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PATHFINDER
RESOURCES LTD

FINANCIAL REPORT

For the half-year ended 31 December 2021

PATHFINDER RESOURCES LTD

DIRECTORS' REPORT

For the half-year ended 31 December 2021

DIRECTORS

Mr Sufian Ahmad	Non-executive Chairman
Mr Hugh Callaghan	Managing Director
Dr Stephen Windle	Non-executive Director

CHIEF FINANCIAL OFFICER

Mr Agha Shahzad Pervez

COMPANY SECRETARY

Mr Harry Spindler

REGISTERED OFFICE

Level 9, 182 St Georges Terrace
Perth WA 6000

Telephone (08) 6109 6689

Website www.pathfinderresources.com.au

POSTAL ADDRESS

P O Box 7310
Cloisters Square PO WA 6850

AUDITORS

BDO Audit (WA) Pty Ltd
Level 9
Mia Yellangonga Tower 2
5 Spring Street
Perth WA 6000

SHARE REGISTRY

Computershare
GPO Box 2975, Melbourne Vic 3001

ASX Code PF1

ACN 085 905 997

ABN 80 085 905 997

In this report, the following definitions apply:

“**Board**” means the Board of Directors of Pathfinder Resources Ltd

“**Pathfinder**” or the “Company” means Pathfinder Resources Ltd ABN 80 085 905 997

PATHFINDER RESOURCES LTD

DIRECTORS' REPORT

For the half-year ended 31 December 2021

Your Directors submit the financial report of Pathfinder Resources Limited (PF1, Pathfinder or the Company) and its controlled entities (the Group, or Consolidated Entity) for the half-year ended 31 December 2021. In order to comply with the provisions of the Corporations Act 2001, the Directors' report as follows.

Directors

The names and particulars of the Directors of the Company in office during or since the end of the half year to the date of this report are:

Director	Position	Appointed	Resigned
Sufian Ahmad	Non-Executive Chairman	1 December 2020	
Hugh Callaghan	Managing Director Non-Executive Director	2 November 2021 4 June 2021	1 November 2021
Stephen Windle	Non-Executive Director	5 October 2021	
Shannon Green	Managing Director Executive Chairman	1 December 2020 30 March 2020	16 November 2021 1 December 2020

PRINCIPAL ACTIVITIES

The Company is a mineral exploration company which is presently focused on exploration of base and precious metals in Argentina and Canada.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors, there were no significant changes in the state of affairs of the Group which have not been disclosed elsewhere in this report.

REVIEW OF OPERATIONS

During the half-year ended 31 December 2021 the Company's primary focus was to advance exploration at the King Tut Project in Argentina and finalise the Divestment of the Hamersley Iron Ore Project.

King Tut Project

Exploration Activities

During the first half of the year, the Company continued to progress permitting for its maiden diamond drilling program.

On 16 August 2021, the Company announced the completion of the planned electric resistivity tomography geophysical survey of the King Tut tenement. The field work was undertaken by experienced professional ALH Geophysics (ALH) based in San Juan. Despite the steep terrain surveyed, see figure 1 below, the Company was able to safely test the length of 4 of the 5 proposed sections, traversing across the known mineralised veins.



Figure 1: Field workers placing electrodes

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DIRECTORS' REPORT

For the half-year ended 31 December 2021

The ERT Survey improved the Company's understanding of the size and spatial disposition of inferred mineralised structures which has been used to further optimise the upcoming inaugural drilling program. See Figure 2 below showing planned drill hole locations in reference to the resistive anomaly.

Referred to announcement dated 16 August 2021, all submissions required, including municipal permitting approvals are now with Mining and Environment Administration for approval.

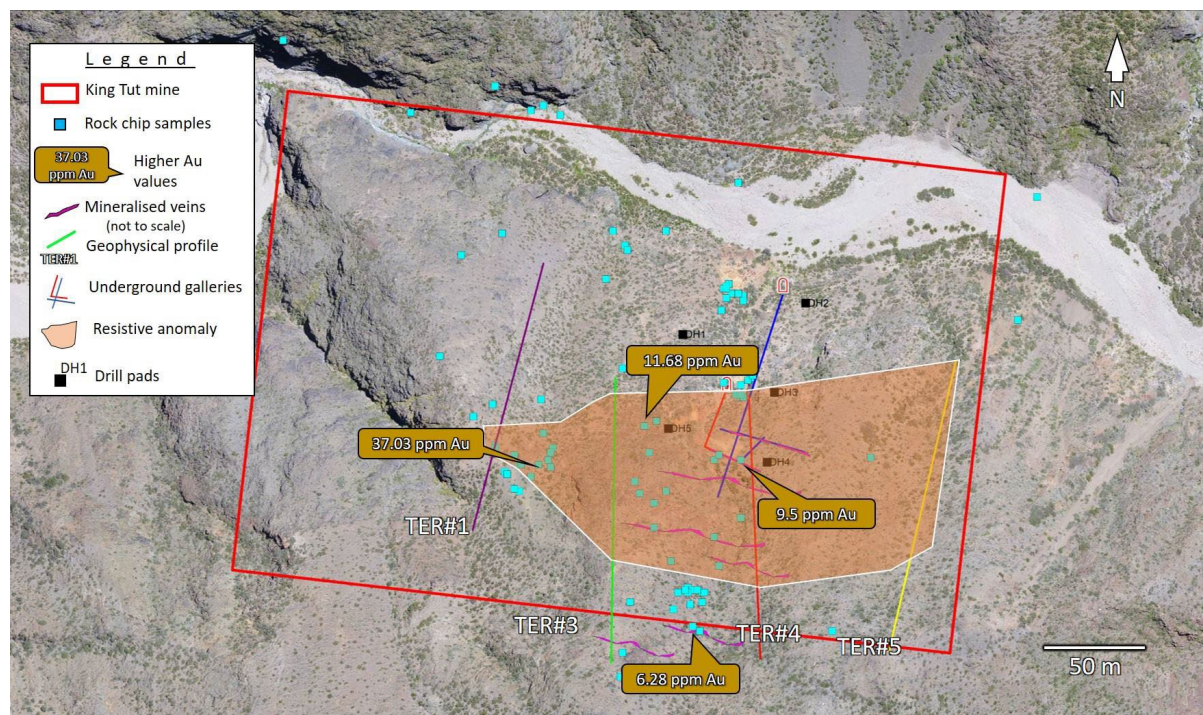


Figure 2: Map showing planned drill pads and resistivity anomaly

The Company is engaging with officials through its Argentinian representatives to advance these approvals.

As part of the permitting of the maiden Diamond Drill Program the team have continued engagements with key stakeholder and community groups in the province. To assist with the development of a comprehensive Social Management and Communication Plan (SMCP) the Company has contracted a local consulting group, Papi Group Latam Consulting, who have extensive experience with mining operations in Argentina.

Consultation with the la Rioja government are ongoing and the Company expects to reach an assessment of the drill program by the end of the March 2022 quarter.

Hamersley Iron Ore Project

On 9 July 2021, the Group together with Lockett executed a Binding Terms Sheet with Equinox Resources Limited (ACN 650 503 325) (Equinox) for the sale of their respective interests in the Hamersley Iron Ore Project. The sale of the Project is conditional upon Pathfinder shareholder approval in accordance with ASX Listing Rule 11.4.1(b), amongst other things.

On 26 July 2021, the Company issued a Notice of Meeting in respect of the Divestment of the Hamersley Iron Ore Project. The resolution was carried on poll at the meeting held on 27 August 2021.

Equinox undertook the initial public offer (IPO) with its prospectus lodged on 31 August 2021 and was admitted to the official list of the Australian Securities Exchange on 12 October 2021. The IPO raised \$9 million (before costs) through the offer of 45 million shares, at an issue price of \$0.20 per share.

Under the transaction, Pathfinder received 35,000,000 shares and 6,650,000 performance shares and Lockett received 15,000,000 shares and 2,850,000 performance shares.

PATHFINDER RESOURCES LTD

DIRECTORS' REPORT

For the half-year ended 31 December 2021

In conjunction with the sale of the Hamersley Iron Ore Project, Pathfinder agreed to advance Equinox an amount of up to \$320,000 by way of an interest free loan to be used by Equinox to pay the expenses in respect of the Equinox IPO. The Company advanced Equinox \$221,000 under this agreement which was repaid on 15 October 2021.

Bloom Lake Project

The Company maintained the tenements comprising the Bloom Lake Cobalt Project in Canada during the half year. Activities commenced during the September Quarter with 14 samples collected from the Bloom Lake tenements over a 5-day period. The results are released to the market "High Grade Sample Results from Bloom Lake Project" ASX announcement dated 4 February 2022.

Compliance Statement

This half year report contains information extracted from ASX Market announcements reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("2012 JORC Code") and available for viewing at pathfinderresources.com.au. Pathfinder Resources Limited confirms that it is not aware of any new information or data that materially effects the information included in the original ASX market announcement. Such ASX announcements are as follows:

4 February 2022 – Bloom Lake Project Sampling Results

31 January 2022 - – Quarterly Activities Report

20 October 2021 – Quarterly Activities Report

29 September 2021 – Annual Report FY2021

23 August 2021 – Quarterly Activities Report – Update

17 August 2021 – JORC Tables for Geophysics Survey Results

16 August 2021 – Geophysics Survey Results

30 July 2021 – Quarterly Activities Report and Appendix 5B

9 July 2021 – Divestment of Hamersley Iron Ore Project

25 January 2021 – High-grade gold and cobalt mineralisation at King Tut

16 September 2020 – Independent Geologist's Report

FINANCIAL POSITION

The Company made a profit for the period of \$4,987,076 (31 December 2020: loss \$571,245). At balance date, capitalised exploration costs totalled \$2,083,781 (30 June 2021: \$1,814,678). Cash reserves were \$1,837,830 (30 June 2021: \$3,412,277) a decrease of \$1,574,447.

CORPORATE ACTIVITIES

On 26 July 2021, the Company issued a Notice of Meeting in respect of the Divestment of the Hamersley Iron Ore Project. The resolution was carried on poll at the meeting held on 27 August 2021.

On 2 August 2021, the Company announced the establishment of an unmarketable parcel sale facility. Closure of the facility was announced on 22 September 2021, with the sale proceeds distributed to holders on 12 October 2021.

On 23 September 2021, the Company announced the resignation of Managing Director Shannon Green effective 16 November 2021.

On 30 November 2021, the Company held its Annual General Meeting

On 5 October the Company announced the appointment of Dr. Stephen Windle to the Board, as a Non-Executive Director.

On 1 November 2021, the Company announced the appointment of Mr Hugh Callaghan as Managing Director effective immediately.

PATHFINDER RESOURCES LTD

DIRECTORS' REPORT

For the half-year ended 31 December 2021

On 16 November 2021, the Company settled the claim from Airguide International Pte Ltd, for a single cash payment of US \$482,500 in full and final settlement of the disputes between the parties without admission of liability.

On 1 December 2021, the Company appointed Mr Agha Shahzad Pervez as Chief Financial Officer and Mr Harry Spindler as Company Secretary following the resignation of Ms Ailsa Osborne.

On 1 December 2021, the Company announced the Change of Registered office to Level 9, 182 St Georges Terrace, Perth WA 6000.

Key Management Appointment and Board Changes

On 23 September 2021, the Company announced the resignation of Managing Director Shannon Green.

On 5 October 2021, the Company announce the appointment of Dr. Stephen Windle to the Board, as a Non-Executive Director. Dr. Windle is a Brisbane based geologist with over 30 years' experience in exploration management, geo-metallurgy, resource modelling, and exploration technology, specialising in intrusion related copper-gold and base metals systems.

On 2 November 2021, the Company announce the appointment of Mr Hugh Callaghan as Managing Director. Mr Callaghan has significant ASX experience including being a Director of Equinox Resources Limited (June 2021-Present, and prior to that a Director of Acacia Coal Limited (March 2017 to December 2017), GSF Corporation (February 2009 to June 2009), Tamaya Resources Limited (May 2006 to October 2008) and Riversdale Mining Limited (April 2004 to August 2006). Mr Callaghan's qualifications include a Bachelor of Commerce and a Bachelor of Laws.

On 1 December 2021, the Company announced the appointment of Harry Spindler as Company Secretary, Mr. Harry Spindler is an experienced corporate professional with a broad range of corporate governance and capital markets experience, having held various company secretary positions and been involved with several public company listings, merger and acquisition transactions and capital raisings for ASX-listed companies across a diverse range of industries over the past 22 years.

Mr Spindler is a member of the institute of Chartered Accountants Australia and New Zealand and a member of the Financial Services Institute of Australia. Mr Spindler began his career in corporate recovery and restructuring at one of Australia's leading independent financial advisory and restructuring providers Ferrier Hodgson (now KPMG) and has for the past 12 years worked for corporate advisory firm, Indian Ocean Consulting, through which he has advised a number of clients in a range of industries, as well as held positions as company secretary for a number of ASX-listed companies, including Sino Gas & Energy Holdings Ltd (ASX: SEH; ASX 300), an Australian energy company focused on developing gas assets in China and Balkan Mining and Minerals Limited (ASX: BMM), a lithium borate exploration company focused on the early-stage exploration in the Balkans.

On 1 December, the Company announced the appointment of Mr Agha Shahzad Pervez as Chief Financial Officer, Mr Agha Shahzad Pervez is an experienced corporate accountant, CFO and Company Secretary, with over 10 years' experience in working with ASX listed companies and associated transactions.

Mr Pervez obtained a Bachelor of Science in Information Technology in 2005 and went on to complete a Masters of Commerce (Professional Accounting) in 2008 at the University of Ballarat. Following this, Mr Pervez worked for a number of private companies before joining Resonance Health Limited (ASX: RHT) in December 2009, where he held numerous roles including Senior Financial Accountant, Chief Financial Officer and Company Secretary. In these roles, Mr Pervez gained significant experience in managing the financial obligations of ASX-listed entities. In addition, Mr Pervez was instrumental in the corporate restructuring of RHT in 2017, and contributed to the significant growth of the company.

PATHFINDER RESOURCES LTD

DIRECTORS' REPORT

For the half-year ended 31 December 2021

Annual General Meetings

During the half year ended 31 December 2021, the Company held its 2021 Annual General Meeting.

On 30 November 2021, the Company held its Annual General Meeting for the year ended 30 June 2021 with the following approved by the Company's shareholders:

- Appointment of BDO Audit (WA) Pty Ltd as Auditor.
- Re-election of Sufian Ahmad as Director of the Company.
- Election of Hugh Callaghan and Stephen Windle as Directors of the Company.
- 7.1A Mandate.

Issue of Securities

On 27 August 2021, 172,049 fully paid ordinary shares were released from Escrow.

On 28 October 2021, the following securities were released from Escrow.

- 3,224,771 Ordinary Fully Paid Shares
- 1,204,340 Class A Performance Shares
- 1,204,339 Class B Performance Shares

COVID 19

The Company has undertaken a review of the risk assessment in respect of COVID 19 and has determined that since 30 June 2021 the restrictions imposed on movement, lockdowns and closures of some administrative offices and functions have seen some delays to the exploration operations, in respect of progressing the Group's maiden diamond drill program in Argentina. The Company is continuing to monitor the situation and will update as required.

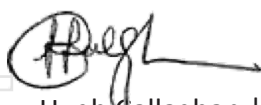
EVENTS SUBSEQUENT TO REPORTING DATE

There have been no other transactions or events of a material and unusual nature likely, in the opinion of the directors of the Company, to significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 forms part of the Directors' Report and is included on page 7.

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



Hugh Callaghan | Managing Director

15 March 2022

DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF PATHFINDER RESOURCES LIMITED

As lead auditor for the review of Pathfinder Resources Limited for the half-year ended 31 December 2021, 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 Pathfinder Resources Limited and the entities it controlled during the period.



Ashleigh Woodley
Director

BDO Audit (WA) Pty Ltd
Perth, 15 March 2022

PATHFINDER RESOURCES LTD

FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		31 Dec 2021	31 Dec 2020
	Notes	\$	\$
Other Income		9,708	-
Compliance and regulatory expenses		(103,475)	(153,361)
Consulting and professional fees		(183,229)	(235,848)
Employee benefits expense		(259,275)	(183,967)
Impairment of receivables		(605,868)	-
Exploration expense		(54,853)	(91,094)
Depreciation		(7,528)	-
Share of loss of associate accounting for using equity method	7	(754,412)	-
Other gains	7	7,000,000	237,957
Other expenses		(94,251)	(103,587)
Results from operating activities		4,946,815	(529,900)
Finance income		2,037	2,063
Finance expense		(2,531)	(33,086)
Net finance expense		(494)	(31,023)
Profit/ (Loss) for the year before income tax		4,946,321	(560,923)
Income tax expense		-	-
Loss for the year from continuing operations for the period			(560,923)
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operation		40,754	(10,322)
Total comprehensive Profit/ (Loss) for the period		4,987,076	(571,245)
Basic and diluted loss (cents per share)			
Earning/(loss) for the period from continuing operations		8.53	(1.87)
Comprehensive loss for the period		8.53	(1.87)

The above consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

PATHFINDER RESOURCES LTD

FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		31 Dec 2021	30 Jun 2021
	Notes	\$	\$
Assets			
Current assets			
Cash and cash equivalents	3	1,837,830	3,412,277
Trade and other receivables		74,647	47,093
Prepayments		39,032	50,062
Other current assets		29,978	29,978
Total current assets		1,981,487	3,539,410
Non-current assets			
Exploration and evaluation	4	2,083,781	1,814,678
Investment accounted for using the equity method	7	6,244,654	-
Property, plant and equipment		7,032	9,759
Right of use asset		55,217	-
Total non-current assets		8,390,684	1,824,437
Total assets		10,372,171	5,363,847
Liabilities			
Current liabilities			
Trade and other payables		139,551	146,768
Provisions		47,980	46,370
Borrowings		7,054	35,672
Lease liabilities		28,066	-
Total current liabilities		222,651	228,810
Non-current liabilities			
Lease liabilities		27,408	-
Total non-current liabilities		27,408	-
Total liabilities		250,059	228,810
Net assets		10,122,112	5,135,037
Equity			
Issued capital	6	54,370,957	54,370,957
Reserves		(44,043)	(84,798)
Accumulated losses		(44,204,801)	(49,151,122)
Total equity		10,122,112	5,135,037

The above consolidated statement of financial position is to be read in conjunction with the accompanying notes.

PATHFINDER RESOURCES LTD

FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

CONSOLIDATED STATEMENT OF CASH FLOWS

	31 Dec 2021	31 Dec 2020
Notes	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(1,258,246)	(1,084,334)
Payments for exploration activities	(55,574)	(91,094)
GST received	-	38,515
Interest received	2,037	2,063
Interest paid	(2,559)	(33,086)
Net cash flows used in operating activities	(1,314,342)	(1,167,936)
Cash flows from investing activities		
Payment for exploration and evaluation	(247,588)	(36,739)
Payment for property, plant and equipment	-	(11,453)
Costs attributable to the acquisition of subsidiaries	-	(90,645)
Net cash acquired	-	5,621
Net cash flows used in investing activities	(247,588)	(133,216)
Cash flows from financing activities		
Proceeds from issue of shares	-	6,300,000
Share issue costs	-	(660,036)
Vendor loan	(196,547)	-
Repayment of vendor loan	222,414	-
Repayment of borrowings	(38,382)	(9,739)
Net cash flows (used in)/from financing activities	(12,515)	5,630,225
Net (decrease)/increase in cash and cash equivalents	(1,574,447)	4,329,073
Cash and cash equivalents at beginning of period	3,412,277	936
Cash and cash equivalents at end of period	1,837,830	4,330,009

The above consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

PATHFINDER RESOURCES LTD

FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued Capital	Reserves	Accumulated losses	Non- controlling interests	Total
	\$	\$	\$		\$
Balance at 1 July 2021	54,370,957	(84,798)	(49,151,122)	-	5,135,037
Profit for the period	-	-	4,946,321	-	4,946,321
Other comprehensive profit	-	40,754	-	-	40,754
Total comprehensive profit for the period	-	40,754	(44,204,801)	-	4,987,076
Balance at 31 December 2021	54,370,957	(44,043)	(44,204,800)	-	10,122,112
Balance at 1 July 2020	45,772,527	564,000	(48,007,011)	-	(1,670,484)
Loss for the period	-	-	(560,822)	(101)	(560,923)
Other comprehensive loss	-	(9,805)	-	(517)	(10,322)
Total comprehensive loss for the period	-	(9,805)	(560,822)	(618)	(571,245)
<i>Transactions with owners in their capacity as owners</i>					
Shares issued	8,731,020	-	-	-	8,731,020
Performance rights	480,000	(480,000)	-	-	-
Performance rights expired during the period	-	(84,000)	84,000	-	-
Non-controlling interest acquired	-	-	-	5,707	5,707
Capital raising costs	(737,065)	-	-	-	(737,065)
Balance at 31 December 2020	54,246,482	(9,805)	(48,483,833)	5,089	5,757,933

The above consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

PATHFINDER RESOURCES LTD

NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 31 December 2021

1. CORPORATE INFORMATION

Pathfinder Resources Ltd ("Pathfinder" the "Company" or the "Group") is a company domiciled in Australia. The address of the Company's registered office is Level 9, 182 St Georges Terrace, Perth WA 6000.

The company is a for-profit entity and is primarily involved in identifying and investing in mineral exploration assets and conducting exploration activities on those assets.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The financial statements are general-purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards ("AASBs") adopted by the Australian Accounting Standards Board ("AASB").

The financial statements comply with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

2.1. Basis of Preparation

These general-purpose financial statements for the half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard 134: Interim Financial Reporting and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with IAS 34 Interim Financial Reporting.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2021 and any public announcements made by Pathfinder Resources Ltd during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the ASX Listing Rules.

The half-year report has been prepared on an accruals basis and is based on historical costs. Cost is based on the fair value of the consideration given in exchange for assets.

For the purpose to preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial statements. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Associates

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

PATHFINDER RESOURCES LTD

NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 31 December 2021

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Standards and Interpretations applicable to 31 December 2021

In the half-year ended 31 December 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the half-year reporting periods beginning on or after 1 July 2021.

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 Company and therefore no material change is necessary to Company accounting policies.

Standards and Interpretations in issue not yet adopted

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

Significant accounting judgments and key estimates

The preparation of half-year financial report 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 annual financial report for the year ended 30 June 2021.

2.2. Going Concern Basis

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

For the six months ended 31 December 2021 the Group incurred cash outflow from operating and investing activities of \$1,561,930 (December 2020: \$1,301,152) for the half-year ended 31 December 2021.

The ability of the entity to continue as a going concern is dependent on securing additional funding to continue its planned exploration program. While the Directors are confident that they will be able to raise additional funding, the timing and extent of any additional funding is uncertain.

These conditions indicate a material uncertainty that may cast a significant doubt about the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

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 for the following reasons:

- The Directors have assessed the likely cash flow for the 12 month period from the date of signing this report and its impact on the Group and believe there will be sufficient funds to meet the Group's working capital requirements as at the date of this report.
- The directors believe that in the event needed, the level of expenditure can be managed.

Should the Company not be able to continue as a going concern, it may be required to realise assets and discharge liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

PATHFINDER RESOURCES LTD

NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 31 December 2021

3. CASH AND CASH EQUIVALENTS

	31 Dec 2021	30 Jun 2021
	\$	\$
Cash at bank and in hand	1,837,830	3,412,277
Cash and cash equivalents	1,837,830	3,412,277

Reconciliation to cash flow statement

For the purposes of the cash flow statement, cash and cash equivalents comprise the following:

Cash at bank and in hand	1,837,830	3,412,277
Cash for reconciliation of cash flow statement	1,837,830	3,412,277

4. EXPLORATION AND EVALUATION

	31 Dec 2021	30 Jun 2021
	\$	\$

Hamersley Iron Ore Project

Exploration and evaluation phases - at cost	-	9,875,474
Provision for impairment	-	(9,875,474)
Net carrying amount Hamersley Iron Ore Project	-	-

Refer to note 7

King Tut Project

Exploration and evaluation acquired	1,247,520	1,247,520
Exploration and evaluation phases - at cost	707,881	535,647
Unrealised FX movement	11,856	(85,013)
Net carrying amount King Tut Project	1,967,257	1,698,154

Bloom Lake Copper-Cobalt Project

Exploration and evaluation phases - at cost	116,524	116,524
Provision for impairment	-	-
Net carrying amount Bloom Lake Copper-Cobalt Project	116,524	116,524
Net carrying amount exploration and evaluation phases	2,083,781	1,814,678

PATHFINDER RESOURCES LTD

NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 31 December 2021

EXPLORATION AND EVALUATION (continued)

Reconciliation of carrying amounts

Balance at 1 July	1,814,678	116,524
Exploration and evaluation expenditure acquired	-	1,247,520
Exploration expenditure capitalised during the period	172,234	535,647
Unrealised FX movement on assets held in foreign currency	96,869	(85,013)
Provision for impairment during the period	-	-
Balance at end of period	2,083,781	1,814,678

The recoupment of cost carried forward in relation to areas of interest in the explanation and evaluation phase is dependent on the successful development and commercial exploitation or sale of the respective areas.

5. ISSUED CAPITAL

	31 Dec 2021	30 Jun 2021	31 Dec 2021	30 Jun 2021
	No. shares	No. shares	\$	\$
Share capital				
Ordinary shares fully paid	57,968,163	57,968,163	54,370,957	54,370,957
Opening balance at 1 July	57,968,163	57,968,163	54,370,957	54,370,957
Shares movements during the period:	-	-	-	-
Closing balance	57,968,163	57,968,163	54,370,957	54,370,957

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held and in proportion to the amount paid up on the shares held.

No dividends were paid or declared by the Company to members since the end of the previous financial year and the Directors do not recommend the payment of a dividend at this time.

At shareholders' meetings each ordinary share is entitled to one vote in proportion to the paid-up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands.

6. SEGMENT INFORMATION

The entity has three operating segments; Australia (Hamersley Iron Project), Canada (Bloom Lake Project) and Argentina (King Tut Project). The entities are managed primarily on the basis of geographical area of interest. Each geographical area has different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis. The Board of Directors (the chief operating decision maker) reviews internal reports of each operating segment at least quarterly.

PATHFINDER RESOURCES LTD

NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 31 December 2021

SEGMENT INFORMATION (continued)

Information related to each operating segment for the period ended 31 December 2021 is set out below.

	Australia	Canada	Argentina	Total
	\$	\$	\$	\$
Results				
Exploration expense	(54,853)	-	-	(54,853)
Segment results before tax	(54,853)	-	-	(54,853)
<i>Amounts not included in segment result:</i>				
Compliance and regulatory expenses				(103,475)
Consulting and professional fees				(183,229)
Employee benefits expense				(259,275)
Impairment of receivables				(605,868)
Depreciation				(7,528)
Share of loss of associate accounting for using equity gains				(754,412)
Other gains				7,000,000
Other expenses				(94,251)
Finance income				2,037
Finance expense				(2,531)
Segment results before tax	(54,853)			4,936,615
	Australia	Canada	Argentina	Total
	\$	\$	\$	\$
Total assets	8,288,390	116,524	1,967,257	10,372,171
Total liabilities	-	-	-	-
Other disclosures				
Exploration and evaluation	-	116,524	1,967,257	2,083,781

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PATHFINDER RESOURCES LTD

NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 31 December 2021

SEGMENT INFORMATION (continued)

Information related to each operating segments include results for the period ended 30 June 2021 and assets and liabilities as at 30 June 2021 is set out below.

	Australia	Canada	Argentina	Total
	\$	\$	\$	\$
30 June 2021				
Results				
Exploration expenses	(232,859)	-	-	(232,859)
Segment results before tax	(232,859)	-	-	(232,859)
Reconciliation of segment results before tax to net loss after tax				
Amounts not included in segment result:				
Compliance and regulatory expenses				(211,211)
Consulting and professional fees				(454,968)
Employee benefits expense				(262,787)
Other gains				243,457
Other expenses				(175,261)
Finance income				8,286
Finance expense				(158,381)
Other income				15,613
Segment results before tax	(232,859)	-	-	(1,228,111)

	Australia	Canada	Argentina	Total
	\$	\$	\$	\$
Total assets	-	116,524	1,698,154	1,814,678
Total liabilities	-	-	-	228,810
Other disclosures				
Exploration and evaluation	-	116,524	1,698,154	1,889,313

PATHFINDER RESOURCES LTD

NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 31 December 2021

7. INTERESTS IN ASSOCIATES

Hamersley Iron Ore Project

Equinox Resources Limited (Equinox) undertook the initial public offer (IPO) with its prospectus lodged on 31 August 2021 and was admitted to the official list of the Australian Securities Exchange on 12 October 2021. The IPO raised \$9 million (before costs) through the offer of 45 million shares, at an issue price of \$0.20 per share.

On 9 July 2021, the Group together with Lockett Fe Pty Ltd ("Lockett") executed a Binding Terms Sheet with Equinox for the sale of their respective interests in the Hamersley Iron Ore Project. The sale of the Project is conditional upon Pathfinder shareholder approval in accordance with ASX Listing Rule 11.4.1(b), amongst other things and finalised on 12 October 2021. On 26 July 2021, the Company issued a Notice of Meeting in respect of the Divestment of the Hamersley Iron Ore Project. The resolution was carried on poll at the meeting held on 27 August 2021.

On completion of transaction on 6 October 2021, Pathfinder received 35,000,000 shares and 6,650,000 performance shares and Lockett received 15,000,000 shares and 2,850,000 performance shares.

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the consolidated entity are set out below:

Name	Principle place of business	Ownership interest
Equinox Resources Limited (Equinox)	Australia	36.65%

	31 Dec 2021
<i>PF1's equity investment in Equinox</i>	\$
Balance at the beginning of the period	-
Investment in associate	7,000,000
PF1's share of Equinox's the net loss	(754,412)
Other costs	(934)
Balance at 31 December 2021	6,244,654

Summarised financial information of the associate

The table below provide summarised financial information of Equinox Resources Limited. The information disclosed reflects the amounts presented in the financial statements of Equinox Resources Limited and not Pathfinder's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for any differences in accounting policy.

	31 Dec 2021
	\$

Summarised statement of financial position

Current assets	7,281,359
Non-current assets	10,535,018
Total assets	17,816,377
Current liabilities	(165,841)
Non-current liabilities	(41,112)
Total liabilities	(206,953)
Net assets	(17,609,424)

Summaries statement of profit or loss and other comprehensive income

Revenue	-
Expenses	(2,058,422)
Total comprehensive loss	(2,058,422)

PATHFINDER RESOURCES LTD

NOTES TO THE FINANCIAL STATEMENTS
For the half-year ended 31 December 2021

8. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Airguide

In late May 2020, a request for payment arising under a historical consulting contract was submitted by Airguide Corporate Advice and Consulting a company based in Singapore. On 16 November 2020, the Group announced that it had received a letter from Airguide's solicitors in Singapore demanding payment of the allegedly outstanding fees to Airguide, amounting to approximately USD\$693,000 in total, and asserting that payment of such fees was owing as a result of the completion of the Group's IPO capital raising. On 18 December 2020, the Group was served with a Notice of Arbitration by Airguide's solicitors in Singapore, referring the dispute to arbitration by the Singapore International Arbitration Centre (SIAC). On 15 January 2021, the Group filed its Response to Notice of Arbitration with SIAC in relation to the claim by Airguide, as noted above. On 7 May 2021, Airguide filed with SIAC its statement of claim for approximately USD\$1,042,000.

On 16 November 2021, the Company settled the claim from Airguide International Pte Ltd, for a single cash payment of US \$482,500 in full and final settlement of the disputes between the parties without admission of liability.

There have been no other changes in the Contingent Assets or Liabilities of the Group since 30 June 2021

9. COMMITMENTS

Capital expenditure commitments

At the date of this report there are no changes to commitments for capital expenditure since 30 June 2021.

10. INTEREST IN SUBSIDIARIES

The consolidated financial statements include the financial statements of Pathfinder Resources Ltd. and its subsidiaries listed in the following table.

Subsidiary	Country of Incorporation	% of interest	
		2021	2020
Ontario Inc	Canada	100	100
Blue Gold Mining Pty Ltd	Australia	100	-
Sandrino Gold Pty Ltd	Australia	100	-
Techno Minera SA	Argentina	100	-
Tres Elementos SA	Argentina	100	-
King Tut SA	Argentina	100	-
Winmar Mining Exploration Joint Venture ¹	Australia	-	70

1. On 26 July 2021, the Company issued a Notice of Meeting in respect of the Divestment of the Hamersley Iron Ore Project. The resolution was carried on poll at the meeting held on 27 August 2021. Equinox undertook the initial public offer (IPO) with its prospectus lodged on 31 August 2021 and was admitted to the official list of the Australian Securities Exchange on 12 October 2021. The IPO raised \$9 million (before costs) through the offer of 45 million shares, at an issue price of \$0.20 per share. Refer to note 7.

11. EVENTS SUBSEQUENT TO REPORTING DATE

There have been no other transactions or events of a material and unusual nature likely, in the opinion of the directors of the Company, to significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

PATHFINDER RESOURCES LTD

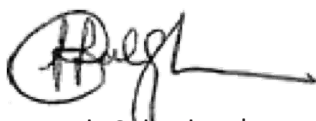
DIRECTORS' DECLARATION

For the half-year ended 31 December 2021

In accordance with a resolution of the Directors of Pathfinder Resources Ltd., I state that:

- (1) In the opinion of the Directors:
 - (a) the financial statements and notes set out on pages 9 to 21 and the Directors' Report are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
 - (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.
- (2) The directors draw attention to Note 2.1 to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.
- (3) The directors have been given the declarations by the chief executive officer and chief financial officer for the half-year ended 31 December 2021 required by section 295A of the Corporations Act 2001.

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



Hugh Callaghan | Managing Director

15 March 2022

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Pathfinder Resources Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Pathfinder Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, 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 2021 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Material uncertainty relating to going concern

We draw attention to Note 2.2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its financial 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 'Ashleigh Woodley', is written over a light blue horizontal line.

Ashleigh Woodley

Director

Perth, 15 March 2022