

# **Petratherm Limited**

**ABN 17 106 806 884**

**Interim Report - 31 December 2021**

**Petratherm Limited**  
**Corporate directory**  
**For the half-year ended 31 December 2021**

Directors	Derek Carter Simon O'Loughlin Donald Stephens
Company secretary	Katelyn Adams
Registered office	C/- HLB Mann Judd (SA) Pty Ltd 169 Fullarton Road DULWICH SA 5065
Principal place of business	C/- HLB Mann Judd (SA) Pty Ltd 169 Fullarton Road DULWICH SA 5065
Share register	Computershare Investor Services Pty Ltd Level 5, 115 Grenfell Street ADELAIDE SA 5000
Auditor	Grant Thornton Audit Pty Ltd Level 3, 170 Frome Street ADELAIDE SA 5000
Solicitors	O'Loughlins Lawyers Level 2, 99 Frome Street ADELAIDE SA 5000
Bankers	National Australia Bank 22 - 28 King William Street ADELAIDE SA 5000
Stock exchange listing	Petratherm Limited shares are listed on the Australian Securities Exchange (ASX code: PTR)
Website	<a href="http://www.petratherm.com.au">www.petratherm.com.au</a>

**Petratherm Limited**  
**Directors' report**  
**For the half-year ended 31 December 2021**

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

**Directors**

The following persons were Directors of Petratherm Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Derek Carter (Non-Executive Chairman)  
Simon O'Loughlin (Non-Executive Director)  
Donald Stephens (Non-Executive Director)

**Principal activities**

During the financial half-year the principal continuing activities of the Group consisted of:

- Woomera Project (ELA 2021/00066), close to Coda Mineral's Emmie Bluff IOCG discovery, includes high priority gravity targets prospective for Iron-Oxide Copper-Gold (IOCG) style mineralisation.
- The Rocky Well IOCG gravity anomaly is comparable in size to the Carrapateena IOCG gravity anomaly.
- A newly defined class of IOCG mineralisation (Stratabound IOCG's) is described herein with several large targets identified on the Woomera Project Area.
- Regional and Infill RAB drilling completed during November and December 2021 has upgraded and expanded two gold anomalies in the Comet Project Area.
- A mineralised gold system has been identified at Target 14 Prospect and is open in multiple directions requiring drill follow-up.
- Infill shallow RAB sampling at "Anomaly A" returned additional highly anomalous gold and is open in multiple directions.
- Drilling of the Comet Gold Prospect scheduled to start from late February 2022.



Drilling at Target 14, December 2021

## **Review of Operations**

Petratherm (ASX-PTR) maintains a strong exploration focus for Olympic Dam style Iron-Oxide Copper-Gold (IOCG) and high-grade gold. The Company's newly acquired Woomera Project is highly prospective for IOCG Mineralisation and is close to Coda Mineral's recent Emmie Bluff IOCG discovery. Gravity modelling work completed during the period defined several high priority IOCG drill targets. The Company is focused on achieving the necessary approvals to allow drill testing of these targets as soon as practicable.

The Company completed during the period a major phase of infill and regional RAB drilling at the Comet Gold Project approximately 80 kilometres southwest of Coober Pedy in South Australia to explore for new gold anomalous areas. This work included drilling of the Target 14 Gold Prospect which has defined a mineralised gold system requiring drill follow-up. Gold exploration works are ongoing with RC drill testing of the Comet Gold Prospect scheduled to start from late February 2022.

The Company's Mabel Creek Project is prospective for Iron-Oxide Copper-Gold (IOCG) mineralisation and drilling to date identified two areas (Areas 5 and 13) showing IOCG style hydrothermal alteration. Petrological analysis of the drill core during the period highlights elevated light rare earth and iron enrichment, supporting the region's fertility for iron-rich hydrothermal activity. Untested gravity targets flanking these anomalous areas will be followed up with additional geophysical surveying to aid future drill targeting.

The Company had exploration and evaluation costs of \$367,000 relating principally to the Comet Project drilling operations during the period. The Comet Project work is supported by S.A Government grant, and \$147,500 is expected to be recouped in March 2022. Administration and corporate costs totalled \$202,000. The Company held \$2,693,000 cash at the end of the Period. A summary of ground activities during the period is presented below.

### **Woomera (ELA 2021/00066) IOCG Project**

In June, the Company secured a prospective ground position, close to Coda Minerals recent Emmie Bluff Deeps Prospect Iron-Oxide Copper-Gold (IOCG) discovery (Refer to Coda Minerals (ASX: COD 09/06/21 ASX release) near Woomera in South Australia (Figure 1). The Licence Application (ELA 2021/00066), Woomera Project, covers a 209 km<sup>2</sup> area. Open file historical company reporting has additionally recorded significant historical copper drill intersections from three drill holes just north of the new tenement area (Figure 2). The Company has initiated Native Title proceedings concurrently with the licence application process to ensure ground exploration works can begin quickly after the grant of the licence which is expected early in the new year.

The Winjabbie IOCG Prospect occurs just north of the new tenement area and is situated along an extension of the high gravity zone (Figures 1 & 2). Three historical vertical drill holes have been drilled at Winjabbie and all intersected broad zones of significant Iron-Oxide Copper-Gold (IOCG) style alteration with intervals of copper mineralisation. A summary of significant drill results from Winjabbie Prospect are presented below (refer to PTR ASX release 01/07/2021).

Refer to Figure 2, drill hole WJD1 (WMC, 1980) – testing a magnetic anomaly returned:

**62m @ 0.33% Cu from 864m.**

Refer to Figure 2, drill hole SAE11 (MIM, 1990) - evaluating a second magnetic feature returned:

**94 metres @ 0.21% Cu (interval 1005-1099 m.)**  
**Including 7m @ 0.48% Cu**  
**from 1006 m. Including 9m @**  
**0.52% Cu from 1086 m.**

and,

**42 metres @ 0.28% Cu (Interval 1123 – 1165 m.)**  
**Including 5m @ 1.1% Cu from 1160 m.**

Refer to Figure 2, drill hole 07WJ01 (Uranium Exploration Australia, 2008) – evaluating a residual gravity anomaly just north of the WJD1 and SAE11 returned:

**42 metres @ 0.34% Cu (Interval 824 – 866 m.)**  
**Including 9m @ 0.8% Cu from 824 m.**

These holes are widely spaced (ranging between 1.8 to 3 km apart, Figure 2) indicating IOCG style mineralisation occurs over a large area.

The Company has completed initial processing and gridding of historical open-file gravity data. The gravity data coverage over the Woomera Project Area is good, with several modern close spaced surveys (200 metre to 400 metre station spacing) completed by previous explorers. A prominent northwest trending zone of high gravity anomalism is evident and shown to extend over 10 kilometres in length across the tenement area (Figures 1 & 2). IOCG mineralisation, being iron rich, is associated with areas of high gravity anomalism and is one of the main direct targeting tools used by explorers. Whilst earlier exploration work by other explorers identified the prominent high gravity zone, no historical drilling has been undertaken over the tenement area.

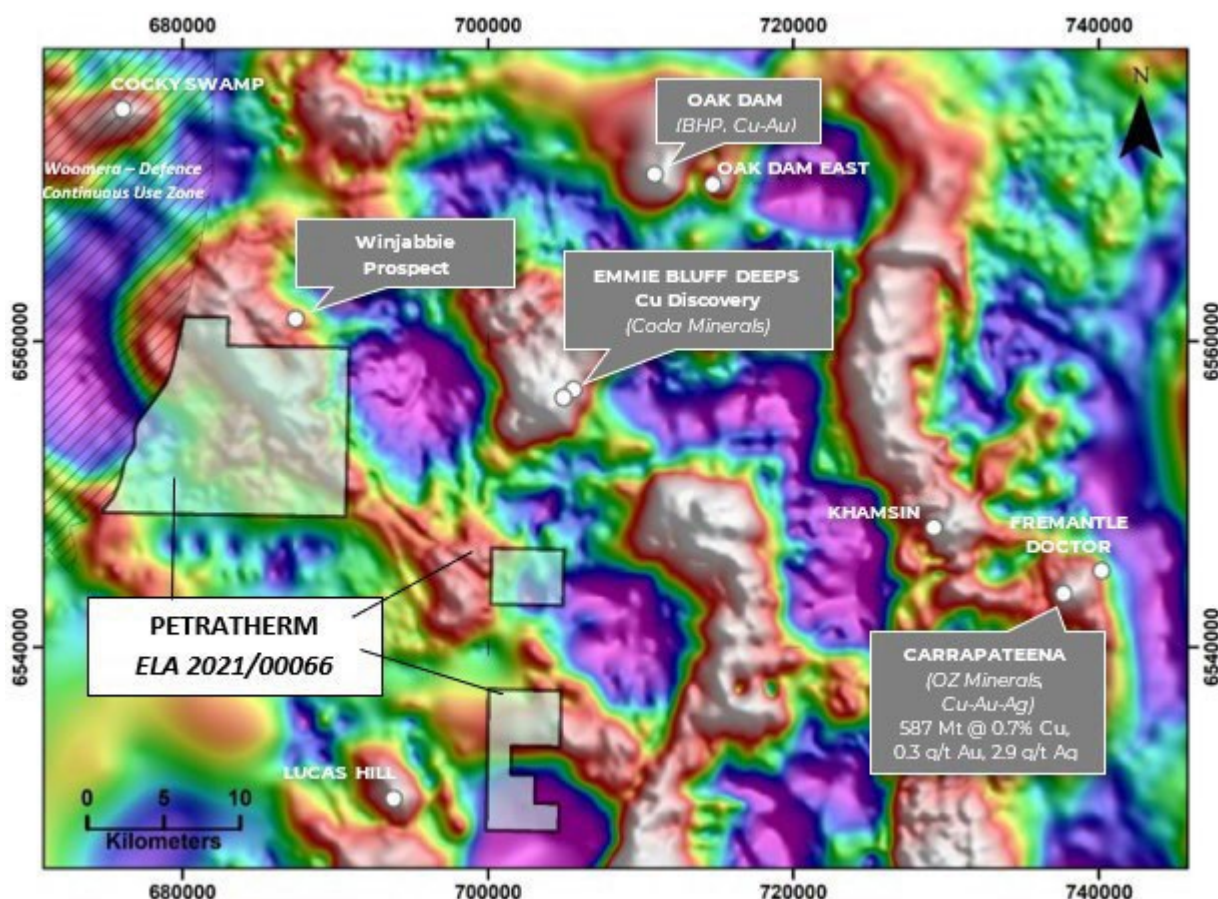


Figure 1 - Regional Location Map of Petratherm Exploration Licence Application Area (ELA 2020/00066), IOCG MinesandIOCG Prospects, overlain on a Bouguer (High Pass Filtered-15km) Gravity Image.



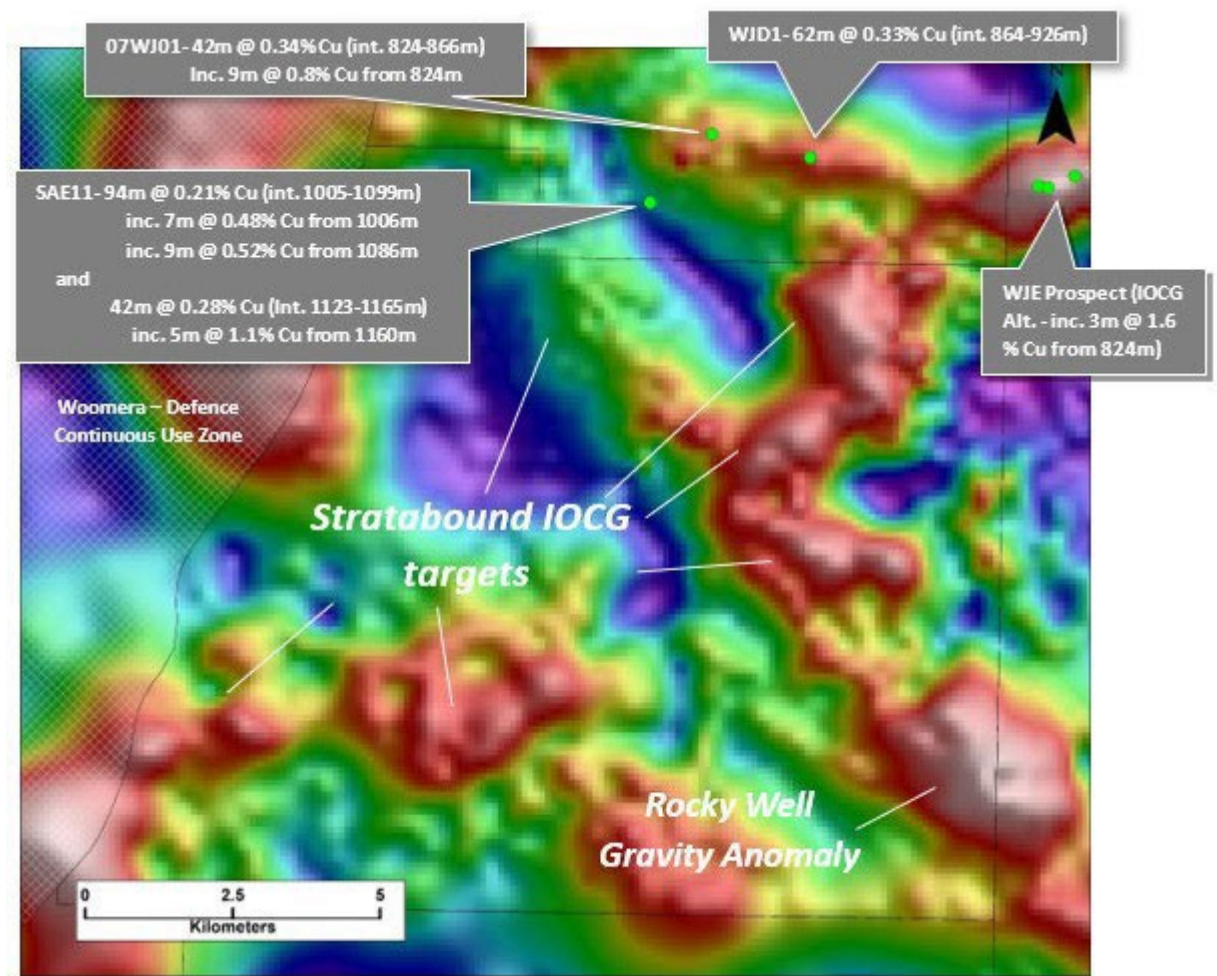


Figure 2 - Significant historical IOCG copper intersections adjacent to Petratherm's Woomera Exploration Licence Application Area (ELA 2021/00066) overlain on a Residual Gravity Image. High gravity areas (red-white zones) may indicate zones of stratabound style and breccia IOCG mineralization

## Woomera IOCG Gravity Targets

Gravity modelling work performed during the period has identified a robust gravity target (herein termed the Rocky Well Gravity Anomaly) in the south-eastern corner of the tenement area. The gravity model suggests that a dense body comparable in size and density to Oz Minerals', world-class Carrapateena Orebody, fits the observed data (Figure 3). The target is a high priority for the Company moving forward.

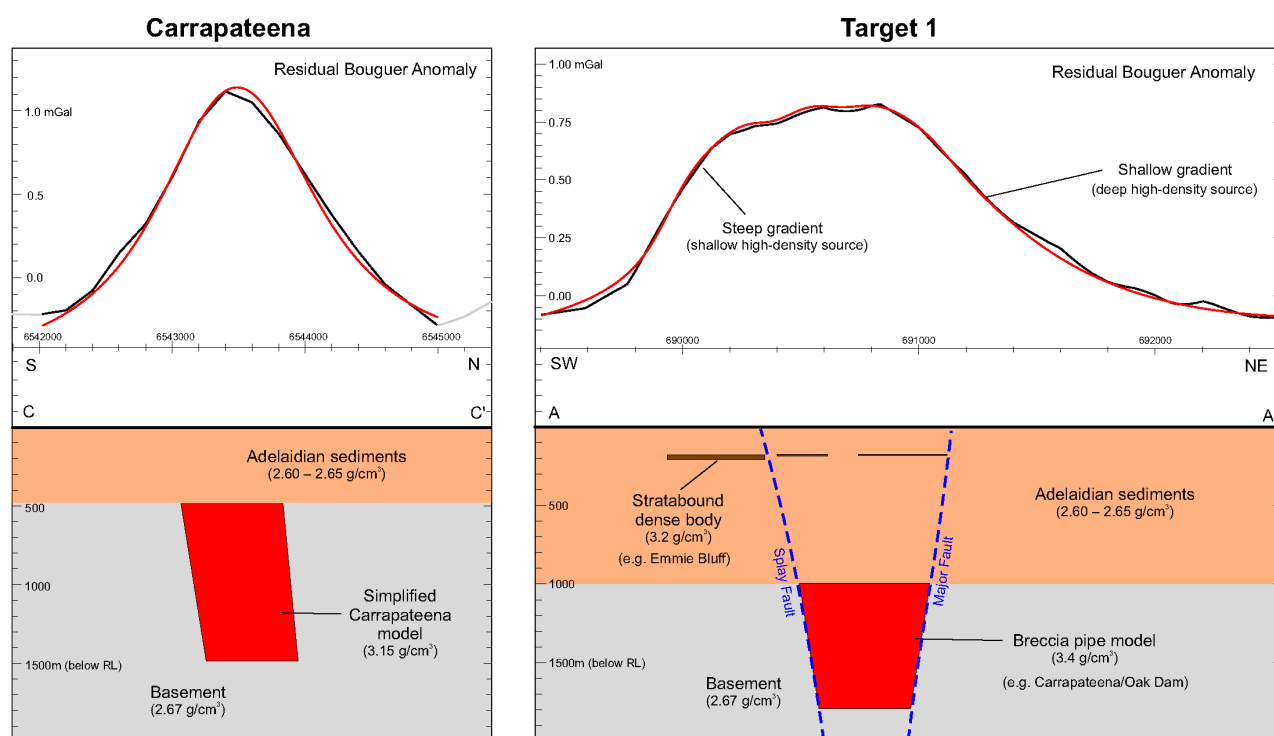


Figure 3 - Rocky Well Gravity Anomaly comparison with Oz Minerals', Carrapateena Ore Body

In addition to this “classical” IOCG gravity target, the Company’s evaluation work highlights the presence of what has been interpreted as “Stratabound Replacement Style IOCG Mineralisation” (Stratabound IOCGs) which produce flat lying sheet- like IOCG mineralised occurrences. The recent Emmie Bluff Deep IOCG discovery by Coda Minerals, 17 kilometres east of the project area, has reported high-grade copper and gold intercepts which to date appear to occur as stratabound bodies and similarly the Winjabbie IOCG mineralisation along the northern edge of the Woomera Project Area appears to be of the same general form. Importantly, high cobalt grades are also a feature of this style of IOCG mineralisation.

These mineralised bodies appear to be fault controlled, with better mineralised zones spatially associated with major faults which have acted as the principal conduit for mineralising fluids. The replacement style of ore occurs as a result of ore precipitating along reactive host rock sequence and/or where also ore fluid mixing may be occurring, triggering precipitation of ore nearer to the ancient palaeosurface. Stratabound IOCGs appear to surround or occur close to the magmatic rupture style pipes/maars which typify the classic IOCG breccia ore setting.

Petratherm postulates that “Stratabound IOCG’s” offer a new style of exploration target with large tonnage and high-grade potential. Whilst the source of the mineralising fluids are of magmatic hydrothermal origin, the Stratabound IOCGs share some key similarities to the giant stratabound copper deposits of the Central African Copper Belt and therefore require a different targeting approach. One of the key issues is that whilst they occupy a large area, they have thinner vertical extent (nominally less than 100 metres of vertical thickness) and therefore produce a more subtle gravity anomaly response. Gravity modelling undertaken during the period highlights large areas where potential stratabound IOCG mineralisation may be occurring on the Woomera Project Tenement as shown in Figure 2.

The Company is very pleased to be able to secure a significant holding in the Woomera region, which is proving fertile for significant IOCG style mineralisation, with not only the new Emmie Bluff Deeps Discovery, but also includes BHP's recent Oak Dam West Discovery and OZ Minerals' newly operating world-class Carrapateena Cu-Au deposit (Figure 1). At this stage, the exploration licence is expected to be granted early in the 2022 calendar period which will allow ground exploration activities to get underway.

## Comet Gold Project

The Comet Project (EL 6443 and EL 6633), totalling 1,190km<sup>2</sup>, contains prospective Archean strata of the Northern Gawler Craton which hosts numerous gold occurrences such as the Challenger gold deposit (1.1 Moz @ 5.1g/t) and is located 30 km east from the recent high-grade Aurora Tank Gold discovery (Figure 4).

Historical surface geochemical sampling exploration techniques in the region have been impeded by shallow cover strata which masks most of the prospective basement rock geochemical response. To overcome this issue Petratherm has applied a new exploration methodology, where regional scale shallow grid drilling is being undertaken over the tenements to directly sample the top of the in-situ "saprolite" zone clays (deeply weathered basement rock which has been chemically decomposed to clay) below younger transported cover strata (refer to PTR ASX release 28/05/21 for program background). In most areas the top of saprolite zone occurs between 5 and 15 metres depth and shallow drilling is being undertaken using a light weight and cost-effective land cruiser mounted air core drill rig. In all, 411 drill holes totalling 6,579 metres were drilled during the period. The shallow grid drilling is supported by S.A Government grant funding to a level of \$182,000 on a 1 for 1 basis through the Accelerated Discovery Initiative (PTR ASX release 21/05/21).

In November, results released from the ongoing regional shallow RAB drilling activities defined several gold anomalous areas and subsequent follow-up infill drilling completed during November and December 2021 (refer to PTR 31/01/22 and 04/02/22 ASX releases) upgraded and expanded two gold anomalies. At Target 14 Prospect initial reconnaissance style drilling identified a mineralised gold envelope within weathered basement and is open in multiple directions and at depth. Follow up additional shallow RAB sampling at "Anomaly A" has confirmed highly anomalous gold and is open in multiple directions (Figure 4). A summary of key findings is presented below.

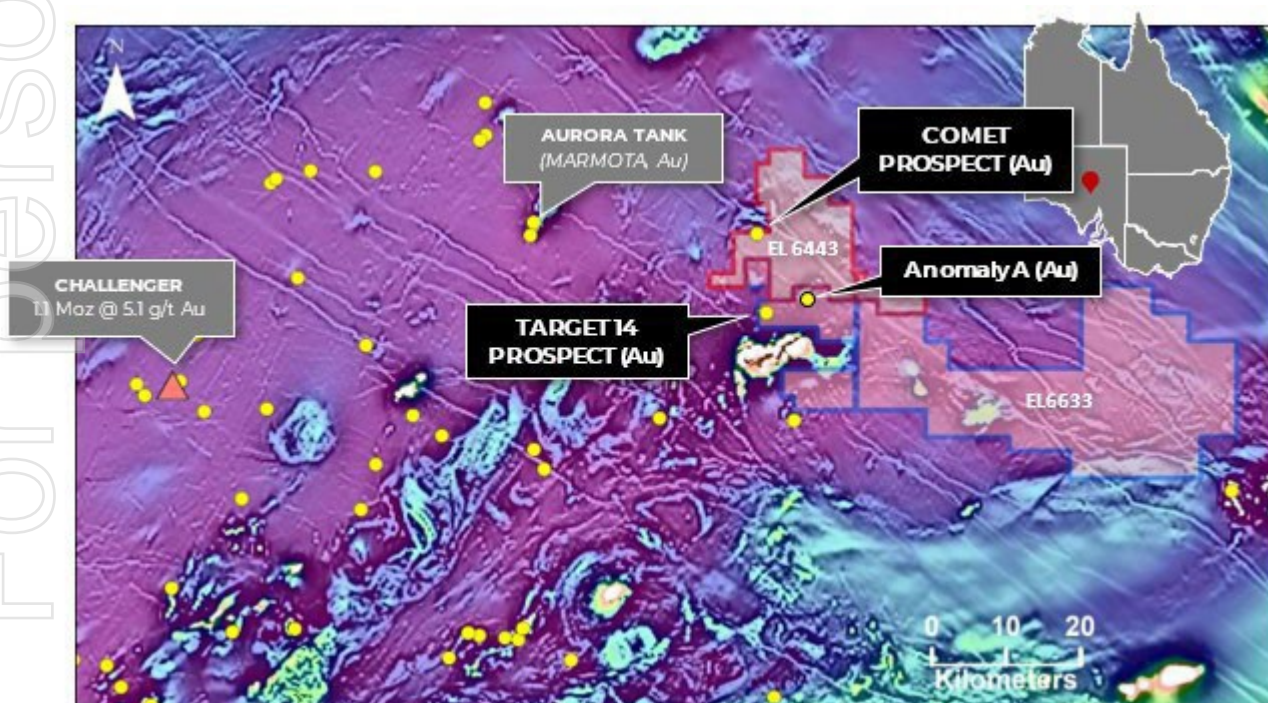


Figure 4 - Regional Location Map of Petratherm's Comet Project (comprising EL6443 and EL 6633) and gold occurrences overlain on a regional aeromagnetic image



## Target 14

At Target 14, 18 angled air core / RC drill holes for a total of 1,061 metres were completed in December 2021. Average hole depth was 60 metres (down hole), with holes at an 80-metre spacing. The prospect is blanketed by 10 to 20 metres of transported cover sediment, before passing into the weathered basement saprolitic profile, with fresher basement rock starting from approximately 40 metres down hole depth. A widespread anomalous gold blanket has been defined across the drill area.

Drill hole 21T14RC05 located on the northern edge of the grid returned the highest level of gold anomalism recording:

- 20 metres @ 0.13 g/t Au from 16 to 36 metres (down hole)

The drill intersection forms part of a broader zoned system, which is open to the north-northeast, and at depth to the south- southwest. Figures 5 and 6 show a 3D modelling of Target 14 drilling with transparent gold iso-surfaces used to highlight the blanket of gold anomalism in the saprolite. Figures 5 & 6 show a zoned gold anomalism exists providing a vector towards better mineralisation. An outer yellow shell being between 10-15 ppb Au and the second deeper gold shell ranging from 50 to 100 ppb Au is displayed. Additional follow up holes are planned to evaluate if the gold zone encountered marks the edge of potentially more significant mineralisation.

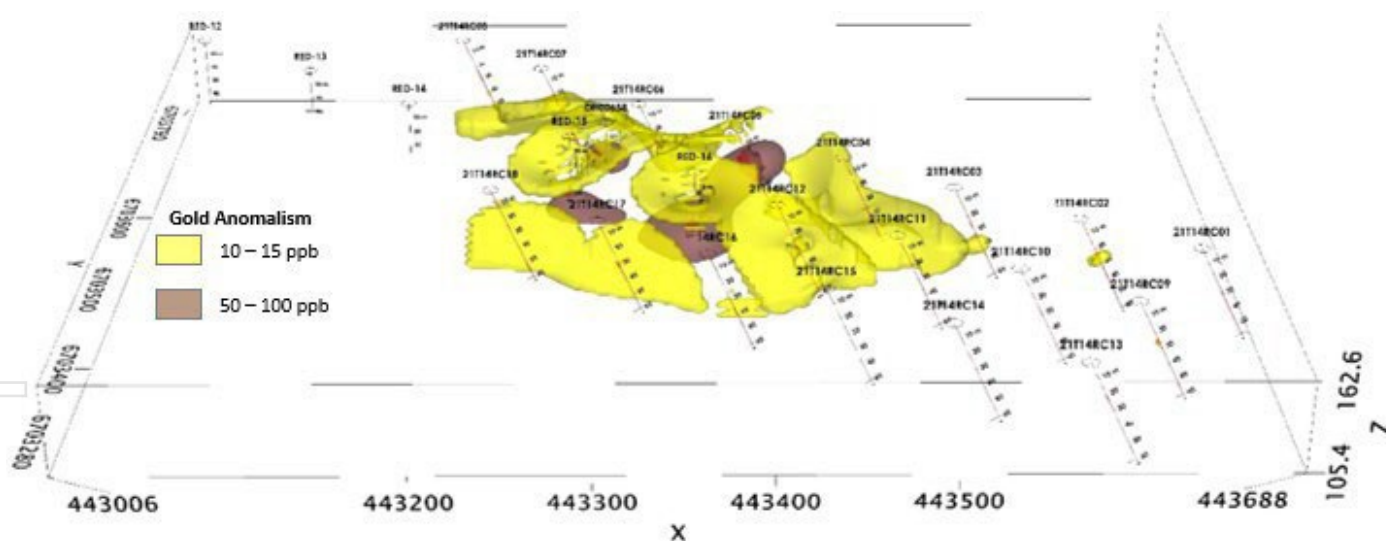


Figure 5 - 3D model of gold shells in saprolite at Target 14 looking north.

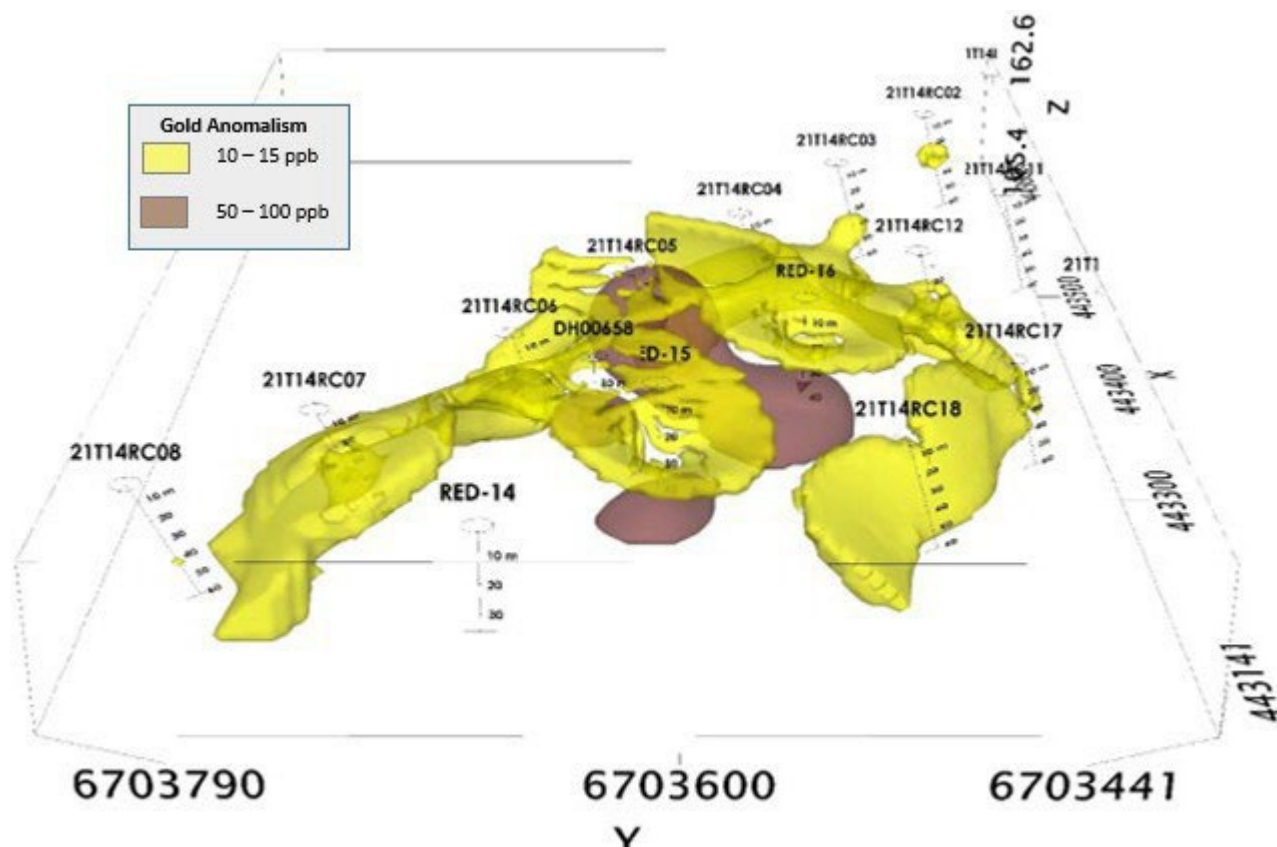


Figure 6 - 3D model of gold shells at Target 14 looking east.

## Anomaly A

The gold in saprolite anomaly, referred to as “Anomaly A” is shown in Figure 7. In December shallow vertical RAB Infill drilling was completed on a 100-metre spaced grid around the single point gold anomaly (original sample returned 3 metres @17 ppb Au from 18-21 metres) as part of a much larger regional and infill sampling program. The infill RAB sampling has both upgraded and expanded the anomaly returning sample results of:

- Drill Hole 737 – 3 metres @ 23 ppb Au, from 24 metres
- Drill Hole 738 – 4 metres @ 23 ppb Au, from 23 metres
- Drill Hole 733 – 8 metres @ 9.5 ppb Au, from 21 metres
- Drill Hole 736 – 3 metres @ 9 ppb Au, from 18 metres

The multi-point anomaly is coherent, extends over 200 metres and is open along trend. Additional shallow RAB sampling will now be undertaken to map the extent of this anomaly before drill testing. Significant gold occurrences in the region such as the Challenger gold deposit (1.1 Moz @ 5.1g/t) and the recent high-grade Aurora Tank Gold discovery (Figure 4), form discrete, steeply inclined gold shoots. The near surface gold dispersion haloes preserved in the weathered basement at the top of these shoots typically have a small surrounding footprint (i.e. Figure 8). The anomalies encountered at both Target 14 and Anomaly A are consistent with this style of mineralisation and further drill test work is warranted.

The Company will undertake infill shallow RAB drilling at both Target 14 and Prospect A as soon as rig becomes available, which at this stage is likely to be March 2022. In addition to these infill works, RC Drill testing of the Comet Gold shoot (Figure 4) which features historic gold intercepts of up to 6.97 g/t Au (refer to PTR ASX release 30/10/20) is scheduled to start from late February. The RC drilling will test shoot positions along trend and at both shallower and deeper extensions to that currently known.

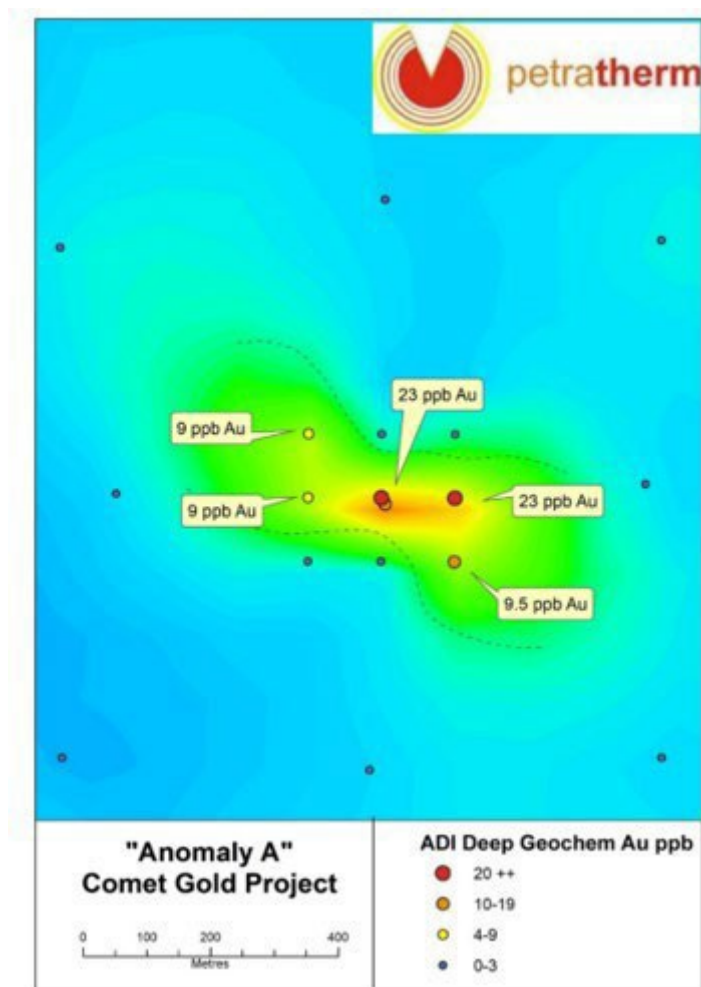


Figure 7 - Gold in Saprolite Anomaly on EL 6633 "Anomaly A"

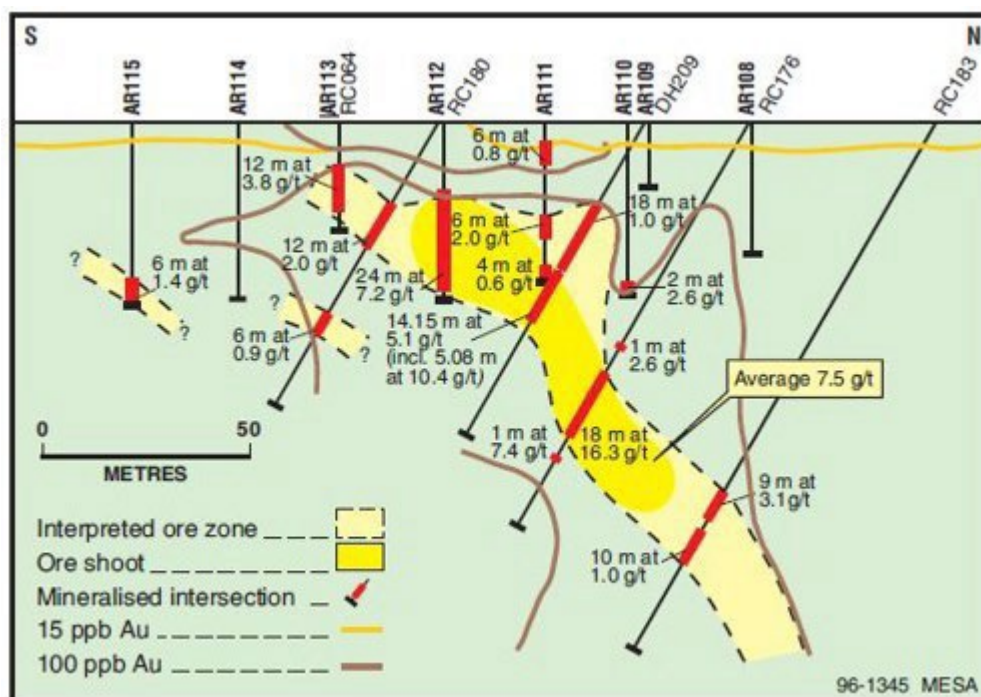


Figure 8 - Challenger Gold drillhole cross-section 3475E (source MESA Journal 4, Jan 1997). Section highlights discrete gold in saprolite halo surrounding primary steeply inclined gold shoot.



## Mabel Creek Project

The Mabel Creek Project, 50 kilometres northeast of Coober Pedy in South Australia is prospective for Iron-Oxide Copper-Gold (IOCG) and Broken Hill Type (BHT) lead-zinc-silver (Pb-Zn-Ag) mineralisation. Petratherm has a large ground position with four tenements (EL's 6332, 6333, 6404 & 6405) totalling 2,852 km<sup>2</sup> (Figure 9). Drilling to date has identified two areas (Areas 5 and 13) showing IOCG style hydrothermal alteration (refer to PTR ASX release 27/07/21).

Petrological analysis of the drill core from drilling completed in June 2021 identified granitoids which are strongly iron and light rare-earth enriched, highlighting the fertility of these target areas for iron-rich hydrothermal activity. Low levels of copper anomalism have been found to occur in flanking positions on the edges of the main gravity anomaly features at Area 5 and Area 13.

The Mabel Creek Area may represent a deeper, higher temperature crustal environment, where Iron-Sulphide Copper-Gold (ISCG) systems, a variant of IOCG deposits may be more likely to occur. ISCG ore deposits are increasingly being recognized for their potential economic importance most notably in the Cloncurry region of Queensland (i.e. Eloise Mine 10Mt at 3.2 % Cu and 0.7 g/t Au). At Mabel Creek, the surrounding meta sedimentary rock sequences are comparable in age and lithology to the Broken Hill region. Petratherm's drilling has encountered magnetic stratigraphy which include banded iron formation, amphibolite, garnet gneiss, and narrow zones of visible lead and zinc mineralisation like that typically encountered at Broken Hill. Both BHT's and ISCG's have been demonstrated to be conducive and amenable to Electromagnetic (EM) targeting methods.

Petratherm is considering undertaking high powered SQUID EM surveying, which has been shown to detect conductive zones, below thick (100m to 200m) conductive cover potentially indicating high concentrations of sulphide. This work is likely to be undertaken during the first half of the 2022 calendar period.

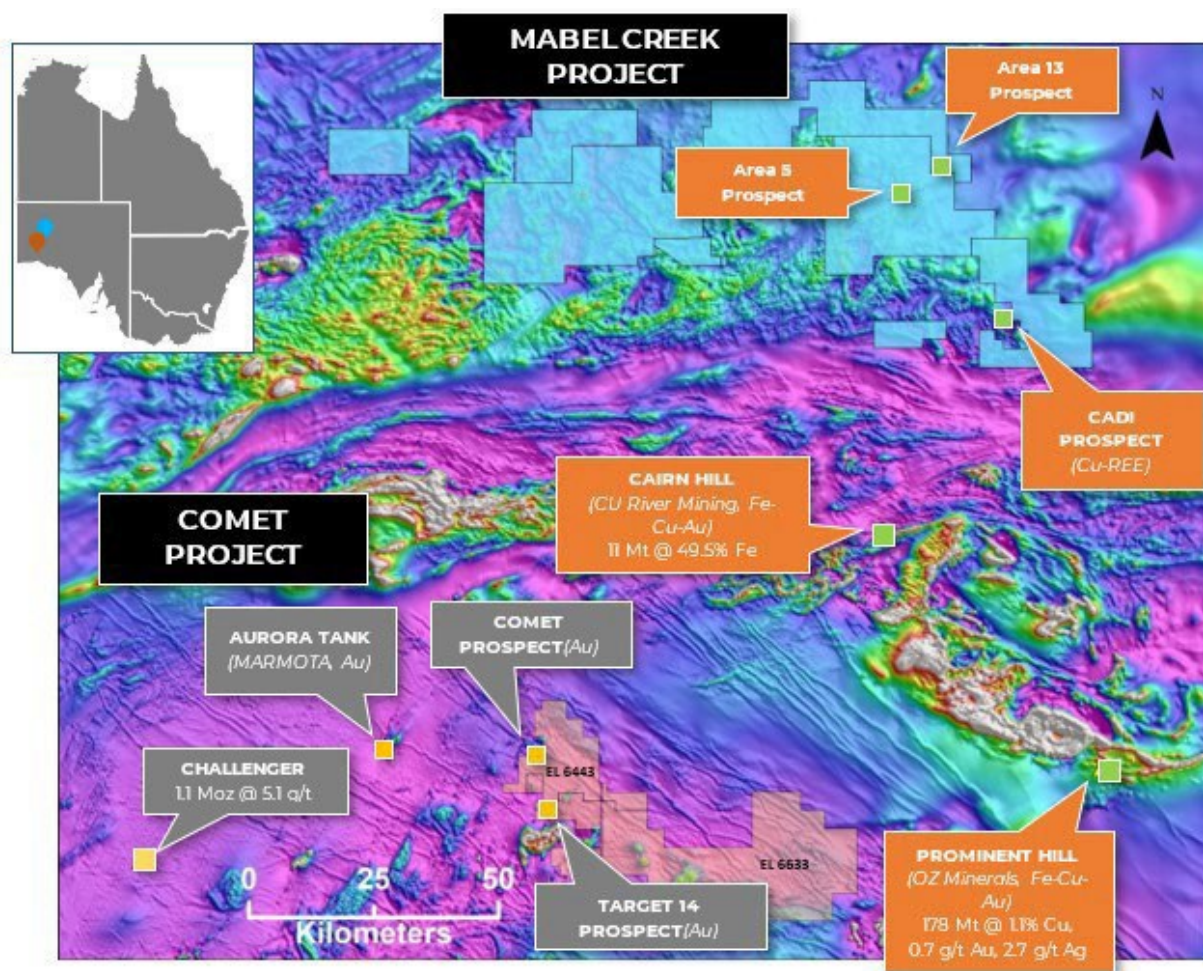


Figure 9 - Regional Location Map showing Petratherm's Mabel Creek and Comet Project Holdings, with major mines and key prospects in the area overlain on a Regional Aeromagnetic Image



**Petratherm Limited**  
**Directors' report**  
**For the half-year ended 31 December 2021**

**Significant changes in the state of affairs**

*Petragas Ltd - Change of Company name and structure*

During the period Petragas Ltd, a subsidiary of the Group, underwent a change of company structure from a public company to a proprietary company. The Company also resolved a change in name from 'Petragas Ltd' to 'Hiltaba Pty Ltd'.

There were no other significant changes in the state of affairs of the Group during the financial half-year.

**Matters subsequent to the end of the financial half-year**

No 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.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

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



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Derek Carter  
Chairman

16 March 2022

## Auditor's Independence Declaration

### To the Directors of Petratherm Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Petratherm Limited for the half year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



B K Wundersitz  
Partner – Audit & Assurance

Adelaide, 16 March 2022

**Petratherm Limited**  
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**For the half-year ended 31 December 2021**

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**Petratherm Limited**  
**Condensed Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2021**

		<b>Consolidated</b>	
		<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>Revenue and other income</b>			
Bank interest received or receivable		909	6,594
Gain on sale of tenements to Outback Goldfields Corp.	7	-	18,520,909
Other income		-	31,794
<b>Expenses</b>			
Other expenses	5	(128,185)	(147,796)
Employee Share Based Payment	14	(11,461)	-
Employee benefits expense		(101,460)	(63,565)
Secretarial, professional and consultancy		(54,855)	(85,707)
Tenement impairment expenses		-	(6,078)
Exploration expenses		(49,711)	(58,594)
Environmental rehabilitation expenses		-	(2,302)
<b>Profit/(loss) before income tax expense</b>		<b>(344,763)</b>	<b>18,195,255</b>
Income tax expense		-	-
<b>Profit/(loss) after income tax expense for the half-year attributable to the Owners of Petratherm Limited</b>		<b>(344,763)</b>	<b>18,195,255</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of land and buildings, net of tax		-	27,179,399
Other comprehensive income for the half-year, net of tax		-	27,179,399
<b>Total comprehensive income for the half-year attributable to the Owners of Petratherm Limited</b>		<b>(344,763)</b>	<b>45,374,654</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	13	(0.17)	10.46
Diluted earnings per share	13	(0.17)	9.92

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*



**Petratherm Limited**  
**Condensed Statement of financial position**  
**As at 31 December 2021**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 December 2021 \$</b>	<b>30 June 2021 \$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	2,693,171	3,103,154
Trade and other receivables		2,364	102,053
Other assets		32,277	7,106
<b>Total current assets</b>		<u>2,727,812</u>	<u>3,212,313</u>
<b>Non-current assets</b>			
Property, plant and equipment		6,176	1,806
Exploration and evaluation assets	8	2,136,269	1,935,210
<b>Total non-current assets</b>		<u>2,142,445</u>	<u>1,937,016</u>
<b>Total assets</b>		<u>4,870,257</u>	<u>5,149,329</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		113,805	69,306
Employee benefits		39,346	29,615
<b>Total current liabilities</b>		<u>153,151</u>	<u>98,921</u>
<b>Total liabilities</b>		<u>153,151</u>	<u>98,921</u>
<b>Net assets</b>		<u>4,717,106</u>	<u>5,050,408</u>
<b>Equity</b>			
Issued capital	9	24,607,035	24,607,035
Reserves	10	11,461	(1,534,664)
Accumulated Losses		<u>(19,901,390)</u>	<u>(18,021,963)</u>
<b>Total equity</b>		<u>4,717,106</u>	<u>5,050,408</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Petratherm Limited**  
**Condensed Statement of changes in equity**  
**For the half-year ended 31 December 2021**

<b>Consolidated</b>	<b>Issued capital \$</b>	<b>FVOCI \$</b>	<b>Share-based payments reserve \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2020	39,061,984	-	140,836	(35,890,207)	3,312,613
Profit after income tax expense for the half-year	-	-	-	18,195,255	18,195,255
Other comprehensive income for the half-year, net of tax	-	27,179,399	-	-	27,179,399
Total comprehensive income for the half-year	-	27,179,399	-	18,195,255	45,374,654
<i>Transactions with Owners in their capacity as Owners:</i>					
Shares issued during the period (note 8)	2,162,628	-	-	-	2,162,628
Transaction costs	(162,316)	-	-	-	(162,316)
Exercise of Director options	-	-	(32,628)	-	(32,628)
Returns of capital during the period	(18,654,783)	(27,179,399)	-	-	(45,834,182)
Balance at 31 December 2020	<u>22,407,513</u>	<u>-</u>	<u>108,208</u>	<u>(17,694,952)</u>	<u>4,820,769</u>

<b>Consolidated</b>	<b>Issued capital \$</b>	<b>FVOCI \$</b>	<b>Share-based payments reserve \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2021	24,607,035	(1,534,664)	-	(18,021,963)	5,050,408
Loss after income tax expense for the half-year	-	-	-	(344,763)	(344,763)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	-	(344,763)	(344,763)
<i>Transactions with Owners in their capacity as Owners:</i>					
Options issued during the period (note 11)	-	-	11,461	-	11,461
Adjustment for reclassification	-	1,534,664	-	(1,534,664)	-
Balance at 31 December 2021	<u>24,607,035</u>	<u>-</u>	<u>11,461</u>	<u>(19,901,390)</u>	<u>4,717,106</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**Petratherm Limited**  
**Condensed Statement of cash flows**  
**For the half-year ended 31 December 2021**

	<b>Consolidated</b>	
	<b>31 December 2021</b>	<b>31 December 2020</b>
<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees	(218,679)	(327,543)
Interest received	792	8,035
Government grants/subsidies received	182,000	49,839
Payments for environmental rehabilitation	-	(2,302)
Payments for exploration activities (expensed)	(49,505)	(58,594)
	<u>(85,392)</u>	<u>(330,565)</u>
<b>Net cash used in operating activities</b>		
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(5,244)	(2,514)
Payments for exploration activities (capitalised)	(319,347)	(128,526)
	<u>(324,591)</u>	<u>(131,040)</u>
<b>Net cash used in investing activities</b>		
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	9	-
Share issue transaction costs		(162,316)
		<u>-</u>
<b>Net cash from financing activities</b>		
		<u>1,967,684</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	(409,983)	1,506,079
<b>Cash and cash equivalents at the beginning of the financial half-year</b>	3,103,154	2,442,907
	<u>2,693,171</u>	<u>3,948,986</u>
<b>Cash and cash equivalents at the end of the financial half-year</b>		

*The above statement of cash flows should be read in conjunction with the accompanying notes*

**Petratherm Limited**  
**Notes to the financial statements**  
**For the half-year ended 31 December 2021**

**Note 1. General information**

The consolidated financial statements cover Petratherm Limited as a Group consisting of Petratherm Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Petratherm Limited's functional and presentation currency.

Petratherm Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

C/- HLB Mann Judd (SA) Pty Ltd  
169 Fullarton Road  
DULWICH SA 5065

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 8 March 2022.

**Note 2. 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 Financial Reporting Standard IAS 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 Company 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.

**Going Concern**

The financial report has been prepared on the basis of a going concern.

The group incurred a net loss before tax of \$344,763 (2020: net gain of \$18,195,255) during the half-year ended 31 December 2021, and had a new cash outflow of \$409,983 (2020: \$461,605) from operating and investing activities. Exploration will be undertaken taking into consideration the Company's explorations minimum expenditure commitments, receipt of grant funds from the EIS exploration grant program and other fund raising activities.

**New or amended Accounting Standards and Interpretations adopted**

The Group 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.

**Note 3. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.



**Note 3. Critical accounting judgements, estimates and assumptions (continued)**

*Fair value measurement hierarchy*

The Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

*Exploration and evaluation costs*

Exploration and evaluation costs have been capitalised on the basis that the Group will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

*Income tax*

The Group is subject to income tax and significant judgment is required in determining any provision for income tax. During the year ended 30 June 2021 the Group completed the sale of certain exploration assets to Outback Goldfields Corp which resulted in an operating profit for the year and completed an in-specie distribution of consideration shares to shareholders in April 2021. The Directors have sought and received advice on the availability of tax losses to ensure that there are sufficient losses to reduce any potential tax payable on the transactions to nil.

**Note 4. Operating segments**

The Board has considered the requirements of AASB 8 Operating Segments and the internal reports that are reviewed by the Board in allocating resources and has concluded at this time that there are no separately identifiable segments.

**Note 5. Other expenses**

	<b>Consolidated</b>	
	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>\$</b>	<b>\$</b>
Insurance costs	12,518	11,226
AGM expenses	18,787	16,238
Audit fees	36,804	11,596
Bank charges	1,143	1,234
Communication & computer expenses	1,959	1,792
Listing fees	35,546	24,140
Legal fees	4,295	66,179
Office expenses	2,214	1,134
Occupancy Costs	3,301	1,999
Share registry expenses	9,460	11,780
Other expenses	2,158	478
	<b>128,185</b>	<b>147,796</b>

**Note 6. Cash and cash equivalents**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June</b>
	<b>2021</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and on hand	893,171	1,303,154
Cash on deposit	1,800,000	1,800,000
	<u>2,693,171</u>	<u>3,103,154</u>

**Note 7. Beneficial interest in Outback Goldfields Corp shares classified as held for distribution to owners**

*Sale of Victorian Gold Project Assets to Outback Goldfields Corp.*

On 16 December 2020 the Company successfully closed a transaction (the Transaction) to sell its Victorian Gold Project Assets to Outback Goldfields Corp. (Outback Goldfields) (formerly Skarb Exploration Corp.), a Canadian mineral exploration company listed on the Canadian Securities Exchange.

The Victorian Gold Projects sold to Outback Goldfields comprised of the following assets:

- Yuengroon Gold Project (EL 6897 & ELA 7280)
- Silver Spoon Gold Project (ELA 6951)
- Glenfine Gold Project Farm-In & Joint Venture (EL 5434, EL 5537 & EL 5344)
- Ballarat West Gold Project (ELA 7276)

The carrying value of the Victorian Gold Project Assets at the Transaction date was \$133,873.

As consideration for the Project Assets, Outback Goldfields issued 100,000,000 shares (Consideration Shares) to Petratherm (33,333,333 shares after Outback Goldfields' 3:1 capital consolidation). The fair value of the Consideration Shares at the Transaction date was \$18,654,783 AUD based on a valuation of \$0.18 CAD per share resulting in an initial gain on sale of \$18,520,909. The Consideration Shares represent approximately 57% of the share capital of Outback Goldfields.

The Consideration Shares were subsequently re-measured to a fair value of \$45,834,182 based on the \$1.35 CAD per share market value of the equity instruments as at 31 December 2020. The Company recognised a fair value increment between 16 December 2020 and 31 December 2020 through other comprehensive income of \$27,179,399.

The Consideration Shares were distributed to eligible Petratherm shareholders by way of in-specie return of capital on 21 April 2021.

*Return of Capital*

Shareholder approval was granted on 11 December 2020 for Petratherm to distribute the 33,333,333 Outback Goldfields shares in-specie to its shareholders "pro-rata" in accordance with their shareholdings in the Company.

The return of capital to Petratherm's shareholders is subject to a distribution wait period ending in April 2021 in accordance with statutory requirements of the Canadian Stock Exchange. The record date for determining entitlements to the Consideration Shares was on 20 April 2021.

The return of capital distribution to shareholders was completed on 21 April 2021. The Company has recognised a fair value decrement through other comprehensive income on the distribution between 16 December 2020 and 21 April 2021 of \$1,534,664.

**Note 8. Exploration and evaluation assets**

	<b>Consolidated</b>	
	<b>31 December 2021</b>	<b>30 June 2021</b>
	<b>\$</b>	<b>\$</b>
Exploration and evaluation - at cost	<u>2,136,269</u>	<u>1,935,210</u>

**Reconciliations**

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

<b>Consolidated</b>	<b>Exploration and evaluation \$</b>	<b>Total \$</b>
Balance at 1 July 2021	1,935,210	1,935,210
Additions through expenditures capitalised	383,059	383,059
Government grants	(182,000)	(182,000)
Balance at 31 December 2021	<u>2,136,269</u>	<u>2,136,269</u>

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Exploration and evaluation expenditure has been carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recovered reserves. Management assessment of carried forward expenditure resulted in impairment charges of \$NIL (December 2020: \$6,078).

Government grant received from Department of Energy and Mining

Petratherm Ltd has been awarded \$182,000 of grant from the Department of Energy and Mining under the Accelerated Discovery Initiative (ADI) Program for its Mabel Creek Project area.

The initiative aims to support new minerals and ground water discovery which forms part of the South Australian Government Growth State Agenda and Petratherm's Mabel Creek Project aligns with the initiative's goal since the location is fertile for Iron Oxide-Copper-Gold (IOCG).

The funding will be used to assist Petratherm with drill testing of two (IOCG) targets in the Mabel Creek Ridge.

**Note 9. Issued capital**

	<b>Consolidated</b>			
	<b>31 December 2021</b>	<b>30 June 2021</b>	<b>31 December 2021</b>	<b>30 June 2021</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$</b>	<b>\$</b>
Ordinary shares - fully paid	<u>198,917,806</u>	<u>198,917,806</u>	<u>24,607,035</u>	<u>24,607,035</u>

**Ordinary shares**

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

**Petratherm Limited**  
**Notes to the financial statements**  
**For the half-year ended 31 December 2021**

**Note 9. Issued capital (continued)**

*Share buy-back*

There is no current on-market share buy-back.

Proceeds from share issues are used to maintain and expand the Group's exploration activities and fund operating costs.

There are no externally imposed capital requirements.

**Note 10. Reserves**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>31 December</b>	<b>30 June</b>
	<b>2021</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Financial assets at fair value through other comprehensive income reserve	-	(1,534,664)
Share-based payments reserve	11,461	-
	<u>11,461</u>	<u>(1,534,664)</u>

*Share-based payments reserve*

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

**Note 11. Dividends**

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

**Note 12. Events after the reporting period**

No 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.

**Note 13. Earnings per share**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>31 December</b>	<b>31 December</b>
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Profit/(loss) after income tax attributable to the Owners of Petratherm Limited	<u>(344,763)</u>	<u>18,195,255</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	198,917,806	173,870,829
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	<u>1,100,000</u>	<u>9,487,583</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>200,017,806</u>	<u>183,358,412</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(0.17)	10.46
Diluted earnings per share	(0.17)	9.92

**Petratherm Limited**  
**Directors' declaration**  
**For the half-year ended 31 December 2021**

**Note 14. Share-based payments**

A summary of the Company options issued during the period is as follows:

<b>2021 Half year Grant Date</b>	<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Start of the year</b>	<b>Granted during the year</b>	<b>Balance at the end of the year</b>	<b>Vested and exercisable at the end of the year</b>
16 August 2021	16 August 2024	\$0.10	-	100,000	100,000	-
01 October 2021	01 October 2024	\$0.08	-	1,000,000	1,000,000	-
			-	1,100,000	1,100,000	-

The above options were granted to the employees under the employee share option plan. The expenses recognised during the period is on a pro rata basis, which was \$11,461. The fair value of the options granted during the period were calculated by using a Black-Scholes option pricing model applying the following inputs:

Grant date:	16 August 2021	01 October 2021
Vesting date:	16 August 2022	01 October 2022
Expiry date:	16 August 2024	01 October 2024
Share price at grant date (\$):	0.05	0.06
Exercise price (\$):	0.10	0.08
Expected share price volatility:	125%	125.5%
Risk-free interest rate:	0.71%	1.75%
Fair value at grant date (\$):	3,260	40,500

**Petratherm Limited**  
**Directors' declaration**  
**For the half-year ended 31 December 2021**

In the Directors' opinion:

- 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;
- 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
- 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 Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



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Derek Carter  
Chairman

16 March 2022



# Independent Auditor's Review Report

## To the Members of Petratherm Limited

### Report on the review of the half-year financial report

#### Conclusion

We have reviewed the accompanying half-year financial report of Petratherm Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, and 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, a description of accounting policies, other selected explanatory notes, 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 Petratherm Limited does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of Petratherm Limited'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. 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.

#### 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 gives a true and fair view and 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 Group'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*.

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.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



B K Wundersitz  
Partner – Audit & Assurance

Adelaide, 16 March 2022