

Legacy Minerals Pty Limited

ABN 33 622 746 187

Interim Report - 31 December 2020

Legacy Minerals Pty Limited
Directors' report
31 December 2020

The directors present their report, together with the financial statements of Legacy Minerals Pty Limited. (referred to hereafter as 'the entity' or "the company") for the half-year ended 31 December 2020.

Directors

The following persons were directors of Legacy Minerals Pty Limited during the period and up to the date of this report, unless otherwise stated:

Christopher Byrne
Amelia Byrne (resigned 1 November 2020)
Douglas Menzies (appointed 1 November 2020)
Thomas Wall
Matthew Wall

Principal activities

During the period the principal continuing activities of the company consisted of the exploration of Gold mining leases

Dividends

There were no dividends paid or declared in the financial year.

Review of operations

The loss for the entity after providing for income tax amounted to \$126,262 (2019 loss: \$3,533).

The Entity is in the exploration phase of its operations and no production or sales have taken place.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the entity during the period.

Matters subsequent to the end of the financial year

Since 31 December 2020, the entity issued a further 12,430,000 shares on 1 April 2021 at an issue price of \$0.10 per share for a total capital raise of \$1,243,000, net of transaction costs. The entity is also in the process of an IPO to raise further funds to continue the next phase of the exploration process.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has had no effect financially for the entity up to 31 December 2020, 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.

Likely developments and expected results of operations

The Company has five granted exploration licenses in NSW: Central Cobar (EL8709), Harden (EL8809), Rockley (EL8926), Bauloora (EL8994), and Fontenoy (EL8995). The Company also has two pending exploration licenses: Murrumburrah (ELA6252) and Cobar South (ELA6248) which are expected to be granted by the third quarter 2021. The company is currently conducting exploration across these tenements including geochemical and geophysical work programs with the objective of defining an economic gold, copper, or base metal resource.

Environmental Issues

The exploration undertaken on the Company's combined tenements in New South Wales to date has not created significant environmental issues. However, environmental impacts will arise as and when the Company moves into production and these issues will be thoroughly assessed at the time any mining authority is sought. Usual measures are undertaken pre and post drilling to ensure that the environmental impact is minimised. The work undertaken to date has produced minimal impact on the environment. No issues regarding compliance were encountered during the reporting period.

Legacy Minerals Pty Limited
Directors' report
31 December 2020

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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Christopher Byrne
Director

5th July.2021
Sydney

DECLARATION OF INDEPENDENCE BY GARETH FEW TO THE DIRECTORS OF LEGACY MINERALS PTY LTD

As lead auditor for the review of Legacy Minerals Pty Ltd for the half-year ended 31 December 2020, 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.

Gareth Few
Director



BDO Audit Pty Ltd

Sydney, 5 July 2021

Legacy Minerals Pty Limited

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General information

The financial statements cover Legacy Minerals Pty. The financial statements are presented in Australian dollars, which is Legacy Minerals Pty Limited's functional and presentation currency.

Legacy Minerals Pty Limited is a private company limited by shares.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 2021. The directors have the power to amend and reissue the financial statements.

Legacy Minerals Pty Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2020

	Note	Dec 2020 \$	Dec 2019 \$
Expenses			
Corporate costs		(3,309)	(3,533)
Exploration costs		(5,867)	-
Corporate advisory	8	(72,000)	-
Share Based Payments - Employees	8	(24,061)	-
Professional fees		<u>(21,025)</u>	<u>-</u>
(Loss) before income tax expense for the period		(126,262)	(3,533)
Income tax expense		<u>-</u>	<u>-</u>
(Loss) after income tax expense for the period		<u>(126,262)</u>	<u>(3,533)</u>
Total comprehensive (loss) for the period		<u>(126,262)</u>	<u>(3,533)</u>

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

Legacy Minerals Pty Limited
Statement of financial position
As at 31 December 2020

	Note	Dec 2020 \$	June 2020 \$
Assets			
Current assets			
Cash and cash equivalents		62,559	88,758
Trade and other receivables	5	<u>11,283</u>	<u>11,210</u>
		<u>73,842</u>	<u>99,969</u>
Non-current assets			
Property, plant & equipment		1,362	1,363
Exploration and evaluation assets	3	<u>77,213</u>	<u>50,034</u>
Tenement deposit	4	<u>50,000</u>	<u>30,000</u>
		<u>128,575</u>	<u>81,397</u>
Total assets		<u>202,418</u>	<u>181,366</u>
Current liabilities			
Trade and other payables	6	<u>43,602</u>	-
Total liabilities		<u>43,602</u>	-
Net assets		<u>158,816</u>	<u>181,366</u>
Equity			
Issued capital	7	210,502	210,502
Share based payment reserve	8	103,712	-
Accumulated Losses		<u>(155,398)</u>	<u>(29,136)</u>
Total equity		<u>158,816</u>	<u>181,366</u>

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

Legacy Minerals Pty Limited
Statement of changes in equity
For the half-year ended 31 December 2020

	Issued capital \$	Share based Payment Reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2019	80,002	-	(16,628)	63,374
Loss after income tax expense for the half-year	-	-	(3,533)	(3,533)
Total comprehensive loss for the half-year	-	-	(3,533)	(3,533)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	35,500	-	-	35,500
Balance at 31 December 2019	<u>115,502</u>	<u>-</u>	<u>(20,161)</u>	<u>95,341</u>

	Issued capital \$	Share based Payment Reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2020	210,502	-	(29,136)	181,366
Loss after income tax expense for the half-year	-	-	(126,262)	(126,262)
Total comprehensive loss for the half-year	-	-	(126,262)	(126,262)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments expense	-	103,712	-	103,712
Balance at 31 December 2020	<u>210,502</u>	<u>103,712</u>	<u>(155,398)</u>	<u>158,816</u>

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

Legacy Minerals Pty Limited
Statement of cash flows
For the half-year ended 31 December 2020

	Note	Dec 2020 \$	Dec 2019 \$
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		<u>(7,709)</u>	<u>(2,415)</u>
Net cash from operating activities		<u>(7,709)</u>	<u>(2,415)</u>
Cash flows from investing activities			
Payment for exploration		(18,490)	(25,227)
Payment for property, plant & equipment		-	(1,363)
Payment for mining tenement deposits		<u>(20,000)</u>	<u>(10,000)</u>
		<u>(38,490)</u>	<u>(36,590)</u>
Cash flows from financing activities			
Proceeds from issue of shares ⁽¹⁾		<u>20,000</u>	<u>25,500</u>
Net (decrease) in cash and cash equivalents		(26,199)	(13,505)
Cash and cash equivalents at the beginning of the half year		88,758	32,245
		<u> </u>	<u> </u>
Cash and cash equivalents at the end of the half year		<u><u>62,559</u></u>	<u><u>18,740</u></u>

(1) The \$20,000 is an early payment of the share allotment on 01/04/2021. This is included within other payables in note 4.

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

Legacy Minerals Pty Limited
Notes to the financial statements
31 December 2020

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 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 2020.

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

New or amended Accounting Standards and Interpretations adopted

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

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

Going concern

For the half-year ended 31 December 2020, the Company has reported a net loss after income tax of \$126,262 (2019:\$3,533) and net operating cash outflows of \$7,709 (2019: 2,415). As of 31 December 2020, the company had \$62,559 cash at bank (2019: \$18,739). Subsequently, the company has raised \$1,243,000, net of transaction costs via the allotment of 12,430,000 ordinary shares on 1 April 2021.

The Directors regularly monitor the company's cash position on an ongoing basis. The company has the capacity, if necessary, to defer discretionary expenditure in the current cash flow forecast period or take steps to moderate the cash outflows of the business as needed to ensure that the company maintains expenditure in line with the level of funding available.

Share based payments

Equity-settled share-based payment transactions with contractors (non-employees) is measured reliably at their fair value of the goods or services provided (direct measurement), with the share-based payment exchanged for the goods or services measured at an equal amount.

Equity settled share-based payments with employees are measured at fair value at the date of grant. Fair value for shares and options is measured by use of the Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate.

The Black-Scholes option pricing model also takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-market vesting conditions.

Critical estimates and assumptions:

The value attributed to share options issued is an estimate calculated using an appropriate mathematical formula based on an option pricing model. The choice of models and the resultant option value require assumptions to be made in relation to the likelihood and timing of the conversion of the options to shares and the value of volatility of the price of the underlying shares.

Note 2. Operating segments

The company's only operation is exploration of minerals in New South Wales, Australia.

The company's operations from a single business segment, performing exploration activities in one geographical area, being New South Wales, Australia.

Note 3. Non-current assets - Exploration and evaluation assets

	Cobar Project \$	Rockley Project \$	Bauloora Project \$	Fontenoy Project \$	Harden Project \$	Total \$
At 1 July 2020						
Cost	30,070	2,844	-	-	17,120	50,034
6 months ended 31 December 2020						
Opening net book amount	30,070	2,844	-	-	17,120	50,034
Additions	2,190	-	8,573	6,735	9,680	27,178
Closing net book amount	32,261	2,844	8,573	6,735	26,800	77,213

	Dec 2020 \$	June 2020 \$
Note 4. Non-current assets – Tenement deposit		
Cobar project	10,000	10,000
Rockley project	10,000	10,000
Harden project	10,000	10,000
Bauloora project	10,000	-
Fontenoy project	10,000	-
	<u>50,000</u>	<u>30,000</u>

Note 5. Current assets – Trade and other receivables

Other receivables	11,283	11,210
	<u>11,283</u>	<u>11,210</u>

Note 6. Current liabilities – Trade and other payables

Trade payables	23,602	-
Other payables ⁽¹⁾	20,000	-
	<u>43,602</u>	<u>-</u>

(1) The \$20,000 is an early payment of the share allotment on 01/04/2021.

Note 7. Equity - issued capital

	December 2020 Shares	June 2020 Shares	December 2020 \$	June 2020 \$
Ordinary shares - fully paid	<u>27,110,002</u>	<u>27,110,002</u>	<u>210,502</u>	<u>210,502</u>

Legacy Minerals Pty Limited
Notes to the financial statements
31 December 2020

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	31 December 2019	25,210,002		\$115,502
Issue of shares	28 May 2020	<u>1,900,000</u>	\$0.05	<u>\$95,000</u>
Balance	30 June 2020	27,110,002		210,502
Balance	31 December 2020	<u>27,110,002</u>		<u>210,502</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.

Note 8. Share based payment

During the period, share options have been issued to both the directors and consultants under their remuneration offer and share options offer letter respectively.

The company recognised \$97,237 of share based payment expense in the statement of profit of loss disclosed in corporate advisory of \$64,800 (GST exclusive), professional fees of \$8,370 (GST exclusive) and share based payments-employee of \$24,067.

In lieu of cash payments, 1,770,000 options have been issued to the company's consultants at a price of \$0.045 per option for the corporate advisor service provided to the company. The value is measured at the fair value of the services provided by referring to the monthly service invoices.

For the options issued to the employees, the Black-Scholes option pricing model used to value the price of option taking into the consideration of the following key inputs.

Grant date	Expiry date	Exercise price (\$)	No. of options	Share price at grant date (\$)	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date per option (\$)
01/07/2020	30/06/2025	0.005	186,000	0.050	50%	0.00%	0.25%	0.0452
01/11/2020	01/11/2025	0.005	346,800	0.050	50%	0.00%	0.25%	0.0452

Note 9. Events after the reporting period

Since 31 December 2020, the entity issued a further 12,430,000 shares on 1 April 2021 at an issue price of \$0.10 per share for a total capital raise of \$1,243,000, net of transaction costs. The entity is also in the process of an IPO to raise further funds to continue the next phases of the exploration process.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has had no effect financially for the entity up to 30 June 2020, 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.

Legacy Minerals Pty Limited
Directors' declaration
31 December 2020

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 entity's financial position as at 31 December 2020 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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Christopher Byrne
Director

5th July 2021
Sydney

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Legacy Minerals Pty Ltd

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Legacy Minerals Pty Ltd (the Company), which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and 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 Company does not comply with the Corporations Act 2001 including:

- (i) Giving a true and fair view of the Company's financial position as at 31 December 2020 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.



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 Company's financial position as at 31 December 2020 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.

BDO Audit Pty Ltd

A small, stylized version of the BDO logo, consisting of the letters 'BDO' in a cursive, handwritten style.

A handwritten signature in cursive script that reads 'Gareth Few'.

Gareth Few
Director

Sydney, 5 July 2021