



C29 METALS LIMITED

ABN 47 645 218 453

**Half Year Financial Report
31 December 2021**

Half Year Report 31 December 2021

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CORPORATE DIRECTORY

Board of Directors

Mr David Lees
Mr Mark Major

Non-Executive Chairman (appointed 1 July 2021)
Executive Director (appointed 1 July 2021)
Non-Executive Director (appointed 19 October 2021 to 30 June 2021)
Non-Executive Director (appointed 1 July 2021)

Mr Edmund Haynes

Secretary

Mr Mauro Piccini

Registered Office

Suite 2, Level 1
1 Altona Street
West Perth WA 6005

Telephone: 08 6559 1792

Auditors

RSM Australia Partners
Level 32, 2 The Esplanade
Perth WA 6000

Solicitors

Nova Legal
Level 2, 50 Kings Park Road
West Perth WA 6005

Bankers

Westpac Banking Corporation
Level 4, Brookfield Place, Tower Two
123 St Georges Terrace
Perth WA 6000

Share Registry

Automic Share Registry
Level 2, 267 St Georges Terrace
Perth WA 6000

Telephone: 1300 288 664

DIRECTORS' REPORT

The Directors of C29 Metals Limited ("C29 Metals" or "the Company") present their report, together with the consolidated financial statements, on the consolidated entity (referred to hereafter as the "Group") consisting of C29 Metals Limited and the entities it controlled at the end, or during, the half-year ended 31 December 2021.

INFORMATION ON DIRECTORS

The names and details of the Company's Directors in office during the financial period and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Mr David Lees | Non-Executive Chairman (appointed 1 July 2021)

Mr Mark Major | Executive Director (appointed 1 July 2021)
(appointed Non-Executive Director on 19 October 2020 to 30 June 2021)

Mr Edmund Haynes | Non-Executive Director (appointed 1 July 2021)

Mr Mauro Piccini | Non-Executive Director (appointed 19 October 2020 and resigned 1 July 2021)
Company Secretary (appointed 19 October 2020)

Ms Kelly Mirabile | Non-Executive Director (appointed 19 October 2020 and resigned 1 July 2021)

PRINCIPAL ACTIVITIES

The principal activity of the Group during the period was the exploration of mining projects.

FINANCIAL RESULTS

The financial results of the Group for the period ended 31 December 2021 are:

	31-Dec-21
Cash and cash equivalents (\$)	4,356,135
Net assets (\$)	5,724,148

	31-Dec-21
Revenue (\$)	72
Net loss after tax (\$)	(637,236)

REVIEW OF OPERATIONS

Completion of the Public Offer

The Company has met all conditions of the Public Offer under the Prospectus and completed the issue of 25,000,000 Shares at an issue price of \$0.20 each, raising \$5,000,000 in total before costs.

Under the Public Offer, the Company issued 2,000,000 Options exercisable at \$0.25 each and expiring on 26 October 2026 to Trident Capital Pty Ltd (or its nominees) and other AFSL holders (or their nominees) who assisted with procuring successful applications.

Completion of the Acquisition Agreements

The Company confirms that all the conditions precedent under the Acquisition Agreements have been satisfied and the Company has completed the Acquisitions.

DIRECTORS' REPORT (CONTINUED)

Reedy Creek Project, NSW

During the period, a diamond drilling program commenced at the Reedy Creek project. The program continued into 2022 and recently finished in March 2022 (see ASX Announcements 15 February and 8 March 2022). A total of 7 diamond holes were drilled.

This drilling was designed to confirm the significant historical high-grade zones of copper, lead, zinc, manganese, silver and gold (see ASX announcement December 9, 2021) and to test the extensions of the mineralization between the Reedy Creek Mine and Endeavour 1 prospects.

Areas of visual sulphides as well as native copper and copper oxide minerals were encountered during the drilling.

Historical drilling intercepts around the historical Reedy Creek mine include:

- 12.4m @ 1.13% Cu from 33.2m, within 48.1m @ 0.66% Cu, from 30.3m (DDH-3)
- 17m @ 1.04% Cu, including 8m @ 1.31% Cu from 9m (RCR-4) o 27m @ 1.3% Zn from 18m, including 7m @4.2% Zn, 1.0% Pb and 37ppm Ag (RCR-11)
- 11m @ 1.91g/t Au from 25m to EOH, including 6m @ 3.1g/t Au
- 7m @14.4% Mn from 14m to EOH; within 17m @ 9.2% Mn from 4m

Sampson Tank Project, NSW

An extensional and infill soil geochemistry survey (Figure 2) had been completed over and around the P-47 and P-54 exploration targets at the Sampson Tank Project during the period (see ASX announcement December 14, 2021).

The Project is centered approximately 130km north-west by road of Parkes & 20km north-west of Tottenham, NSW.

The soil data will help identify areas for immediate follow-up targeting high-grade deformed and remobilized Besshi-type volcanic associated massive sulphide (VAMS) Cu-Au deposits.

The extensional and infill soil survey was designed to advance the small systematic soil sampling across the P-47 and P-54 prospects during the 2019-2020 period. This initial soil survey delineated a significant 1,200 m x 350 m Cu-Au-Co in soil anomaly at P-47 and a 800 m x 600m Cu-Co-Zn-Ba-Au anomaly at P-54. Both anomalies remained open and are associated with magnetic high features (Figure 2 and Figure 3).

Soil samples were collected using the same procedure as the initial program and are currently in the laboratory undergoing chemical analysis. The analytical results and interpretation are expected to be completed during the current quarter.

A heliborne Versatile Time Domain Electromagnetic (VTEM) geophysical survey will take place over the entire license in late February 2022.

Torrens Projects, SA

At the end of the half year the Company was informed by the South Australian Department for Energy and Mines (DEM) that the application covering the 4 prospective areas within the (ELA2020/00205) Mount Samuel group application required to be split into separate applications. These applications were subsequently submitted to the DEM in January 2022. Application ELA 2020/00219 is still an active application and was not affected with the DEM request (see ASX Announcement 14 February 2022).

The tenement applications reside within the Olympic Dam iron oxide copper gold (uranium) ("IOCG") province of the Stuart Shelf in central South Australia. The IOCG province is a Palaeoproterozoic and Mesoproterozoic tectonic and lithostratigraphic domain that extends for some 700km along the eastern margin of the Gawler Craton.

DIRECTORS' REPORT (CONTINUED)

Within the dominant Adelaidean and Cambrian sediments of this area, possible types of mineralisation could include:

- Sediment-hosted copper deposits, of the Zambian Copperbelt style or associated with brecciated diapiric structures
- Mississippi Valley type ("MVT") lead-zinc-copper-silver mineralisation systems
- Structurally hosted gold deposits associated with large fault systems in the Adelaidean sediments.
- Disseminated sediment-hosted gold deposits
- Willemite (zinc silicate) mineralisation, similar to the deposits at the Puttapa Mine
- Tertiary silcrete carnotite Uranium (Yeerlirrie) style deposits

Within the Mesoproterozoic basement rocks under the majority of the tenements, the main exploration target are the Olympic Dam style Cu-Au deposits also known as IOCG's.

Stadler's Project, WA

No significant work was undertaken during the reporting period.

DIVIDENDS

No dividend is recommended in respect of the current financial period.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in state of affairs during and subsequent to the end of the financial period.

MATTERS SUBSEQUENT TO THE REPORTING PERIOD

On 21 February 2022, C29 Metals announced that it has entered into an option agreement with Isa Tenements Pty Ltd (100% owned subsidiary of GBM Resources Limited, ASX: GBZ) ("Vendor") pursuant to which it has been granted an exclusive option to acquire 100% of the Mayfield Copper-Gold (IOCG) project near the Trekelano and Tick Hill mines in Queensland. The agreement terms are as follows:

- C29 has an exclusive option for sixty (60) business day to conduct due diligence on the Mayfield project; by paying an initial option fee of \$20,000 (plus GST) and a second \$20,000 (plus GST) when the Exploration Licence is granted.
- Subject to C29 exercising the option, the following consideration will be made to the Vendor:
 - Cash payment of \$210,000 within fifteen (15) days of exercise of the Option; and
 - issue GBM or nominee the greater of 1.25 million C29 shares or the value of \$250,000 in C29 shares, based on a 7 day VWAP.
- The option is conditional on the exploration licence being renewed, successful due diligence, and other customary conditions.
- The project has an inherent 2% net smelter return royalty held by a third party.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the Group up to 31 December 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

DIRECTORS' REPORT (CONTINUED)**SHARES UNDER OPTION**

Option	Number	Grant Date	Expiry Date	Exercise Price
Unlisted Options	5,000,000	29/01/2021	29/01/2026	\$0.20
Unlisted Options	2,250,000	01/07/2021	01/07/2024	\$0.25
Unlisted Options	2,000,000	26/10/2021	26/10/2026	\$0.25

Option holders do not have any rights to participate in any issues of shares or other interests of the Group or any other entity.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 has been received and included within these financial statements.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



David Lees
Non-Executive Chairman
14 March 2022

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of C29 Metals Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

RSM

RSM AUSTRALIA PARTNERS

Tutu Phong

TUTU PHONG
Partner

Perth, WA
Dated: 14 March 2022

THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2021

	Note	31-Dec-2021	19-Oct-2020 to 31-Dec- 2020
		\$	\$
Other income		72	-
Administrative expenses		(215,107)	-
Compliance and regulatory expenses		(84,439)	-
Consulting and corporate expenses		(52,320)	-
Advertising and investor relations		(6,358)	-
Auditors' remuneration		(12,000)	-
Independent geologist report		(12,000)	-
IPO listing fees		(28,098)	-
Legal fees		(9,845)	-
Share-based payments expense		(217,125)	-
Other expenses		(16)	-
Loss before income tax		(637,236)	-
Income tax expense			-
Loss after income tax		(637,236)	-
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss attributable to the members of C29 Metals Limited		(637,236)	-
Basic and diluted loss per share (cents)	8	(3.28)	-

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Note	31-Dec-2021 \$	30-Jun-2021 \$
ASSETS			
Current Assets			
Cash and cash equivalents		4,356,135	402,658
Trade and other receivables		76,735	4,425
Prepayment		31,620	-
Total Current Assets		4,464,490	407,083
Non-Current Assets			
Exploration and evaluation expenditure	3	1,422,065	2,080
Total Non-Current Assets		1,422,065	2,080
Total Assets		5,886,555	409,163
LIABILITIES			
Current Liabilities			
Trade and other payables		162,410	32,870
Total Current Liabilities		162,410	32,870
Total Liabilities		162,410	32,870
Net Assets		5,724,145	376,293
EQUITY			
Issued capital	4	5,986,664	435,101
Reserves	6	433,525	-
Accumulated losses		(696,044)	(58,808)
Total Equity		5,724,145	376,293

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2021

	Issued Capital	Share Based Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 30 June 2021	435,101	-	(58,808)	376,293
Loss for the period	-	-	(637,236)	(637,236)
Total comprehensive loss for the period after tax	-	-	(637,236)	(637,236)
Transactions with owners in their capacity as owners:				
Issue of share capital (Note 4)	6,200,000	-	-	6,200,000
Share issue costs (Note 4)	(454,870)	-	-	(454,870)
Share-based payments (Note 7)	(193,567)	433,525	-	239,958
Balance at 31 December 2021	5,986,664	433,525	(696,044)	5,724,145
Balance at 19 October 2020 (On incorporation)	-	-	-	-
Loss for the period	-	-	-	-
Total comprehensive loss for the period after tax	-	-	-	-
Transactions with owners in their capacity as owners:				
Issue of share capital (Note 4)	1	-	-	1
Balance at 31 December 2020	1	-	-	1

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2021

	31-Dec-2021	19-Oct-2020 to 31-Dec-2020
	\$	\$
Cash flows from operating activities		
Payment to suppliers and employees	(371,740)	-
Interest received	72	-
Net cash outflow from operating activities	(371,668)	-
Cash flows from investing activities		
Payment for exploration and evaluation expenditure	(219,985)	-
Net cash outflow from investing activities	(219,985)	-
Cash flows from financing activities		
Proceeds from issued shares	5,000,000	-
Share issue costs	(454,870)	-
Net cash from financing activities	4,545,130	-
Net increase in cash and cash equivalents	3,953,477	-
Cash and cash equivalents at the beginning of the period	402,658	-
Cash and cash equivalents at the end of the period	4,356,135	-

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Accounting Standard 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of C29 Metals Limited ('Company' or 'C29 Metals') as at 31 December 2021 and the results of all subsidiaries for the year then ended. C29 Metals Limited and its subsidiaries together are referred to in these financial statements as the "Group" or "consolidated entity".

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

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

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of C29 Metals Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Comparatives

The Group's current accounting period is the half-year ended 31 December 2021 and its comparative accounting period is from 19 October 2020 to 31 December 2020.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**NOTE 2 OPERATING SEGMENTS**

The Group operates only in one reportable segment being predominately in the area of copper mineral exploration in Australia. The Board considers its business operations in copper mineral exploration to be its primary reporting function. Results are analysed as a whole by the chief operating decision maker, this being the Board of Directors.

NOTE 3 EXPLORATION AND EVALUATION EXPENDITURE

	31-Dec-21 \$	30-Jun-21 \$
Carrying amount of exploration and evaluation expenditure	1,422,065	2,080
At the beginning of the period	2,080	-
Acquired during the period	1,310,000	-
Exploration expenditure incurred during the period	109,985	2,080
At the end of the period	1,422,065	2,080

On 26 October 2021, the Company issued 6,000,000 shares at \$0.20 per share and paid \$100,000 in cash to Gilmore Metals and Oberon Gold to acquire tenements according to the acquisition agreements. The is an additional \$10,000 payment in accordance with the Reedy Creek Term Sheet for the environmental bond.

NOTE 4 ISSUED CAPITAL

	31-Dec-21		30-Jun-21	
	No.	\$	No.	\$
Fully paid ordinary shares	39,291,667	5,986,664	8,291,668	435,101
Movement in ordinary shares	No.	\$	No.	\$
Opening balance	8,291,668	435,101	-	-
Share issued on incorporation	-	-	1	1
Seed shares	-	-	5,000,000	50,000
Seed shares	-	-	3,291,667	395,000
IPO shares	24,999,999	5,000,000	-	-
Shares issued for acquisition (Note 3)	6,000,000	1,200,000	-	-
Share issue costs (including share based payments)	-	(648,437)	-	(9,900)
Balance at 31 December 2021	39,291,667	5,986,664	8,291,668	435,101

Ordinary shares entitle the holder to participate in the dividends and the proceeds on winding up in proportion to the number of and amounts paid on the shares held.

At shareholders meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

NOTE 5 DIVIDENDS

No dividends have been proposed or paid during the financial half-year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**NOTE 6 RESERVES**

	31-Dec-21 \$	30-Jun-21 \$
Share based payment reserve	433,525	-
Movement reconciliation		
Balance at beginning of the period	-	-
Issue of unlisted options	433,525	-
Balance at the end of the period	433,525	-

NOTE 7 SHARE BASED PAYMENTS

	31-Dec-21 \$	30-Jun-21 \$
Recognised share-based payment transactions		
Unlisted options	433,525	-
	433,525	-
<i>Reconciliation:</i>		
Share based payment expense	217,125	-
IPO listing fees	22,833	-
Share issue cost	193,567	-
	433,525	-

The unlisted options that were issued are as follows:

- (i) On 1 July 2021, the Company issued 2,250,000 unlisted options to Directors.
- (ii) On 26 October 2021, the Company issued 2,000,000 unlisted options to Trident Capital Pty Ltd, the Lead Manager, as part of the capital raising fee of the IPO placement.

The options issued to Directors and the Lead Manager of the Company, have been valued using the Hoadley ES02 model. The model and assumptions are shown in the table below:

Hoadley ES02 model		
	Directors	Lead Manager
Grant Date	1/07/2021	26/10/2021
Expiry Date	1/07/2024	26/10/2026
Strike (Exercise) Price	\$0.25	\$0.25
Underlying Share Price (at date of issue)	\$0.20	\$0.20
Risk-free Rate (at date of issue)	0.195%	1.230%
Volatility	100%	100%
Number of Options Issued	2,250,000	2,000,000
Dividend Yield	0%	0%
Fair value per option	\$0.0965	\$0.1082

The weighted average exercise price of the options is \$0.25. The weighted average remaining contractual life of options outstanding at the end of the financial year was 3.59 years.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**NOTE 8 LOSS PER SHARE**

	31-Dec-21 \$	31-Dec-20 \$
Loss after income tax	(637,236)	-
Weighted average number of ordinary shares	19,411,233	-

NOTE 9 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There are no contingent assets or contingent liabilities as at 31 December 2021.

NOTE 10 COMMITMENTS

The Group has the following commitments:

- a) A 2% net smelter return royalty in respect of any production within the area of the Tenement comprising the Sampson Tank Project (Sampson Tank Royalty). The Company will enter into a separate royalty deed with Gilmore Metals to document the terms of the Sampson Tank Royalty and which shall include a term which gives the Company the right (but not obligation) to purchase 50% of the Sampson Tank Royalty from Gilmore Metals for either (at the Company's election):
 - 1) \$1,000,000 in cash; or
 - 2) that number of Shares equal in value to \$1,000,000 based on a deemed issue price per Share equal to the 30-day VWAP of Shares as at the date of the Company's election.
- b) A 2 % net smelter return royalty in respect of any production within the area of the Tenement comprising the Reedy Creek Project (Reedy Creek Royalty).The Company will enter into a separate royalty deed with shareholders of Oberon Gold to document the terms of the Reedy Creek Royalty and which shall include a term which gives the Company the right (but not obligation) to purchase 50% of the Reedy Creek Royalty from the shareholders of Oberon Gold for either (at the Company's election):
 - 1) \$1,000,000 in cash; or
 - 2) that number of Shares equal in value to \$1,000,000 based on a deemed issue price per Share equal to the 30-day VWAP of Shares as at the date of the Company's election.

NOTE 11 INTERESTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	31-Dec-21 %	30-Jun-20 %
Phoenix Minerals Pty Ltd	Australia	100%	-
Oberon Gold Pty Ltd	Australia	100%	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 12 EVENTS AFTER THE REPORTING DATE

On 21 February 2022, C29 Metals announced that it has entered into an option agreement with Isa Tenements Pty Ltd (100% owned subsidiary of GBM Resources Limited, ASX: GBZ) ("Vendor") pursuant to which it has been granted an exclusive option to acquire 100% of the Mayfield Copper-Gold (IOCG) project near the Trekelano and Tick Hill mines in Queensland. The agreement terms are as follows:

- C29 has an exclusive option for sixty (60) business day to conduct due diligence on the Mayfield project; by paying an initial option fee of \$20,000 (plus GST) and a second \$20,000 (plus GST) when the Exploration Licence is granted.
- Subject to C29 exercising the option, the following consideration will be made to the Vendor:
 - Cash payment of \$210,000 within fifteen (15) days of exercise of the Option; and
 - issue GBM or nominee the greater of 1.25 million C29 shares or the value of \$250,000 in C29 shares, based on a 7 day VWAP.
- The option is conditional on the exploration licence being renewed, successful due diligence, and other customary conditions.
- The project has an inherent 2% net smelter return royalty held by a third party.

The impact of the Coronavirus (COVID-19) pandemic is ongoing. It is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Apart from the matters noted above, no other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

DIRECTORS' DECLARATION

In the Directors' opinion:

- a) the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- b) the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- c) there are reasonable grounds to believe that the Company and Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



David Lees
Non-Executive Chairman
14 March 2022

RSM Australia Partners

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
C29 METALS LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of C29 Metals Limited which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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 of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year 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

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 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*. As the auditor of C29 Metals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of C29 Metals Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

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 C29 Metals Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity'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 *Corporations Regulations 2001*.

RSM

RSM AUSTRALIA PARTNERS

Tutu Phong

TUTU PHONG
Partner

Perth, WA
Dated: 14 March 2022