



## Half-Year Report

Southern Hemisphere Mining Limited

ACN 140 494 784

31 December 2021

These interim financial statements do not include all the notes of the type normally included in the 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 Southern Hemisphere Mining Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act (Cth) 2001.



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Perth WA 6000

## CORPORATE DIRECTORY

### Directors

Mr Mark Stowell      Chairman  
Mr David Frances      Director  
Mr Richard Caldwell      Director

### Company Secretary

Mr Luke Abbott  
Email: [cosec@shmining.com.au](mailto:cosec@shmining.com.au)

### Registered Office in Australia

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### Auditor

PKF Perth  
Level 5  
35 Havelock Street  
WEST PERTH WA 6005

### Securities Exchange Listing

Australian Securities Exchange Limited  
Level 40, Central Park  
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**ASX Code:** SUH



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In this Half-Year Report all amounts are stated in Australian dollars unless otherwise indicated.



## DIRECTORS' REPORT

The Directors submit herewith the financial report of Southern Hemisphere Mining Limited (the **Company**) and its subsidiaries (the **Group**) for the half-year ended 31 December 2021.

### Directors

The names of the directors who held office during or since the end of the half-year:

Mr Mark Stowell	Chairman
Mr David Frances	
Mr Richard Caldwell	

### Review of Operations

During the half-year ended 31 December 2021 the Group incurred a loss of \$1,324,910 (half-year ended 31 December 2020: loss of \$450,482). During the period the Company continued to work on its Copper/Gold/Molybdenum exploration assets in Chile.

#### Llahuin Copper and Gold Project, Chile:

##### Llahuin Copper-Gold Project (~250 km north of Santiago, Chile) 100%

The Llahuin copper project hosts a 149Mt @0.41%CuEq resource. The company conducted a 2,787m RC drill program from December 2021 to February 2022. The company is planning to expand the current resource through extensive drilling over new targets for undiscovered porphyry deposits within the company's 100% owned tenure and testing potential extensions to known deposits. Existing targets are also being further explored to increase the current JORC resource.

##### Colina2 Gold Project – Central Chile (100%)

The Colina2 Gold project lies 9km West of Llahuin. This gold project was identified by a review of historical work over the past 10 years, and a gold in soils anomaly untested by the one drillhole was noted. Trenching programs in 2020 identified prospective gold targets. The Company completed a 19 hole 2,793m RC/Diamond drill program in H2 2021.

- 100% of the assay results have now been received from the 19 hole 2,793m RC program completed in Q3 2021.
- Drilling included a result of 34m @ 1.39g/t gold from 24m depth and 27m @ 1.27g/t gold from 12m.
- Further drilling is planned in Q2 2022 following up on the positive gold results from the maiden drill program.

##### Los Pumas Project (~175km east of Arica, Chile) 100%

The Los Pumas Manganese project hosts a total Manganese resource of 23.7Mt at 7.81% Mn. Work on the Los Pumas Project included reviewing the resource model and associated data to determine if any extensions to the known mineralization could be targeted in future work programs.

Potential Chilean and/or American markets for the product are being investigated. SUH is engaging technical specialists to guide process and development option studies for the use of Los Pumas ore in Nickel Cobalt Manganese (NCM) batteries or similar, aimed at the EV market.



## Corporate

In January 2022, the Company announced non-renounceable pro rata entitlements offer to raise approximately \$1,500,000 at 3c per share. Funds raised are to further advance the Company's Chilean Copper/Gold assets, particularly the Llahuin project, the Colina2 gold prospect and for working capital. The company released an ASX announcement on 14 February 2022 noting that the rights issue had been oversubscribed and the funds received.

### Events subsequent to reporting date

A Renounceable Rights Issue to raise \$1.5 million to fund further exploration on the Company's Chilean copper/gold projects was announced on 18 January 2022. Under the offer, shareholders were offered one New Share for every five existing shares held on 20 January 2022 ("Record Date"), with one attaching new Option, exercised at \$0.10 and expiring 2 years from issue, for every two New Shares subscribed. The company released an ASX announcement on 14 February 2022 noting that the rights issue had been oversubscribed and the funds received.

There have been no other events subsequent to the reporting date that are expected to have material impact on the financial position or performance of the Group.

### Significant Change in State of Affairs

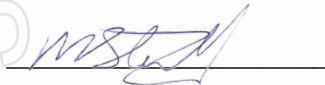
There were no significant changes in the state of affairs of the Group during the financial period.

### Auditor's independence declaration

The Auditor of the Company, PKF Perth has provided a written declaration of their independence to the Board under the *Corporations Act 2001* and this is included within this report.

Signed in accordance with a resolution of the directors made pursuant to s.306(3)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Mark Stowell  
Chairman  
15 March 2022



**AUDITOR'S INDEPENDENCE DECLARATION**

**TO THE DIRECTORS OF SOUTHERN HEMISPHERE MINING LIMITED**

In relation to our review of the financial report of Southern Hemisphere Mining Limited for the half year ended 31 December 2021, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

*PKF Perth*

**PKF PERTH**

*Shane Cross*

**SHANE CROSS  
PARTNER**

15 MARCH 2022,  
WEST PERTH,  
WESTERN AUSTRALIA

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## INDEPENDENT AUDITOR'S REVIEW REPORT

### TO THE MEMBERS OF SOUTHERN HEMISPHERE MINING LIMITED

#### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Southern Hemisphere Mining Limited (the company) and controlled entities (consolidated entity) 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, 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 31 December 2021, or 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 accompanying half-year financial report of Southern Hemisphere Mining 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 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.

#### Independence

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.

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

## Auditor's Responsibilities 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 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 Corporation 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.

*PKF Perth*

PKF PERTH

*Shane Cross*

SHANE CROSS  
PARTNER

15 MARCH 2022  
WEST PERTH,  
WESTERN AUSTRALIA



## DIRECTORS' DECLARATION

The Directors of the Company declare that:

- 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 note give a true and fair view of the consolidated entity'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 will be able to pay its debts as and when they become due and payable.

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

On behalf of the Directors



Mark Stowell  
Chairman  
15 March 2022



	Consolidated 31 December 2021 \$	Consolidated 31 December 2020 \$
<b>Continuing Operations</b>		
Interest income	-	-
Office and administration	(117,494)	(58,402)
Professional fees	(78,828)	(52,455)
Employee benefits expense	(37,255)	(37,140)
Share based payments expense	(34,413)	-
Exploration and evaluation related expenditure	(1,056,866)	(225,818)
Exploration impairment expense	(54)	(76,667)
<b>Loss before tax</b>	<b>(1,324,910)</b>	<b>(450,482)</b>
Income taxes	-	-
<b>Loss for the period</b>	<b>(1,324,910)</b>	<b>(450,482)</b>
<b>Other comprehensive income:</b>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Foreign currency movement	(17,190)	(9,463)
<b>Total comprehensive (loss) income for the half-year</b>	<b>(1,342,100)</b>	<b>(459,945)</b>
Basic and diluted loss per share (cents)	(0.54)	(0.29)

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



	Note	Consolidated 31 December 2021 \$	Consolidated 30 June 2021 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents		204,034	1,526,749
Other assets	3	21,801	28,058
<b>Total Current Assets</b>		225,835	1,554,807
<b>Non-current Assets</b>			
Property, Plant and Equipment		7,105	-
<b>Total Non-current Assets</b>		7,105	-
<b>Total Assets</b>		232,940	1,554,807
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables		107,748	195,290
Other Liabilities		73,362	-
<b>Total Current Liabilities</b>		181,110	195,290
<b>Total Liabilities</b>		181,110	195,290
<b>Net Assets</b>		51,830	1,359,517
<b>Equity</b>			
Issued capital	4	54,395,671	54,395,671
Share-based payments reserve	5	200,404	165,991
Foreign Currency Translation Reserves		924,845	942,035
Accumulated losses		(55,469,090)	(54,144,180)
<b>Total Equity</b>		51,830	1,359,517

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



**Consolidated Statement of Changes in Equity**  
For the Half-Year Ended 31 December 2021

<b>Consolidated</b>	<b>Issued Shares \$</b>	<b>Options Reserve \$</b>	<b>Foreign Currency Translation Reserve \$</b>	<b>Accumulated Losses \$</b>	<b>Total \$</b>
<b>Balance – 30 June 2020</b>	<b>51,903,334</b>	<b>-</b>	<b>978,522</b>	<b>(52,892,948)</b>	<b>(11,092)</b>
Net loss for the period	-	-	-	(450,482)	(450,482)
Foreign currency translation	-	-	(9,463)	-	(9,463)
<b>Total Comprehensive (Loss)</b>	<b>-</b>	<b>-</b>	<b>(9,463)</b>	<b>(450,482)</b>	<b>(459,945)</b>
<b>Transactions with owners in their capacity as owners</b>					
Share issued, net of transaction costs	2,512,526	-	-	-	2,512,526
<b>Balance – 31 December 2020</b>	<b>54,415,860</b>	<b>-</b>	<b>969,059</b>	<b>(53,343,430)</b>	<b>2,041,489</b>
<b>Balance – 30 June 2021</b>	<b>54,395,671</b>	<b>165,991</b>	<b>942,035</b>	<b>(54,144,180)</b>	<b>1,359,517</b>
Net loss for the period	-	-	-	(1,324,910)	(1,324,910)
Foreign currency translation	-	-	(17,190)	-	(17,190)
<b>Total Comprehensive (Loss)</b>	<b>-</b>	<b>-</b>	<b>(17,190)</b>	<b>(1,324,910)</b>	<b>(1,342,100)</b>
<b>Transactions with owners in their capacity as owners</b>					
Share issued, net of transaction costs	-	-	-	-	-
Options issued during the year	-	34,413	-	-	34,413
<b>Balance – 31 December 2021</b>	<b>54,395,671</b>	<b>200,404</b>	<b>924,845</b>	<b>(55,469,090)</b>	<b>51,830</b>

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



	Consolidated 31 December 2021 \$	Consolidated 31 December 2020 \$
<b>Operating activities:</b>		
Payments to suppliers and employees	(191,981)	(104,766)
Payments for exploration expenditure	(1,110,548)	(267,873)
<b>Net cash used in operating activities</b>	<b>(1,302,529)</b>	<b>(372,639)</b>
<b>Investing activities:</b>		
Payments for exploration and evaluation assets	-	(10,354)
Proceeds of sale from/(Payment for) property, plant and equipment	(7,105)	-
<b>Net cash provided in investing activities</b>	<b>(7,105)</b>	<b>(10,354)</b>
<b>Financing activities:</b>		
Issuance of ordinary shares	-	2,431,502
Proceeds from borrowings	-	50,000
Repayment of borrowings	-	(14,421)
Costs of share issuance	-	(30,168)
<b>Net cash provided by financing activities</b>	<b>-</b>	<b>2,436,913</b>
<b>Net increase/(decrease) in cash and equivalents</b>	<b>(1,309,634)</b>	<b>2,053,920</b>
Cash and cash equivalents, beginning of period	1,526,749	32,822
Effects of exchange rate changes on cash and cash equivalents	(13,081)	574
<b>Cash and cash equivalents, end of period</b>	<b>204,034</b>	<b>2,087,316</b>

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



## 1. GENERAL INFORMATION

Southern Hemisphere Mining Limited ("Southern Hemisphere" or the "Company") is a Company limited by shares incorporated and domiciled in Australia whose ordinary shares are publicly traded on the Australian Securities Exchange ("ASX"). The address of the registered office Suite 2, 20 Howard Street, Perth, Western Australia, 6000. The Group also maintains an office in Santiago, Chile.

## 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

### Statement of Compliance

The half-year financial report is a general-purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report and any public announcements made by Southern Hemisphere Mining Limited and its controlled entities during the half-year in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX listing Rules.

The financial statements were authorised for issue on 15 March 2022 by the Directors of the Company.

### Basis of Preparation

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to the matters discussed below.

#### *New and Revised Accounting Standards*

In the half-year ended 31 December 2021, the Directors, in conjunction with their advisors, have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Consolidated Entity 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 Consolidated Entity and therefore no material change is necessary to the Consolidated Entity's accounting policies.

#### *Standards and Interpretations in Issue Not Yet Adopted*

The Directors, in conjunction with their advisors, have also reviewed all the new and revised Standards and Interpretations in issue not yet adopted that are relevant to the Consolidated Entity and effective for the half-year reporting periods beginning on or after 1 January 2022. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations in issue not yet adopted on the Consolidated Entity and therefore no material change is necessary to the Consolidated Entity's accounting policies.



## 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (Con't)

### *Going Concern*

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

As disclosed in the financial statements, the Group incurred a loss of \$1,324,910 and had net cash outflows from operating and investing activities of \$1,302,529 and \$7,105 respectively for the half-year ended 31 December 2021. At 31 December 2021, the Group has a working capital surplus of \$25,485.

The Directors have prepared a cash flow forecast, which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing this financial report.

Based on the cash flow forecasts, the Directors are satisfied that the going concern basis of preparation is appropriate. The Directors are also confident the Group has the ability to raise further funds through capital raisings as and when required to satisfy its operational expenditure commitments. Refer to Subsequent Events note 8 for details of a Renounceable Rights Issue to raise \$1.5 million after year-end.

In determining the appropriateness of the basis of preparation, the Directors have considered the impact of the COVID-19 pandemic on the position of the Group at 31 December 2021 and its operations in future periods.

## 3. OTHER ASSETS

	31 December 2021 \$	30 June 2021 \$
Prepayments	15,667	16,765
Other receivables	6,134	11,293
	<b>21,801</b>	<b>28,058</b>



#### 4. ISSUED CAPITAL

	31 December 2021		30 June 2021	
	Number of Shares	\$	Number of Shares	\$
<b>Fully paid ordinary shares</b>				
<b>At reporting date</b>	<b>244,439,757</b>	<b>54,395,671</b>	<b>244,439,757</b>	<b>54,395,671</b>
Opening balance	244,439,757	54,395,671	108,639,892	51,903,334
Shares issued <sup>(a)</sup>	-	-	54,319,946	543,200
Shares issued <sup>(b)</sup>	-	-	59,727,562	1,493,189
Shares issued <sup>(c)</sup>	-	-	21,752,357	543,809
Cost of shares issued	-	-	-	(87,861)
<b>Balance as at 31 December 2021 / 30 June 2021</b>	<b>244,439,757</b>	<b>54,395,671</b>	<b>244,439,757</b>	<b>54,395,671</b>

- a. On 18 August 2020, the Company completed a share placement to sophisticated and professional investors issuing a total of 54,319,946 ordinary shares at a price of \$0.01 per share to raise \$543,200 before costs.
- b. On 17 December 2020, the Company completed a share placement to sophisticated and professional investors issuing a total of 59,727,562 ordinary shares at a price of \$0.025 per share to raise \$1,493,189 before costs.
- c. On 24 December 2020, the Company completed a share placement to sophisticated and professional investors issuing a total of 21,752,357 ordinary shares at a price of \$0.025 per share to raise \$543,809 before costs.

#### 5. SHARE-BASED PAYMENTS RESERVE

The share-based payments reserve is used to recognise the fair value of options issued to directors, employees, contractors and brokers.

Unlisted performance options outstanding as at 31 December 2021 and at 30 June 2021 and movements during the financial periods are as follows:

	31 December 2021		30 June 2021	
	Number of Options	\$	Number of Options	\$
<b>Unlisted performance options</b>				
<b>At reporting date</b>			-	-
Opening balance	3,800,000	165,991	-	-
Performance options granted 24 June 2021 <sup>(a)</sup>	-	3,453	3,800,000	165,991
Performance options granted 30 July 2021 <sup>(b)</sup>	6,000,000	30,960	-	-
<b>Balance as at 31 December 2021 / 30 June 2021</b>	<b>9,800,000</b>	<b>200,404</b>	<b>3,800,000</b>	<b>165,991</b>





- a. On 24 June 2021 the Company granted 3,800,000 performance options to employees under the Company's incentive options plan. Further details of these performance options are disclosed in the Company's annual report for the year ended 30 June 2021.

Total expense recognised for the half-year ended 31 December 2021 is \$3,453 (full year ended 30 June 2021: \$165,991).

- b. On 30 July 2021 the Company granted 6,000,000 performance options to the Company's directors as follows:

Director	Performance Options
Mark Stowell	4,000,000
David Frances	1,000,000
Richard Caldwell	1,000,000

The performance options have no exercise price, a term of 5 years and are subject to the achievement of any of the following vesting conditions:

- the Company announcing at least a 30% increase in the CuEq resource at the Company's Llahuin Copper-Gold Project from the current 149Mt at 0.41% CuEq (611,000t CuEq) to 800,000t CuEq; or
- the Company's shares having a 20 (trading days) VWAP of 20 cents or above; or
- a change of control event occurring (the definition of which was detailed in the Company's Notice of General Meeting issued on 25 June 2021).

The total fair value of the performance options was estimated at \$309,600 as at the grant date using the Trinomial Barrier Option Model with the terms and conditions below and the risk-free interest rate of 0.56%, a 20 (trading days) barrier price of \$0.20 and volatility of 100%. Management have assessed the likelihood of the non-market performance vesting condition being achieved is 10%. This will be reassessed at each reporting date.

Director	Number Granted	Grant Date	Exercise Price	Expiry Date	Fair value at Grant Date	Total Fair Value	No. Vested
Mark Stowell	4,000,000	30/07/2021	Nil	30/07/2026	\$0.0516	\$206,400	-
David Frances	1,000,000	30/07/2021	Nil	30/07/2026	\$0.0516	\$51,600	-
Richard Caldwell	1,000,000	30/07/2021	Nil	30/07/2026	\$0.0516	\$51,600	-

Total expense recognised for the half-year ended 31 December 2021 is \$30,960. The total fair value of the options is expensed over the estimated vesting period.

## 6. RELATED PARTIES

On 30 July 2021 the Company granted 6,000,000 performance options to the Company's directors as follows:

Director	Performance Options
Mark Stowell	4,000,000
David Frances	1,000,000
Richard Caldwell	1,000,000

The details of the above performance options are included in Note 5b.

There have been no other significant related party transactions since the last annual reporting date.



## 7. SEGMENT INFORMATION

The Group operates predominantly in the mining industry. This comprises exploration and evaluation of gold, copper, molybdenum, manganese and other elements. Inter-segment transactions are priced at cost to the Group.

The Group has identified its operating segments based on the internal reports that are provided to the Board of Directors on a monthly basis and in determining the allocation of resources. Management has identified the operating segments based on the two principal locations based on geographical areas and therefore different regulatory environments – Australia and Chile.

<b>For the Half-Year Ended 31 December 2021</b>	<b>Australia \$</b>	<b>Chile \$</b>	<b>Total \$</b>
Segment exploration expenditures	(142,706)	(914,214)	(1,056,920)
Segment other expenses	(243,401)	(24,589)	(267,990)
Segment loss after income tax	(386,107)	(938,803)	(1,324,910)

<b>As at 31 December 2021</b>			
Segment current assets	143,575	82,260	225,835
Segment total assets	144,909	88,035	232,940
Segment current liabilities	(53,349)	(127,761)	(181,110)
Segment total liabilities	(53,349)	(127,761)	(181,110)
Segment net assets	91,556	(39,726)	51,830

<b>For the Half-Year Ended 31 December 2020</b>	<b>Australia \$</b>	<b>Chile \$</b>	<b>Total \$</b>
Segment exploration expenditures	(81,767)	(220,718)	(302,485)
Segment other expenses	(141,181)	(6,816)	(147,997)
Segment loss after income tax	(222,948)	(227,534)	(450,482)

<b>As at 30 June 2021</b>			
Segment current assets	1,501,186	53,621	1,554,807
Segment total assets	1,501,186	53,621	1,554,807
Segment current liabilities	(152,505)	(42,785)	(195,290)
Segment total liabilities	(152,505)	(42,785)	(195,290)
Segment net assets	1,348,681	10,836	1,359,517



## 8. SUBSEQUENT EVENTS

A Renounceable Rights Issue to raise \$1.5 million to fund further exploration on the Company's Chilean copper/gold projects was announced on 18 January 2022. Under the offer, shareholders were offered one New Share for every five existing shares held on 20 January 2022 ("Record Date"), with one attaching new Option, exercised at \$0.10 and expiring 2 years from issue, for every two New Shares subscribed. The company released an ASX announcement on 14 February 2022 noting that the rights issue had been oversubscribed and the funds received.

The impact of the Coronavirus ("COVID-19") pandemic is ongoing for the consolidated entity 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.

There have been no other events subsequent to the reporting date that are expected to have material impact on the financial position or performance of the Group.

## 9. DIVIDENDS

There have been no dividends declared or recommended and no distributions made to shareholders or other persons during the period.

## 10. CONTINGENT LIABILITIES AND ASSETS

There has been no significant change in contingent liabilities or contingent assets since the last annual reporting date.

## 11. COMMITMENTS

On 3 December 2021, the company signed an amendment to the easement contract (signed on December 18, 2012 for a period of 30 years) with the El Espino Community, paying a compensation of \$12,600. The agreement allows the company access for all exploration, exploitation, mining, processing, plant, utilities and infrastructure activities within a 2,458 hectare area (updated with this amendment), including the 1,372 hectares covered by the Llahuin mining licences.

The amended contract includes the following payments:

- Easement Agreement: annual payment of \$43,500
- Once environmental approval obtained: annual payment of \$61,000
- At the Start of commercial exploitation: annual payment of \$61,000

The company has the faculty to suspend the payment obligations established in the easement contract for a maximum period of two years (for each suspension). The reasons for suspension may be the non-approval of the environmental qualification by the corresponding authority, the concurrence of events of force majeure, or of any other nature, that make it impossible to continue with the project.

