

Ballymore Resources Limited
ACN 632 893 611

Financial report for the half-year ended
31 December 2020

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Corporate Information

Directors and Company Secretary

David A-Izzeddin
Andrew Gilbert
Nicholas Jorss
Duncan Cornish (Company Secretary)

Head Office and Registered Office

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Auditors

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Brisbane QLD 4000
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Australian Company Number

632 893 611

Directors Report

The directors submit their report on Ballymore Resources Limited (**Ballymore** or the **Company**) at the end of, and during, the financial half-year ended 31 December 2020.

Directors

The following persons were directors (and secretary) of Ballymore during the financial period and up to the date of this report:

- David A-Izzeddin
- Andrew Gilbert
- Nicholas Jorss

Information on Directors

The board has a strong combination of technical, managerial, commercial and capital markets experience. Expertise and experience includes mineral exploration and development and operation of mining projects. The names and qualifications of the current directors are summarised as follows:

David A-Izzeddin

David A-Izzeddin is a geologist with over 30 years' experience in exploration, project assessment, feasibility studies, mine development and business development across a broad range of commodities including gold, base metals, iron, uranium, phosphate and bauxite. David has worked in Australia, Asia-Pacific, Europe, North and South America.

He has operated in a number of operational and management roles and played a major role in the discovery and development of a number of deposits. David also coordinated project generation activities globally for Xstrata Copper for 5 years and has been directly involved in the successful negotiation of project acquisitions and joint venture agreements within Australia and internationally. David is a co-founder and director of Konstantin Resources doo, a private Serbian gold and copper company with tenements in the prospective Timok Basin, prior to co-founding Ballymore Resources Pty Ltd in Australia.

Andrew Gilbert

Andrew Gilbert is a Mining Engineer with over 16 years' experience in engineering, operational and management roles within the mining and tunnelling industry. He has extensive experience in establishment, development, and operational control of surface and underground mine sites and has held statutory appointed positions for large workforces in Queensland and South Australia.

Andrew is a Member of the Australasian Institute of Mining and Metallurgy and holds a Queensland First Class Mine Manager Certificate of Competency.

Nicholas Jorss

Nick Jorss is the founding Managing Director of Stanmore Coal Ltd. Mr Jorss served on Stanmore's Board from its formation in June 2008 through to 26 November 2016. He has over 20 years' experience in investment banking, civil engineering, corporate finance and project management. Mr Jorss was instrumental in the success of Stanmore Coal Ltd, which currently has a market value of around A\$200m. As the founding Managing Director, Mr Jorss led Stanmore's growth from a coal exploration company to a profitable, mid-tier producer. In his prior roles in investment banking (as a director of Pacific Road Corporate Finance) he has been involved in leading advisory mandates with corporate, government and private equity clients across industry sectors ranging from resources to infrastructure.

Prior to this Mr Jorss was an engineer with Baulderstone Hornibrook where he delivered significant infrastructure and resource projects over a period of approximately eight years. Mr Jorss is a founding shareholder and director of Konstantin Resources. He was previously a director of Kurilpa Uranium, Vantage Private Equity Growth, Vantage Asset Management and WICET Holdings Pty Ltd. Mr Jorss

Director's Report (continued)

holds a Bachelor with Honours in Civil Engineering from the University of Queensland, a Master of Business Administration from the University of NSW (AGSM) and a Graduate Diploma of Applied Finance and Investment. Mr Jorss is currently Executive Chairman of Bowen Coking Coal Ltd.

Company Secretary

Duncan Cornish is a Chartered Accountant with significant experience as public company CFO and Secretary, focused on junior resource companies, as well as financial, administration and governance.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of Ballymore in the financial period other than those referred to elsewhere in this report.

Dividends Paid or Recommended

There were no dividends paid or recommended during the financial year.

Principal Activities

The principal activity of the Company during the period was gold and base metal exploration.

Since the incorporation of Ballymore Resources Pty Ltd on 12 April 2019, the Company has been compiling and exploring a portfolio of gold and base metal projects in Queensland.

Review of Operations

Exploration

The key exploration activities undertaken during the period are set out below:

- Ballymore completed its inaugural drilling program on the Lamington and Dittmer mine areas in November 2020.
- Bonanza grade silver drilling intersection obtained at Dittmer project – 2m at 5,395 g/t Ag & 2.08% Cu.
- Lamington exploration highlights include 2.0m at 6.27g/t Au (including 0.5m at 23.7g/t Au) in drill core and channel samples up to 58.8g/t Au.
- Drilling conditions did prove challenging at Dittmer and drill production was slower than anticipated resulting in the program being halted in November prior to completion of all planned holes due to the onset of the wet season. More work is planned to understand the variable nature of the ore body before we achieve our aim of reopening the mines.
- Substantial work was carried out to re-access the Lamington and Dittmer old workings in order to complete further channel sampling and lower cost drilling from underground with the aim of identifying a mineable ore body.
- Extensive field work carried out at Ravenswood project with high-grade rock chip samples at Pinnacle Creek of up to 304 g/t Au & 110 g/t Ag.
- Large Porphyry style copper target identified around Ruddygore historic workings after major soil sampling program (873 samples) defined a previously unrecognised 2.8km x 1.9km multi-element anomaly - IP Survey is planned to confirm initial drill targets.
- High grade copper rock chips collected from Ruddygore project including one with 32.5% Cu & 471 g/t Ag and high-grade silver-lead-zinc rock chips collected from Torpy's Crooked Creek up to 13.45% Pb, 14.45% Zn and 157g/t Ag.

Corporate

On 20 June 2020 the Company entered into a Mining Asset Sale Agreement to acquire EPM14255, ML10340 and ML10341. The total cash consideration was \$490,000 payable upon achievement of certain conditions, with \$290,000 payable upon the successful transfer of the title and ownership of the licences to Ballymore, and the balance of \$200,000 payable six months after the successful transfer of the title and ownership of the licences to Ballymore. The \$290,000 was paid in December 2020, with the balance of \$200,000 payable in June 2021.

Director's Report (continued)

On 31 August 2020, 11,609,147 shares were issued at \$0.30 per share following a private placement, raising \$3,482,744.

On 20 November 2020, the Company converted to a public company.

On 1 November 2020, 620,000 options exercisable at \$0.45 each, expiring on or before 30 June 2024, were issued to employees.

As at 31 December 2020, and the date of this report, the Company had 60,178,066 ordinary shares and 10,620,000 options on issue.

Planning is underway, targeting an Initial Public Offering and listing on the ASX following considerable success in initial exploration works.

Subsequent Events

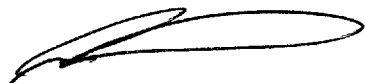
On 19 June 2020 the Company entered into a Mining Asset Sale Agreement to acquire EPM26912, forming part of the Dittmer Project. The consideration price of \$25,000 was paid in February 2021 upon the successful transfer of the title and ownership of the licence to Ballymore.

There are no other matters or circumstances that have arisen since the end of the year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is attached to this financial report.

Signed in accordance with a resolution of the board of directors.



Nick Jorss
Director

Dated: 1 April 2021
Brisbane, Queensland

Auditor's Independence Declaration



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DECLARATION OF INDEPENDENCE BY R M SWABY TO THE DIRECTORS OF BALLYMORE RESOURCES LIMITED

As lead auditor for the review of Ballymore Resources Limited 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.

A handwritten signature in black ink, appearing to read 'R M Swaby', written in a cursive style.

R M Swaby
Director

BDO Audit Pty Ltd

Brisbane, 1 April 2021

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Statement of Profit or Loss and Other Comprehensive Income for the Half-Year ended 31 December 2020

| | Note | 31 Dec 20 \$ | 31 Dec 19 \$ |
|---|------|------------------|-----------------|
| Other Income | | 313 | - |
| Corporate and administrative expenses | | (14,221) | (4) |
| Depreciation | | (9,362) | - |
| Employee benefits expenses | | (41,648) | - |
| Exploration expenses | | - | (13,453) |
| Legal expenses | | (3,751) | (22,237) |
| Share-based payments | 9 | (109,981) | - |
| Loss before income tax expense | | (178,650) | (35,694) |
| Income tax expense | | - | - |
| Loss for the period | | (178,650) | (35,694) |
| Other comprehensive income | | | |
| Other comprehensive income/(loss) for the period, net of tax | | - | - |
| Total comprehensive loss for the period | | (178,650) | (35,694) |
| Loss for the period attributable to: | | | |
| Owners of the parent company | | (178,650) | (35,694) |
| Total comprehensive income for the period attributable to: | | | |
| Owners of the parent company | | (178,650) | (35,694) |
| Loss per share attributable to owners of the parent company | | (178,650) | (35,694) |
| Basic and diluted earnings per share | | (\$0.003) | n/a |

The accompanying notes form part of these financial statements.

Statement of Financial Position as at 31 December 2020

| | Note | 31 Dec 20 | 30 Jun 20 |
|-----------------------------------|------|------------------|----------------|
| | | \$ | \$ |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | | 1,631,484 | 411,358 |
| Trade and other receivables | | 105,968 | 31,680 |
| Prepayments | | 7,453 | - |
| Total Current Assets | | 1,744,905 | 443,038 |
| NON-CURRENT ASSETS | | | |
| Exploration and evaluation assets | 2 | 2,493,959 | 361,376 |
| Plant and equipment | | 143,911 | - |
| Total Non-Current Assets | | 2,637,870 | 361,376 |
| TOTAL ASSETS | | 4,382,775 | 804,414 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 3 | 324,781 | 181,202 |
| Provisions | | 20,707 | - |
| Total Current Liabilities | | 345,488 | 181,202 |
| TOTAL LIABILITIES | | 345,488 | 181,202 |
| NET ASSETS | | 4,037,287 | 623,212 |
| EQUITY | | | |
| Issued capital | 4 | 4,213,617 | 730,873 |
| Reserves | | 315,509 | 205,528 |
| Accumulated losses | | (491,839) | (313,189) |
| TOTAL EQUITY | | 4,037,287 | 623,212 |

The accompanying notes form part of these financial statements.

Statement of Changes in Equity for the Half-Year Ended 31 December 2020

| | Note | Issued Capital | Reserves | Accumulated Losses | Total |
|---|------|----------------|----------|--------------------|-----------|
| | | \$ | \$ | \$ | \$ |
| Balance at incorporation | | 4 | - | (4) | - |
| Loss for the period | | - | - | (35,690) | (35,690) |
| Other comprehensive income for the period | | - | - | - | - |
| Total comprehensive income | | - | - | (35,690) | (35,690) |
| Issue of shares | 4 | - | - | - | - |
| Share-based payments | 9 | - | - | - | - |
| Share issue costs | | - | - | - | - |
| Balance at 31 December 2019 | | 4 | - | (35,694) | (35,690) |
| Balance at 1 July 2020 | | 730,873 | 205,528 | (313,189) | 623,212 |
| Loss for the period | | - | - | (178,650) | (178,650) |
| Other comprehensive income for the period | | - | - | - | - |
| Total comprehensive income | | - | - | (178,650) | (178,650) |
| Issue of shares | 4 | 3,482,744 | - | - | 3,482,744 |
| Share-based payments | 9 | - | 109,981 | - | 109,981 |
| Share issue costs | | - | - | - | - |
| Balance at 31 December 2020 | | 4,213,617 | 315,509 | (491,839) | 4,037,287 |

The accompanying notes form part of these financial statements.

Statement of Cash Flows for the Half-Year Ended 31 December 2020

| | 31 Dec 20 | 31 Dec 19 |
|--|--------------------|-----------|
| | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Interest receipts | 313 | - |
| Other receipts/(payments) | - | 88 |
| Payments to suppliers and employees | (52,743) | - |
| Net cash used in operating activities | (52,430) | 88 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Payments for exploration and evaluation assets | | |
| - Purchase prices paid to acquire tenements | (290,000) | - |
| - Other tenement acquisition costs | (40,650) | - |
| - Capitalised exploration expenditure | (1,726,264) | - |
| Purchase of property, plant and equipment | (153,274) | - |
| Net cash used in investing activities | (2,210,188) | - |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from issue of shares | 3,482,744 | 4 |
| Net cash provided by financing activities | 3,482,744 | 4 |
| Net increase/(decrease) in cash held | 1,220,126 | 92 |
| Cash at Beginning of Period | 411,358 | - |
| Cash at End of period | 1,631,484 | 92 |

The accompanying notes form part of these financial statements.

Notes to the Financial Statements for the Half-Year Ended 31 December 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These interim financial statements as at and for the six months ended 31 December 2020 have been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001. The financial statements are presented in Australian dollars.

The financial report was authorised for issue on 1 April 2021 by the directors of the Company.

Ballymore Resources Limited (the "Company") is a public company, incorporated and domiciled in Australia, having converted to a public company on 20 November 2020.

These half year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial statements. Accordingly, these half year financial statements are to be read in conjunction with the annual financial statements for the period ended 30 June 2020.

The same accounting policies and methods of computation have generally been followed in these half year financial statements as compared with the most recent annual financial statements. A number of new or amended standards became applicable for the current reporting period. The Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The preparation of the interim financial report required management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported assets and liabilities, income and expenses. The significant judgements made by management in applying Company accounting policies were same as those applied to the annual financial report for the period ended 30 June 2020.

Judgements and estimates which are material to the interim financial report relate to:

Share based payments

The Company uses estimates to determine the fair value of equity instruments issued to Directors, executives and employees. The estimates include volatility, risk free rates and consideration of satisfaction of performance criteria for recipients of equity instruments.

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed periodically by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Notes to the Financial Statements for the Half Year Ended 31 December 2020 (continued)

The cost of fixed assets constructed includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use.

The depreciation rate used for computers is 33% and the depreciation rate used for all other plant and equipment is 20%.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

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 settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the Company incurred a net loss of \$178,650, a net operating cash outflows of \$52,430 and net investing (mainly exploration) cash outflow of \$2,210,188 for the half year ended 31 December 2020. As at 31 December 2020 the Company had cash of \$1,631,484.

The ability of the Company to continue as a going concern is principally dependent upon the following conditions:

- the ability of the Company to successfully raise capital, as and when necessary;
- the ability to complete successful exploration and subsequent exploitation of the areas of interest; and
- the ability of the Company to sell non-core assets.

These conditions give rise to material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern.

The directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- proven ability of the Company to raise the necessary funding or settle debts via the issuance of shares as evidenced by raising over \$4.2million in the short period since incorporation; and
- proven ability of the Company's directors and management to raise funding for various exploration companies over many years.

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

NOTE 2: EXPLORATION AND EVALUATION ASSETS

| | 31 Dec 20 | 30 Jun 20 |
|---|------------------|----------------|
| | \$ | \$ |
| Exploration and evaluation expenditure carried forward in respect of the areas of interest are: | | |
| Exploration and evaluation phase - at cost | 2,493,959 | 361,376 |
| Movement in exploration and evaluation assets: | | |
| Opening balance - at cost | 361,376 | - |
| Purchase prices paid to acquire tenements ⁽¹⁾ | 490,000 | 109,567 |
| Other tenement acquisition costs | 40,650 | 43,828 |
| Capitalised exploration expenditure | 1,601,933 | 207,981 |
| Carrying amount at the end of period | 2,493,959 | 361,376 |

Recoverability of the carrying amount of exploration assets is dependent on the successful development and commercial exploitation of projects, or alternatively, through the sale of the areas of interest.

Note for the above table:

- (1) On 20 June 2020 the Company entered into a Mining Asset Sale Agreement to acquire EPM14255, ML10340 and ML10341. The total cash consideration was \$490,000 payable upon achievement of certain conditions, with \$290,000 payable upon the successful transfer of the title and ownership of the licences to Ballymore, and the balance of \$200,000 payable six months after the successful transfer of the title and ownership of the licences to Ballymore. Following the successful transfer of the title and ownership of the licences to Ballymore in December 2020, the \$290,000 was paid, with the balance of \$200,000 payable in June 2021.

NOTE 3: TRADE AND OTHER PAYABLES

| | 31 Dec 20 | 30 Jun 20 |
|-------------------------------------|----------------|----------------|
| | \$ | \$ |
| Current: | | |
| Trade payables and accrued expenses | 23,950 | 181,202 |
| Short term employee benefits | 100,831 | - |
| Other payables ⁽¹⁾ | 200,000 | - |
| Total payables (unsecured) | 324,781 | 181,202 |

The average credit period on purchases of goods and services is 30 days. No interest is paid on trade payables.

Note for the above table:

- (1) On 20 June 2020 the Company entered into a Mining Asset Sale Agreement to acquire EPM14255, ML10340 and ML10341. The total cash consideration was \$490,000 payable upon achievement of certain conditions, with \$290,000 payable upon the successful transfer of the title and ownership of the licences to Ballymore, and the balance of \$200,000 payable six months after the successful transfer of the title and ownership of the licences to Ballymore. Following the successful transfer of the title and ownership of the licences to Ballymore in December 2020, the \$290,000 was paid, with the balance of \$200,000 payable in June 2021.

NOTE 4: ISSUED CAPITAL

| | 31 Dec 20 | 30 Jun 20 |
|---------------------------------------|------------------|----------------|
| | \$ | \$ |
| (a) Issued and paid-up capital | | |
| Ordinary shares fully paid | 4,213,617 | 730,873 |
| Share issue costs | - | - |
| | <u>4,213,617</u> | <u>730,873</u> |

(A) Fully Paid Ordinary Shares

| | | 31 Dec 20 | | 30 Jun 20 | |
|--|-----|-------------------|--------------------|-------------------|------------------|
| | | No. of Shares | \$ | No. of Shares | \$ |
| Balance at the beginning of the period | (a) | 48,568,919 | \$730,873 | 4 | \$4.00 |
| Share issues: | | | | | |
| March 2020 | (b) | - | - | 36,068,915 | \$230,869 |
| May 2020 | (c) | - | - | 12,500,000 | \$500,000 |
| August 2020 | (d) | 11,609,147 | \$3,482,744 | - | - |
| Balance as at end of period | | 60,178,066 | \$4,213,617 | 48,568,919 | \$730,873 |
| Total transaction costs associated with share issues | | | - | | - |
| Net issued capital | | | <u>\$4,213,617</u> | | <u>\$730,873</u> |

Ordinary shareholders are entitled to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amount paid on the shares held. Every ordinary shareholder present at a meeting in person or by proxy is entitled to one vote on a show of hands or by poll. Ordinary shares have no par value.

Notes for the above table are:

- (a) Issued at \$1 for 1 share for the incorporation of the Company on 12 April 2019.
- (b) In March 2020, 12,981,995 shares were issues to the founding shareholders of the Company (for no consideration) and a further 23,086,920 shares were issued at \$0.01 each, raising \$230,869.
- (c) In May 2020, 12,500,000 shares were issued at \$0.04 each, raising \$500,000.
- (d) In August 2020, 11,609,147 shares were issued at \$0.30 each, raising \$3,482,744.

NOTE 4: ISSUED CAPITAL (continued)

(B) Options

| | Weighted average exercise price | 31 Dec 20 No. Options | Weighted average exercise price | 30 Jun 20 No. Options |
|--|---------------------------------|------------------------|---------------------------------|---------------------------|
| Share Options | \$0.309 | 10,620,000 | \$0.06 | 10,000,000 |
| Balance at the beginning of the reporting period | \$0.30 | 10,000,000 | - | - |
| Options issued during the period: | | | | |
| Issued to directors and consultants | \$0.45 | 620,000 ⁽¹⁾ | \$0.06 | 10,000,000 ⁽²⁾ |
| Exercisable at end of period | \$0.309 | 10,620,000 | \$0.06 | 10,000,000 |

Notes for the above table are:

- (1) Refer Note 9.
- (2) The 10,000 000 options issued to directors and consultants in the period ended 30 June 2020 had an issue price on the date of grant of the higher of \$0.06 and the price of the next equity capital raising. As at 30 June 2020 there had been no further capital raising since the issue of these options. During the half year ended 31 December 2020, the Company undertook a private placement at a price of \$0.30 per share thus fixing the exercise price of these options at \$0.30.

(C) Capital Management

Exploration companies such as Ballymore Resources Limited are funded almost exclusively by share capital. Management controls the capital of the Company to ensure it can fund its operations and continue as a going concern. Capital management policy is to fund its exploration activities principally by way of equity, and where required, debt and/or project finance. No dividend will be paid while the Company is in exploration stage. There are no externally imposed capital requirements.

There have been no other changes to the capital management policies during the year.

NOTE 5: COMMITMENTS

(A) Exploration Commitments

The Company has certain obligations to expend minimum amounts on exploration in tenement areas (plus associated tenement rentals). These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the Company.

The following commitments exist at balance date but have not been brought to account. If the relevant option to acquire a mineral tenement is relinquished the expenditure commitment also ceases. The Company has the option to negotiate new terms or relinquish the tenements and also to meet expenditure requirements by joint venture or farm-in arrangements.

| | 31 Dec 20 | 30 Jun 20 |
|--|------------------|------------------|
| | \$ | \$ |
| Not later than 1 year | 541,811 | 426,936 |
| Later than 1 year but not later than 5 years | 2,802,554 | 2,495,518 |
| Later than 5 years | - | 305,554 |
| Total commitment | 3,344,365 | 3,228,008 |

NOTE 5: COMMITMENTS (continued)

In May 2020 the Company entered into a Farm-In and Option Agreement for the Ravenswood Project, comprising EPMs 18424, 18426, 18637, 25466 and 25467. The agreement required \$200,000 to be spend on the project by October 2020 (successfully achieved) and a further \$300,000 to be spent by October 2021 (in progress) to earn 51% (Initial Interest). Once the Initial Interest is earned, Ballymore has the option to acquire the remaining 49% for \$5.0m (by 31 October 2024). There are also standard sole funding or joint venture contribution clauses. None of these amounts are included in the table above.

NOTE 6: CONTINGENT LIABILITIES

As set out in Note 5(C), the Company entered into a Mining Asset Sale Agreement to acquire EPM14255, ML10340 and ML10341. The agreement includes a royalty of 5.0% of all revenue from future mining activities. The Company has the option to acquire the royalty for \$3.75million.

There were no other contingent liabilities at the end of the reporting period.

NOTE 7: RELATED PARTY TRANSACTIONS

(A) Key Management Personnel

| | 31 Dec 20 | 31 Dec 19 |
|-------------------------------|----------------|-----------|
| | \$ | \$ |
| Short-term employee benefits | 166,667 | - |
| Post employment benefits | 15,833 | - |
| Long term employment benefits | 12,821 | - |
| | <u>195,321</u> | <u>-</u> |

NOTE 8: SUBSEQUENT EVENTS

In June 2020 the Company entered into a Mining Asset Sale Agreement to acquire EPM26912, forming part of the Dittmer Project. The consideration price of \$25,000 was paid in February 2021 upon the successful transfer of the title and ownership of the licence to Ballymore.

There are no other matters or circumstances that have arisen since the end of the year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

NOTE 9: SHARE-BASED PAYMENTS

Director and Employee Share-based Payments

Share based payment expense recognised during the period:

| | 31 Dec 20 | 31 Dec 19 |
|---|----------------|-----------|
| | \$ | \$ |
| Share based payment expense recognised during the period: | | |
| Options issued to employees | 109,981 | - |
| | <u>109,981</u> | <u>-</u> |

No shares were issued for services provided during the period.

During the period, 620,000 options were granted to employees. The options vested on grant date and expire on 30-Jun-24. The exercise price of the options is 45.0 cents.

NOTE 9: SHARE-BASED PAYMENTS (continued)

The fair value of options granted was 17.74 cents per option. The fair value at grant date was determined by an independent valuator using a Black-Scholes option pricing model that takes into account the share price at grant date, exercise price, expected volatility, option life, expected dividends, the risk free rate, the impact of dilution, and the fact that the options are not tradeable. The inputs used for the Black-Scholes option pricing model for the option granted during the half year ended 31 December 2020 were as follows:

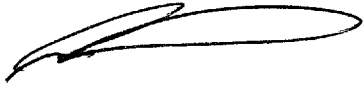
- grant date: 1 November 2020
- deemed share price at grant date: 30.0 cents
- exercise price: 45.0 cents
- expected volatility: 100%
- expected dividend yield: nil%
- risk free rates: 0.1902%

Directors' Declaration

The Directors of the Company declare that:

1. The financial statements comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes to the financial statements, are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) giving a true and fair view of the entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the board of directors.



Nick Jorss
Director

Dated: 1 April 2021
Brisbane, Queensland

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Ballymore Resources Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Ballymore Resources Limited (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.

Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

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



Richard Swaby
Director

Brisbane, 1 April 2021