Alma prospect to target a moderately conductive plate. Disseminated mineralisation was seen throughout the Rixon and Lady Alma holes. At Rixon, GRRC004 results showed impressive platinum, palladium and gold (**1m** of elevated **Pt, Pd and Au totaling 0.82g/t 3E¹, 0.54% Cu** and **0.10% Co**). These PGE values have not been encountered in the Lady Alma Igneous Complex (LAIC) before.

GRRC006, which was drilled west of Rixon towards Lady Alma, testing the contact between the ultramafic intrusion and gabbro intrusion. This hole intersected a wider zone of elevated values, **15m at 0.29 g/t 3E, including 4m at 0.52g/t 3E**. The PGE values confirm Cu-Ni-PGE mineralisation is present. At Lady Alma the drilled conductor intersected **3m at 0.68% Cu**, including **1m at 1.14% Cu** and **from 214m, 1m at 1.06%**. Weak, disseminated mineralisation was encountered over 150m.

Reprocessing of the Lady Alma, Rixon and Copper Hills electromagnetic data and gravity data was also undertaken during the half-year. The modelling of conductors suggests that a moderate conductor at Copper Hills near the

¹ 3E = Palladium (Pd) + Platinum (Pt) + Gold (Au), with an average in-situ ratio of ~2.5:3 (Pd:Pt:Au).

surface has not yet been tested. The plate dips towards an anomaly at depth which also has a westward dip and is continuous through multiple depth slices.

Though results at Target B were promising, high sulphur values and associated disseminated mineralisation were seen, however no notable intercepts were made in the two RC holes completed.

The RC drilling was the precursor to a planned diamond drilling program and is part of the staged exploration strategy at our Green Rocks Project. Funding under the Western Australian Government's Exploration Incentive Scheme (EIS) was also accepted in October 2022, providing up to \$180k in funding towards 4 diamond drillholes between depths of 500m and 700m.

Diamond drilling at Rixon is proposed to follow up the Lady Alma-Rixon contact area. Geochemistry at Rixon, along the edges of the ultramafic intrusion, remain prospective. Elevated elements such as cobalt, copper, nickel, titanium, chromium, magnesium, iron, sulfur, and ratios of these elements, have helped define the fertility of the system and aided in targeting particular zones. This has also been done in combination with the results of the recent RC drilling program, geological mapping and geophysical processing and interpretation.

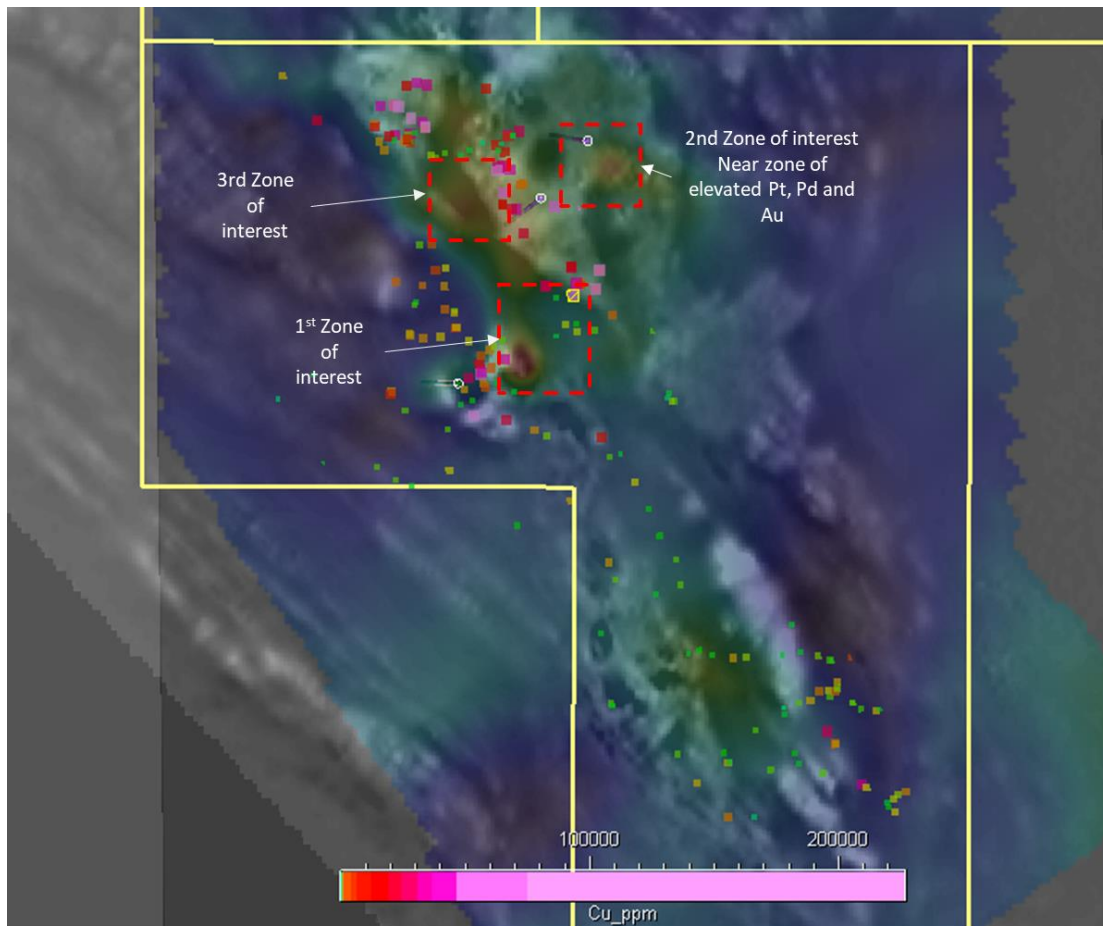


Figure 2: Plan view of the Rixon, Lady Alma and Copper Hills area. Cubes represent surface sampling showing Cu in parts per million (ppm). 1VD TMI Magnetics image is overlain by Ch 23 VTEM image. Hierarchy or Rixon-Lady Alma targets shown as red boxes.

At Copper Hills, geological logging of historical core suggests some intercepts of copper are of magmatic nature, rather than shear hosted. Previous attempts at defining the stratigraphy through diamond drilling did not achieve the hole depth required and ultimately was redefining the shear hosted Cu-Au. Peak has produced 3D geological models from data gathered over 2022 which has helped the planning of a proposed diamond drilling program which will target deeper VTEM anomalies, using the newly acquired MLEM to vector in on this (Figures 3 and 4).

Beyond 400m depth, ground geophysics is not always effective, but is useful in mapping geology above this and we believe that vein and disseminated mineralisation is being mapped by the weak conductivity near the surface. Induced polarisation surveys (**IP**) are a useful method in mapping disseminated mineralisation but ultimately diamond drilling to test the MLEM/VTEM target is necessary.

The recently acquired MLEM plates suggest they are dipping towards a deeper, stronger VTEM anomaly (Figures 3 and 4). Planned holes will aim to intersect geology at an ideal angle in areas, which to date, have not been tested.

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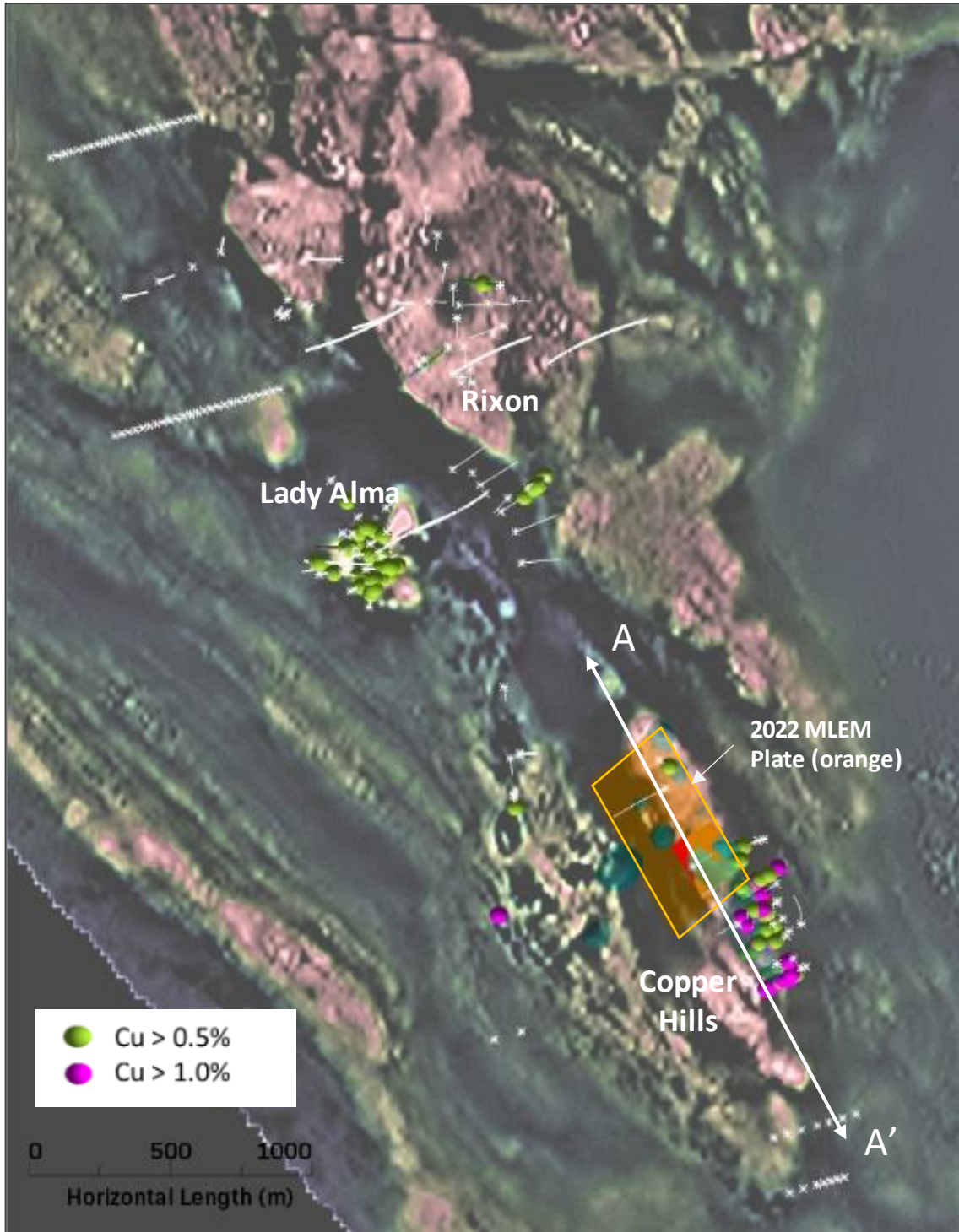


Figure 3: Overview area of Copper Hills, Rixon and Lady Alma (EL51/1716) with Ch 26 VTEM over 1VD TMI Magnetics. Historical drilling also visible. Latest RC holes (drilled in June 2022) are labelled. Inset shows positions of MLEM lines over the area including the 2 MLEM surveys completed by Peak Minerals in 2022. A-A' represents section show in Figure 2.

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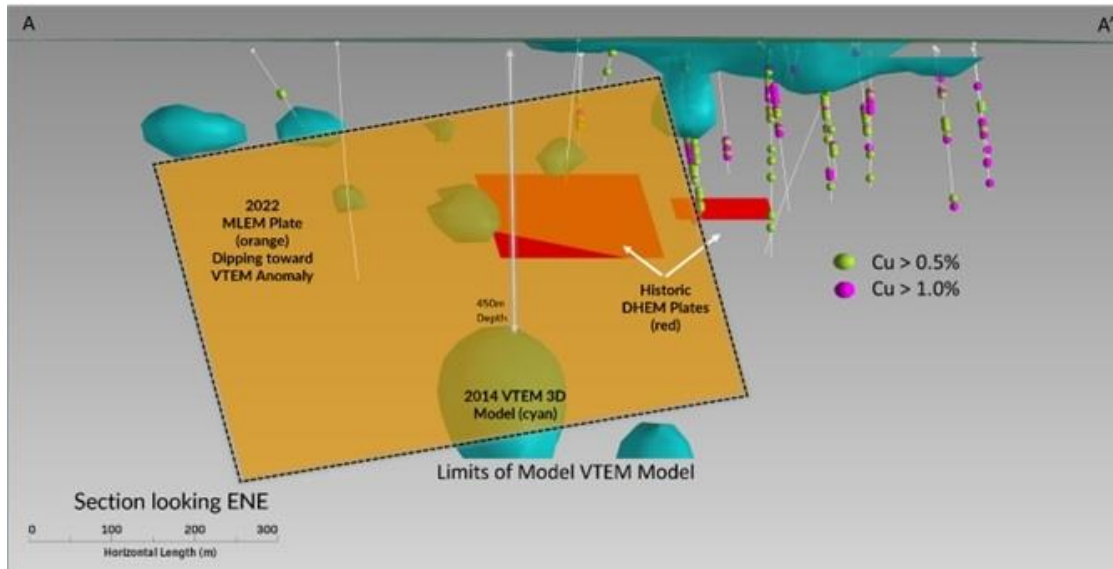


Figure 4: Long section of the Copper Hills area including 2022 Copper Hills MLEM Plate completed recently by Peak, numerous intersections of high grade Cu and Au are seen, but little follow-up of magmatic intersections has been done, nor has there been much follow up to the north along the shear.

Earaheedy Project

During February 2023, Peak successfully completed its co-funded drilling program at the Earaheedy Project, utilising the \$132,000 EIS grant. The Company completed two diamond holes under the EIS program and an additional RC hole to follow up a previous intersection of **3m of 1.5% Cu from 86m** drilled by Peak in 2021.

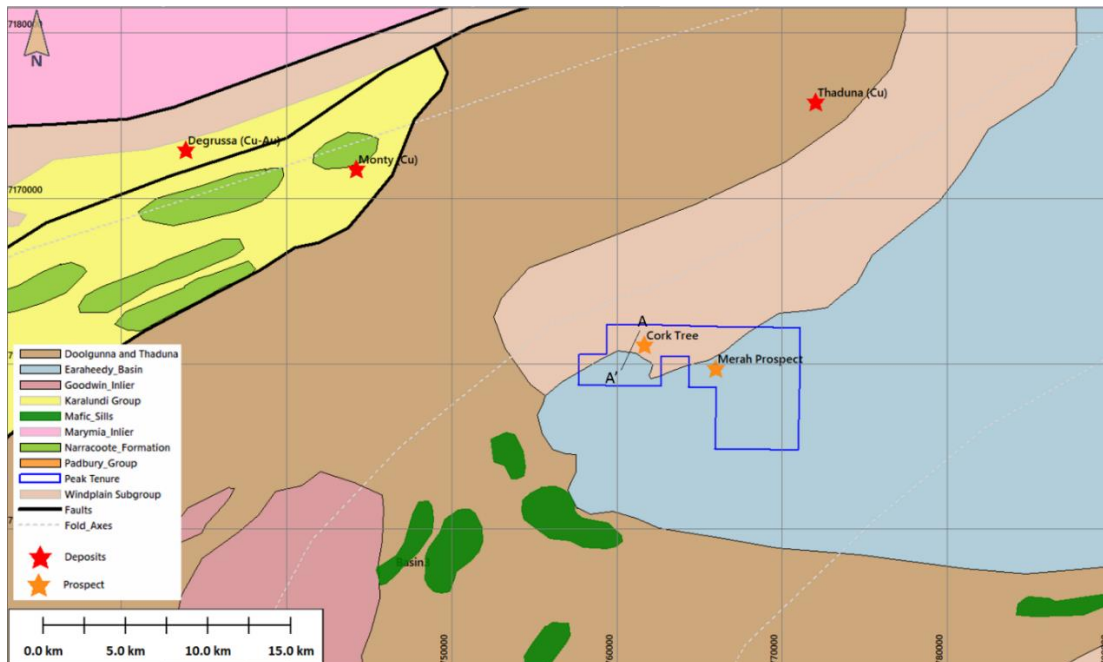


Figure 5: Geology Map with Earaheedy Prospects shown and location with respect to other deposits. Section line is approximately where the conceptual model would exist, however Peak suspects the stratigraphy needs refining.

The two diamond holes were drilled to test mineralisation models, faults and stratigraphy. Understanding the stratigraphic, mineralisation relationships and alteration at Earahedy are pivotal to unlocking value and moving the project forward. The program was designed to provide further understanding on faults (potential fluid conduits) and the elevated Cu, Ni, Co, Zn, Pb and S values in an extensive (1.1km x 2.0km) blanket.

The first diamond drill hole targeted a VTEM anomaly proximal to the previously identified copper blanket, testing the depth to basement and mineralisation potential proximal to faults. The second diamond drill hole was designed to test the conceptual mineralisation model, targeting the interpreted footwall contact between the ferruginous siltstones and underlying dolomites. VTEM anomalies and geochemical anomalies were used to guide the second hole's position.

With the drill rig on site and having successfully completed the diamond holes, the Company took the opportunity to add an RC hole to the program to follow up on the 2021 intersection of 3m of 1.5% Cu from 86m, which ended in mineralisation. Samples are being sent for assaying, with results expected in Q2, 2023.

Kimberley South Projects

During July 2022, an extensive field program took place. Rock chip sampling and geological mapping occurred at McGowan, Carson, Ten Minute and Ilmars projects. Soil sampling at Ten Minute within "The Amphitheatre" was undertaken to determine if the central, undercover area has prospective geology. Sample analysis is still being completed.

A number of rock chips were acquired at McGowan in order to map the mafic intrusion, looking for conventional layering seen in many intrusion hosted Cu-Ni deposits. A selection of these samples have been sent for assay analysis to provide a better map geology from indicator elements. Mineralisation was noted within the known gossan areas.

At Ilmars, there was identification of highly altered, folded basalts, which had not been previously mapped. These samples will require lab analysis as the potential for a gold occurrence is being considered. Mineralisation in a number of gossans related to Zn-Pb-Cu was recognised throughout the Ilmars tenement. A selection of samples have been sent for lab analysis.

Carson Project

The Company continued its assessment of the Carson tenements following CSA Consulting completing the initial stages of a study which utilised high resolution satellite data to interpret geology and alteration and field activity was undertaken in July 2022 to cross-check prospective areas where access was permitted. Prospective units were recognised in a number of positions, however XRF of rock chip samples are still being analysed. A further review of the tenement package will occur once final reporting is complete.

Yendon Kaolin Project

During the half-year, historical drill samples from the Yendon Kaolin Project were resampled for associated REEs. **IAC REE deposits** are an important source of heavy REEs (or more correctly **Heavy REEs**) and up until recently, China has been the main source of these types of deposits. The samples also included air core holes drilled in 2018 that had never been sampled before and were not included in the original kaolin resource of **3.7Mt of 34.7% Al₂O₃** (Table 1).

The results were favourable, with many of the samples having good intercepts of REEs and previously unsampled holes had a weighted averaged **Al₂O₃ of 34.7%** similar to the high quality already sampled. 6 samples were selected to test for **ISO brightness** and for the presence of halloysite. The samples were selected from diamond drill holes

that twinned air core holes; the average brightness of the samples was **81%** (bright white) with 3 samples having a brightness of 84%. In addition, 2 of the holes had the presence of halloysite.

In late 2022, a further **103** samples were taken from the Yendon Kaolin Project aimed at improving sampling intervals of the sampled holes to better define the high quality kaolin and define enriched horizons of **Rare Earth Elements (REEs)** (plus Yttrium).

Many of these holes had never been sampled for REEs before. A selection of holes have been sent to the Bureau Veritas lab in Adelaide for **ISO brightness** testing and the presence of halloysite, which will help to define the possible uses of kaolin from Yendon.

The Company also held a community session in late November 2022 to address the application of EL008081 and provide and update on the progress at Yendon and planned reconnaissance drilling on EL006428.

Table 1: 2018 Resource Estimation results by SRK Consulting².

Class	Tonnage (Mt)		<63 µm Concentrate Grades (%)								
	In situ	Concentrate	Mass Rec	Al ₂ O ₃	CaO	Fe	K ₂ O	MgO	Na ₂ O	SiO ₂	TiO ₂
Measured	1.73	0.75	43.13	35.08	0.08	0.79	0.19	0.09	0.16	47.84	1.13
Indicated	1.95	0.84	43.14	34.33	0.07	0.85	0.25	0.10	0.17	48.94	1.12
Total	3.68	1.59	43.14	34.68	0.08	0.82	0.22	0.10	0.17	48.42	1.12

Competent Person Statement

The information in this announcement that relates to historical exploration results were reported by the Company in accordance with listing rule 5.7 on 8 March 2021, 2 December 2021, 18 March 2022, 29 September 2022, 26 October 2022, 19 December 2022, and 24 February 2023. The Company confirms it is not aware of any new information or data that materially affects the information included in the previous announcements.

The mineral resource estimates in this announcement were reported by the Company in accordance with listing rule 5.8 on 12 February 2018. The Company confirms it is not aware of any new information or data that materially affects the information included in the previous announcement and that all material assumptions and technical parameters underpinning the estimates in the previous announcement continue to apply and have not materially changed.

Signed in accordance with a resolution of the Board of Directors

Robert Boston

Non-Executive Chairman

Date this 15th March 2023

² Refer ASX release date 12 February 2018 for further information.

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Peak Minerals Limited for the half-year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Perth, Western Australia
15 March 2023


D I Buckley
Partner

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HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Notes	31 December 2022 \$	31 December 2021 \$
Revenue			
Other income		48,919	909
Interest revenue		11,915	515
Expenses			
Exploration expenditure	3	(556,734)	(802,967)
Tenement acquisition expenditure	4	-	(1,923,031)
Depreciation and amortisation		(1,638)	(482)
Impairment expense		-	(618,412)
Administration expenses		(396,049)	(875,714)
Loss before income tax expense from continuing operations		(893,587)	(4,219,182)
Income tax expense		-	-
Loss after income tax expense from continuing operations		(893,587)	(4,606,206)
Loss after income tax expense from discontinued operations	5	-	(149,776)
Loss after income tax expense for the half year attributable to the owners of Peak Minerals Ltd		(893,587)	(4,368,958)
Other comprehensive income for the half year, net of tax		-	-
Total comprehensive loss for the half year attributable to the owners of Peak Minerals Ltd		(893,587)	(4,368,958)
Basic and diluted loss per share from continuing operations attributable to the owners of Peak Minerals Ltd (cents/share)		(0.09)	(0.57)
Basic and diluted loss per share from discontinued operations attributable to the owners of Peak Minerals Ltd (cents/share)		-	(0.02)
Basic and diluted loss per share attributable to the owners of Peak Minerals Ltd (cents/share)		(0.09)	(0.59)

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	31 December 2022 \$	30 June 2022 \$
Assets			
Current Assets			
Cash and cash equivalents		1,244,190	2,359,236
Trade and other receivables		118,900	283,179
Total current assets		1,363,090	2,642,415
Non-current assets			
Other financial assets		20,000	20,000
Property, plant and equipment		4,883	6,521
Exploration and evaluation assets	3	100,000	100,000
Total non-current assets		124,883	126,521
Total assets		1,487,973	2,768,936
Liabilities			
Current liabilities			
Trade and other payables		384,530	749,203
Employee benefits		22,462	41,823
Total current liabilities		406,992	791,026
Non-current liabilities			
Employee benefits		2,934	6,405
Total non-current liabilities		2,934	6,405
Net Assets		1,078,047	1,971,505
Equity			
Issued capital	6	93,653,823	93,653,694
Reserves	7	1,193,656	1,193,656
Accumulated losses		(93,769,432)	(92,875,845)
Net Equity		1,078,047	1,971,505

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Issued capital \$	Option Reserve \$	Demerger Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2021	90,445,889	506,754	-	(87,253,691)	3,698,952
Loss for the half year	-	-	-	(4,368,958)	(4,368,958)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the half year	-	-	-	(4,368,958)	(4,368,958)
Contributions of equity	6,207,774	-	-	-	6,207,774
Share based payments	-	435,414	-	-	435,414
Issue of Options as consideration for acquisition	-	230,000	-	-	230,000
Demerger of gold assets	-	-	(3,000,000)	-	(3,000,000)
Balance at 31 December 2021	96,653,663	1,172,168	(3,000,000)	(91,622,649)	3,203,182
Balance at 1 July 2022	93,653,694	1,193,656	-	(92,875,845)	1,971,505
Loss for the half year	-	-	-	(893,587)	(893,587)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the half year	-	-	-	(893,587)	(893,587)
Contributions of equity	-	-	-	-	-
Exercise of Options	129	-	-	-	129
Balance at 31 December 2022	93,653,823	1,193,656	-	(93,769,432)	1,078,047

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	31 December 2022 \$	31 December 2021 \$
Cash flows from operating activities		
Payments to suppliers and employees	(1,127,090)	(1,691,254)
Interest received	11,915	515
Interest and other finance costs paid	-	(2,332)
Other (net of GST refund)	-	89,421
Net cash (used in) operating activities	<u>(1,115,175)</u>	<u>(1,603,650)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	-	(5,933)
Payments for security bonds	-	(20,000)
Proceeds from disposal of property, plant and equipment	-	909
Net cash (used in) investing activities	<u>-</u>	<u>(25,024)</u>
Cash flows from financing activities		
Proceeds from issue of shares	129	4,900,000
Share issue transaction costs	-	(270,465)
Payment of lease liability	-	(17,797)
Net cash provided by financing activities	<u>129</u>	<u>4,611,738</u>
Net increase/(decrease) in cash held	(1,115,046)	2,983,064
Cash and cash equivalents at the beginning of the half year	<u>2,359,236</u>	<u>474,879</u>
Cash and cash equivalents at the end of the half year	<u>1,244,190</u>	<u>3,457,943</u>

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These general purpose interim financial statements of Peak Minerals Limited (**Peak** or the **Company**) and controlled entities (**Group**) for the half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134: *Interim Financial Reporting and the Corporations Act 2001*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

This interim financial report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2022 and any public announcements made by Peak Minerals Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies and methods of computation have been consistently applied with those of the previous financial year and corresponding interim reporting period, except in relation to the matters disclosed below.

Adoption of new and revised Accounting Standards

Standards and Interpretations applicable to 31 December 2022

In the period ended 31 December 2022, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current annual reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group.

Standards and interpretations in issue not yet effective

The Directors have also reviewed all of the new and revised standards and interpretations in issue not yet effective for the half-year ended 31 December 2022.

As a result of this review, the Directors have determined that there will be no material impact of these standards and interpretations on the Group and, therefore, no change is necessary to Group accounting policies.

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 Group is dependent upon it maintaining sufficient funds for its operations and commitments.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The cash balance as at 31 December 2022 was \$1,244,190 (30 June 2022: \$2,359,236). The Company made a loss after tax of \$893,587, during the half year ended 31 December 2022 (2021: loss of \$4,368,383) and the net cash outflow used in operating activities was \$1,115,175 (2021: \$1,603,650 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 interim financial report has been prepared on the assumption that the Company is a going concern for the following reasons:

- the ability of the Company to scale back parts of its operations and reduce costs if required;
- the Board is of the opinion that the Company 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 Company has the ability to raise additional funds, if required.

In the event that the Company is unable to achieve the actions noted above, there is a material uncertainty that may cast significant doubt as to the Group's ability to continue as a going concern, and 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.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

2. SEGMENT REPORTING

Identification of reportable operating segments

The Company 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.

3. EXPLORATION AND EVALUATION ASSETS

	31 December 2022	30 June 2022
	\$	\$
Carrying value at the end of the half year/year	100,000	100,000
<i>Movements</i>		
Opening balance	100,000	3,185,911
Historical exploration expenditure expensed	-	(2,467,498)
Expenditure impaired	-	(618,413)
Closing balance	100,000	100,000

The ultimate recoupment of the Group's capitalised exploration expenditure is dependent of successful development and commercial exploitation or, alternatively, sale of the respective areas.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

4. TENEMENT ACQUISITION EXPENDITURE

Acquisition of CU2 (WA) Pty Ltd

On 8 October 2021, the consolidated entity acquired 98% of the issued capital of CU2 WA Pty Ltd (**CU2**), which owns interests in copper projects in Western Australia (the **Acquisition**). It acquired the remaining 2% of issued capital of CU2 on 18 November 2021.

In consideration for the Acquisition, the Company issued 100,000,000 fully paid ordinary shares in the capital of the Company (**Consideration Shares**) at a deemed issue price of \$0.025 (2.5 cents) per share and 100,000,000 Options, with an exercise price of \$0.05 (5 cents) and expiry date of 31 December 2023 (**Consideration Options**).

To determine the fair value of the Consideration Shares at the date of the Acquisition, the Company used the weighted average of the 15-day volume-weighted average prices of the Company's shares at the respective dates of issue of the Consideration Shares, which was calculated as \$0.016 (1.6 cents) per Consideration Share. To determine the fair value of the Consideration Options at the date of the Acquisition, the Company used the Black-Scholes option valuation model, which produced a value of \$0.0023 (0.23 cents) per Consideration Option.

The Company, at the time of acquisition, assessed that, as CU2 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 CU2.

The value of this was determined as follows:

	31 December 2021
	\$
Fair value of Consideration Shares (100,000,000 x \$0.016)	1,600,000
Fair value of Consideration Options (100,000,000 x \$0.0023)	230,000
<i>Add: Excess of fair value of CU2 liabilities over assets at Acquisition date</i>	93,031
	<u>1,923,031</u>

Following the Acquisition, the Company determined that, for the CU2 areas of interest, the relevant requirements of paragraph Aus7.2 of AASB 6 were not satisfied, in particular as CU2's 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 Company's accounting policy.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

5. DISCONTINUED OPERATIONS

On 12 January 2022, the Company announced that it had divested its gold operations to Vertex Minerals Limited (**Vertex**). This resulted in the Hill End and Hargraves Gold projects in New South Wales, being divested from the Company. Shareholders of the Company on the record date (30 December 2021) received an in-specie distribution of 15 million Vertex shares on a pro-rata basis. Vertex commenced trading on the ASX on 17 January 2022 under the ASX ticker "VTX". The net assets of Hill End and Hargraves Gold projects in New South Wales were measured at the lower of carrying amount and fair value.

A discontinued operation is a component of the Company that has been disposed of or is held for distribution to the owners and that represents a separate major line of business or a separate geographical area of operations, is part of a single co-ordinate plan to dispose of such a line of business or area of operations or is a subsidiary acquired exclusively with a view to resale. The results of the discontinued operations are presented separately on the face of the statement of profit or loss.

For the half year ended 31 December 2021, the Company assessed that, in light of the forthcoming demerger following the end of the half year, the gold operations of the Company (being the Hill End and Hargraves Gold projects in New South Wales) were discontinued operations and as such were accounted for in that way. This resulted in a loss after income tax expense from discontinued operations of \$149,776. Refer the annual financial report for the year ended 30 June 2022 for further information.

There have been no discontinued operations for the half year ended 31 December 2022.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

6. ISSUED CAPITAL

	31 December 2022		30 June 2022	
	Number	\$	Number	\$
Fully paid ordinary shares	1,041,376,617	96,653,823	1,041,370,751	93,653,694
Movements in Ordinary Shares:				
Balance at 1 July 2022	1,041,370,751	93,653,694	614,702,652	90,445,889
Exercise of Options (PUAOD) ¹	6	1	-	-
Exercise of Options (PUAOD) ²	5,860	128	-	-
Issue of Shares for CU2 WA acquisition ³	-	-	98,000,000	1,568,000
Placement (Tranche 1 Shares) ³	-	-	177,599,968	2,664,000
Issue of Shares for CU2 WA acquisition	-	-	2,000,000	32,000
Placement (Tranche 2 Shares) ³	-	-	149,066,700	2,236,000
Exercise of Options (PUAOD) ³	-	-	1,431	31
In-specie distribution of Vertex ³	-	-	-	(3,000,000)
Share issue costs	-	-	-	(292,226)
Balance at 31 December 2022	1,041,376,617	96,653,823	1,041,370,751	93,653,694

1. On 21 December 2022, 6 Quoted Options (ASX: PUAOD) were exercised at an exercise price of \$0.022 each.
2. On 30 December 2022, 5,860 Quoted Options (ASX: PUAOD) were exercised at an exercise price of \$0.022 each.
3. Refer Annual Report for the year ended 30 June 2022 for further information.

Fully paid ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

7. RESERVES

<i>Option Reserve</i>	31 December 2022		30 June 2022	
	Number	\$	Number	\$
Options	190,000,000	1,193,656	573,410,981	1,193,656
<i>Movements in Options:</i>				
Balance at 1 July 2022 ¹	573,410,981	1,193,656	235,079,099	506,754
Exercise of Quoted Options (PUAOD) ²	(6)	-	-	-
Exercise of Quoted Options (PUAOD) ³	(5,860)	-	-	-
Expiry of Quoted Options (PUAOD) ⁴	(362,405,115)	-	-	-
Expiry of Unquoted Options ⁵	(20,000,000)	-	-	-
Expiry of Unquoted Options ⁶	(1,000,000)	-	-	-
Issue of Options for CU2 WA acquisition ⁷	-	-	100,000,000	230,000
Issue of Options (PUAOD) ⁷	-	-	163,333,313	-
Issue of Options to Directors/KMP ⁷	-	-	75,000,000	357,750
Exercise of Quoted Options (PUAOD) ⁷	-	-	(1,431)	-
Expense associated with Performance Rights ⁷	-	-	-	43,333
Expense associated with Options ⁷	-	-	-	55,819
Balance at 31 December 2022	190,000,000	1,193,656	573,410,981	1,193,656

- The number of Options on issue as at 1 July 2022 totaled 573,410,981, which consisted of 362,410,981 Quoted Options (ASX: PUAOD) and 211,000,000 Unquoted Options.
- On 21 December 2022, 6 Quoted Options (ASX: PUAOD) were exercised at an exercise price of \$0.022 each.
- On 30 December 2022, 5,860 Quoted Options (ASX: PUAOD) were exercised at an exercise price of \$0.022 each.
- On 30 December 2022, all remaining Quoted Options (ASX: PUAOD) expired.
- On 30 December 2022, 20,000,000 Unquoted Options with an exercise price of \$0.0301 and an expiry of 30 December 2022 expired without exercise.
- On 30 December 2022, 1,000,000 Unquoted Options with an exercise price of \$0.0435 and an expiry of 30 December 2022 expired without exercise.
- Refer Annual Report for the year ended 30 June 2022 for further information.

As at 1 July 2022, the Company had 5,000,000 Performance Rights on issue which were to vest subject to the attainment of certain performance milestones. On 30 December 2022, the Company cancelled these Performance Rights on the basis the performance milestones could no longer be met. As at 30 December 2022, the Company had no Performance Rights on issue.

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

8. SIGNIFICANT EVENTS AFTER THE REPORTING DATE

No matters or circumstances have arisen since the end of the financial half year that significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

9. DIVIDENDS

The directors of the Company have not declared any dividend for the half year ended 31 December 2022.

10. CONTINGENT LIABILITIES

Yendon 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 (since renamed Yendon HPA 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 payable as at 31 December 2022, totaling \$283,333, has been recognised in trade and other payables in the consolidated statement of financial position as at 31 December 2022.

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.

11. COMMENTS AND CONTINGENCIES

As a condition of its tenements the Group has minimum annual expenditure commitments. These minimum commitments totaled \$1,653,780 as at 31 December 2022 (30 June 2022: \$2,320,280). This balance fluctuates based on the expiration and renewal of tenements.

Exploration expenditure and annual lease/claim payments	31 December 2022	30 June 2022
	\$	\$
Committed at the reporting date but not recognised as liability:		
Within one year	563,260	641,760
One to five years	1,090,520	1,588,520
	<u>1,653,780</u>	<u>2,320,280</u>

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022

12. FINANCIAL INSTRUMENTS

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

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DIRECTORS' DECLARATION

In the opinion of the Directors of Peak Minerals Limited:

- a. The accompanying interim financial statements and notes are in accordance with the *Corporations Act 2001* including:
 - i. Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
 - ii. Complying with AASB 134 'Interim Financial Reporting', the *Corporations Regulations 2001* and other mandatory professional reporting requirements.
- b. 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 signed in accordance with a resolution by the Board of Directors made pursuant to section 303(3)(a) of the Corporations Act 2001.



Robert Boston

Non-Executive Chairman

Date this 15th March 2023

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Peak Minerals Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Peak Minerals Limited ("the company") which comprises the consolidated statement of financial position as at 31 December 2022, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Peak Minerals Limited 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 2022 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.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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.

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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 2022 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.

Independence

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



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
15 March 2023



D I Buckley
Partner

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