

CHASE MINING CORPORATION LIMITED

**HALF-YEAR REPORT
31 DECEMBER 2021**

ABN 12 118 788 846



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HALF-YEAR REPORT - 31 DECEMBER 2021

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by Chase Mining Corporation Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Corporate directory

Directors

Leon Pretorius Executive Chairman and CEO
Julian Atkinson Non-Executive Director
Charles Thomas Non-Executive Director

Company Secretary

Suzanne Yeates

Principal Registered Office

Level 8, 46 Edward Street
Brisbane QLD 4000

Share Registry

Link Market Services Limited
Level 21, 10 Eagle Street
Brisbane QLD 4000
www.linkmarketservices.com.au

Auditor

Nexia Brisbane Audit Pty Ltd
Level 28, 10 Eagle Street
Brisbane QLD 4000
www.nexia.com.au

Banker

National Australia Bank

Stock Exchange Listing

Australian Securities Exchange Ltd ("ASX")
ASX code: CML

Website

<https://www.chasemining.com.au>

Directors' report

Your directors present their report on Chase Mining Corporation Limited (referred to hereafter as the 'consolidated entity') for the half-year ended 31 December 2021.

Directors

The following persons were directors of Chase Mining Corporation Limited during the whole of the half-year and up to the date of this report, unless otherwise stated:

Leon Pretorius
Charles Thomas
Julian Atkinson

Principal Activities

The principal activities of the Group during the half-year were:

- (a) the carrying out of mineral exploration activities on its mineral exploration tenements; and
- (b) assessing other business development and research opportunities associated with the minerals industry.

There were no significant changes in the principal activities during the half-year.

Review of Operations

The loss for the consolidated entity after providing for income tax amounted to \$2,105,468 (2020: \$335,544).

EXISTING PROJECTS

AUSTRALIA

1. Red Fox Resources (QLD) - 40% owned by CML

There was encouraging exploration progress during the second half of 2021 as outlined in CML's September and December 2021 Quarterly reports released to the ASX on 25 October 2021 and 18 January 2022 respectively.

Further information on Red Fox and its activities can be found on its website:

<http://www.redfoxresources.net.au>

2. Torrington Minerals (NSW) Topaz and Tungsten Project

There has been no reportable progress on the Torrington Project since completion of the almost 4-year UNSW collaborative research project in May 2021.

As reported to the ASX on May 2021, this work has resulted in the demonstration of proof-of-concept that Torrington topaz derived mullite-fibre reinforced composites can be processed into MMCs using different alloys suitable for different products. These applications include the

Directors' report (continued)

automotive, mining, chemical, and military industries. Following this work, a range of commercial trajectories became apparent.

The Company continues its search for an industry or funding partner to progress the research and hopefully commercialise one or more of the potential products.

QUEBEC (CANADA)

Alotta Project and Lorraine Project Areas

As reported in the December 2021 Quarterly, no immediate additional drilling is planned. The Directors and management continue to review how best to extract value for the Company from the Project areas.

NEW PROJECT AREAS ACQUIRED DURING THE PERIOD:

During the second half of 2021, the Company announced on 27 October 2021 that following protracted negotiations it had entered into two agreements (Auburn Resources and Prophet Resources) which would give the Company exposure to separate highly prospective tenements in Queensland. This followed earlier statements that the Company was in advanced stages of reviewing exploration projects with large scale potential to add value for all shareholders.

Although there are no existing mineral resources within the tenements, they have indicated potential for gold, copper, zinc, lead, silver, nickel, cobalt and bauxite mineralisation and there are several drill ready targets. This fits well with CML's existing exposure in Queensland through its 40% holding in Red Fox Resources.

Auburn Resources option and JV agreement:

The staged earn-in and joint venture agreement with unlisted junior explorer, Australian Company Auburn Resources Limited (Auburn), allows for CML to acquire up to 90% of a district-scale granted tenement holding of approximately 1,680km² located approximately 55km's west of Mundubbera in Southern Queensland. The tenement holding consists of 13 granted EPMS, known as the Hawkwood Project.

The Hawkwood Project has unproven geological potential for magmatic Ni-Cu-Co-PGE sulphide mineralisation associated with mafic and ultramafic intrusive complexes. There is also geological potential for porphyry Cu-Mo-Au mineralisation and epithermal gold occurrences, but there has been limited detailed exploration undertaken at the Hawkwood Project to date and there are no known mineral resources.

Under the Auburn Resources option and JV agreement terms, the initial \$500,000 funding from CML would be used for the following activities:

1. Preferably conduct ground EM over anomalies generated by a previously completed aerial VTEM survey in the Mundubbera area to refine drill targets for magmatic related sulphide Ni, Cu, Co and PGE mineralisation. If this is further delayed for whatever reason the best anomalies may be drilled based on the VTEM interpretations when conditions allow.

Directors' report (continued)

2. Investigate supergene copper workings which appear to be part of a poorly outcropping 13km zone of copper gold and PGEs in another separate layered intrusive in the Mundubbera area by drilling.
3. Two other extensive copper molybdenum and gold zones are interpreted as potential (undrilled) porphyry copper occurrences. Pending additional ground exploration these too will be drilled.

No groundwork was possible in late 2021 due to excessive rain and local flooding. CML has in the interim undertaken extensive desktop studies and refined targets for drilling when conditions, suitable drilling equipment and personnel allow.

Prophet Resources option agreement to acquire 100%

At the time, Prophet held or had rights to 7 granted EPMs covering over 623km² and 2 EPM Applications. CML's immediate interest was twofold, namely Croydon North where the target is primarily for untested gold mineralisation potential under shallow cover associated with a major structural junction evidenced in regional magnetic data within a coincident embayment of a Gravity High. Approximately 24km north of the historic Croydon goldfield (~1Moz). Secondly, was the area southeast of the famous historic Mount Morgan gold-copper mine.

After the agreement was signed, CML on 1 November 2021 announced the results of a ground Sub-Audio Magnetics (SAM) SAM survey and that subject to availability of equipment and contractors, weather and access conditions, the drilling of generated anomalies were planned for November 2021.

Unfortunately, even though contractors were mobilised and onsite to carry out the planned work, the weather turned, and local flooding eventually caused the programme to be cancelled. There were some costs involved, but less that would have applied if everyone became stranded on site.

Prophet also managed to arrange contractors to be on site to carry out drilling on the Mt Morgan prospect late November. However as for Croydon this drilling could not be undertaken due to inclement weather and flooding, which ultimately forced the programme's cancellation.

All permits and approvals are in place for Prophet's Croydon and Mt Morgan drilling to occur as soon as possible.

More information on progress made from 30 June to 31 December 2021 is contained in the September and December 2021 quarterly activity reports (ASX Announcements dated 25 October 2021 and 18 January 2022) and reference to other more detailed announcements contained within them.

ADDITIONAL PROJECT OPPORTUNITIES

The Company has continued evaluating reviewing projects that will complement its existing suite of Australian projects.

Management has also been undertaking desktop studies on prospective areas that CML may lodge applications over itself.

The Board will update the market on any new developments as required under the Listing Rules.

Directors' report (continued)

Significant changes in the state of affairs

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

Subsequent events occurring after balance sheet date

No matters or circumstances have arisen since 31 December 2021 that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in future financial years.

Auditor's Independence Declaration

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 8.

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



Leon Pretorius
Executive Chairman

Brisbane
15 March 2022

Auditor's Independence Declaration under section 307C of the Corporations Act 2001

To the Board of Directors of Chase Mining Corporation Limited

As lead auditor for the review of the financial report of Chase Mining Corporation Limited and the entities it controlled at the end of the period or from time to time during the period for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

Nexia Brisbane Audit Pty Ltd

Nexia Brisbane Audit Pty Ltd



Gavin Ruddell
Director

Date: 15 March 2022

Consolidated statement of profit or loss and other Comprehensive income for the half-year ended 31 December 2021

	Notes	Half-year December 2021 \$	Half-year December 2020 \$
Revenue		2,843	51,943
Expenses			
Depreciation and amortisation expense		(2,123)	(2,597)
Employee benefits expense		(111,983)	(85,230)
Research and development expensed		(7,521)	(48,175)
Share of net profits of equity-accounted associates	6	(21,279)	(4,561)
Foreign currency (expense) / gain		24,079	(121,621)
Exploration expenditure written off		(1,830,000)	-
Administration expenses		(159,484)	(125,303)
Loss before income tax expense		(2,105,468)	(335,544)
Income tax benefit		-	-
Loss for the half-year		(2,105,468)	(335,544)
Other comprehensive income for the half-year, net of tax		(12,182)	10,151
Total comprehensive income for the half-year		(2,117,650)	(325,393)
		Cents	Cents
Earnings per share attributable to the ordinary equity holders of the Company:			
Basic earnings per share		(0.53)	(0.11)
Diluted earnings per share		(0.53)	(0.11)

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

Consolidated statement of financial position

As at 31 December 2021

	Notes	31 December 2021 \$	30 June 2021 \$
ASSETS			
Current assets			
Cash and cash equivalents		2,438,803	1,289,925
Trade and other receivables		546,293	680,206
Total current assets		2,985,096	1,970,131
Non-current assets			
Plant and equipment		19,945	22,068
Exploration and evaluation assets	4	4,220,287	5,860,930
Investments accounted for using the equity method	5	571,417	592,696
Other receivables		36,100	36,100
Total non-current assets		4,847,749	6,511,794
Total assets		7,832,845	8,481,925
LIABILITIES			
Current liabilities			
Trade and other payables		148,791	159,175
Total current liabilities		148,791	159,175
Total liabilities		148,791	159,175
Net assets		7,684,054	8,322,750
EQUITY			
Contributed equity	6	15,112,958	13,634,004
Reserves		1,385,372	1,397,554
Accumulates losses		(8,814,276)	(6,708,808)
Total equity		7,684,054	8,322,750

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity For the half-year ended 31 December 2021

	Contributed equity \$	Accumulated losses \$	Reserves			Total \$
			Share based payments reserve \$	Contingent consideration reserve \$	Foreign currency translation reserve \$	
Balance at 1 July 2020	12,866,373	(5,705,634)	1,307,589	101,712	6,716	8,576,756
Loss for the year	-	(335,544)	-	-	-	(335,544)
Other comprehensive income	-	-	-	-	10,151	10,151
Total comprehensive income	-	(335,544)	-	-	10,151	(325,393)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs	(10,086)	-	-	-	-	(10,086)
Balance at 31 December 2020	12,856,287	(6,041,178)	1,307,589	101,712	16,867	8,241,277
Balance at 1 July 2021	13,634,004	(6,708,808)	1,307,589	101,712	(11,747)	8,322,750
Loss for the year	-	(2,105,468)	-	-	-	(2,105,468)
Other comprehensive income	-	-	-	-	(12,182)	(12,182)
Total comprehensive income	-	(2,105,468)	-	-	(12,182)	(2,117,650)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs	1,478,954	-	-	-	-	1,478,954
Balance at 31 December 2021	15,112,958	(8,814,276)	1,307,589	101,712	(23,929)	7,684,054

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

Consolidated statement of cash flows

For the half-year ended 31 December 2021

	Half-year December 2021 \$	Half-year December 2020 \$
Cash flows from operating activities		
Receipts from customers (GST inclusive)	117,892	26,683
Payments to suppliers and employees (GST inclusive)	(353,691)	(310,258)
Government incentives received	66,900	50,000
Interest received	2,843	1,943
	<hr/>	<hr/>
Net cash outflow from operating activities	(166,056)	(231,632)
	<hr/>	<hr/>
Cash flows from investing activities		
Payments for exploration and evaluation	(164,401)	(725,503)
Payment for investment in associate	-	(600,000)
	<hr/>	<hr/>
Net cash outflow from investing activities	(164,401)	(1,325,503)
	<hr/>	<hr/>
Cash flows from financing activities		
Proceeds on issue of shares	1,570,000	-
Payment of capital raising costs	(91,047)	(10,086)
	<hr/>	<hr/>
Net cash inflow from financing activities	1,478,953	(10,086)
	<hr/>	<hr/>
Net increase (decrease) in cash and cash equivalents	1,148,496	(1,567,221)
	<hr/>	<hr/>
Effect of foreign currency translation	382	(10,205)
Cash and cash equivalents at the beginning of the half-year	1,289,925	2,390,056
	<hr/>	<hr/>
Cash and cash equivalents at the end of the half-year	<u>2,438,803</u>	<u>812,630</u>

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

Notes to the financial statements for the half-year ended 31 December 2021

Note 1 Corporate Information

Chase Mining Corporation Limited (the **Company**) is a company limited by shares, incorporated and domiciled in Australia. The Company's shares are listed on the Australian Securities Exchange.

The address of the registered office and principal place of business is set out in the Corporate Directory at the front of this report.

The financial statements are for the Group consisting of Chase Mining Corporation Limited and its subsidiaries (the **consolidated entity** or the **Group**).

Note 2 Summary of significant accounting policies

These general purpose interim 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.

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 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.

The half-year financial report of Chase Mining Corporation Limited for the six months ended 31 December 2021 was authorised for issue in accordance with a resolution of the directors as at the date of the directors declaration, as required by the Corporation Act 2001.

a) **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 Group achieved a net loss of \$2,105,468 and net operating cash outflows of \$166,056 for the half-year ended 31 December 2021. As at 31 December 2021 the Group had a cash balance inclusive of short term deposits of \$2,438,803.

The ability of the Group to maintain continuity of normal business activities and to pay its debts as and when they fall due is dependent on its ability to successfully raise additional capital and/or successful exploration and subsequent exploitation of areas of interest through sale or development. These circumstances give rise to the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

Notes to the financial statements for the half-year ended 31 December 2021

Note 2 Basis of Preparation of Half-Year Financial Statements (continued)

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

- there is sufficient cash available at balance date for the Group to continue operating; and
- the Group has a proven history of successfully raising funds, including the placement and Share Purchase Plan announced on 27 October 2021.

Should the Group 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 Group be unable to continue as a going concern.

b) Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The Group has considered the implications of new or amended Accounting Standards, but determined that their application to the financial statements is either not relevant or not material.

Notes to the financial statements for the half-year ended 31 December 2021

Note 3 Segment information

Segment performance

	Australia \$	Canada \$	Unallocated \$	Total \$
2021				
Other income	-	-	-	-
Interest revenue	-	-	2,843	2,843
Total group revenue	-	-	2,843	2,843
Segment net profit / (loss) from continuing operations before tax	(29,076)	(1,827,140)	(249,252)	(2,105,468)
2020				
Other income	50,000	-	-	50,000
Interest revenue	-	-	1,943	1,943
Total group revenue	50,000	-	1,943	51,943
Segment net profit / (loss) from continuing operations before tax	(52,736)	(127,402)	(155,406)	(335,544)

Segment assets

	Australia \$	Canada \$	Unallocated \$	Total \$
31 December 2021	3,847,749	1,491,928	2,493,168	7,832,845
30 June 2021	3,073,881	3,436,637	1,971,407	8,481,925

Segment liabilities

	Australia \$	Canada \$	Unallocated \$	Total \$
31 December 2021	500	-	148,291	148,791
30 June 2021	-	1,430	157,745	159,175

Geographical Segments

For the purposes of segment reporting, all segment activities relating to Topaz and Tungsten Exploration and Evaluation, and the Company's investment in Red Fox Resources Pty Ltd is carried out in Australia and all segment activities relating to Nickel-Copper Exploration and Evaluation is carried out in Canada.

Notes to the financial statements for the half-year ended 31 December 2021

Note 4 Exploration and evaluation assets

	31 December 2021	30 June 2021
	\$	\$
Exploration and evaluation assets – at cost	<u>4,220,287</u>	<u>5,860,930</u>
The capitalised exploration and evaluation assets carried forward above have been determined as follows:		
Balance at the beginning of the period	5,860,930	6,361,325
Expenditure incurred during the period	178,415	660,993
Tax incentives received	-	(544,769)
Expenditure written off during the period ¹	(1,830,000)	(613,988)
Exchange differences	<u>10,942</u>	<u>(2,631)</u>
Balance at the end of the period	<u>4,220,287</u>	<u>5,860,930</u>

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

1 During the period the Company considered a number of offers from parties interested in acquiring the Lorraine and Alotta assets in Quebec. While the Company has not made any final determination of how best to extract value from these assets, it has decided to write down the value of these assets to an amount consistent with the offers received and, as such, has expensed \$1,830,000 for the period.

Note 5 Investments accounted for using the equity method

	31 December 2021	30 June 2021
	\$	\$
Investment in Associate	<u>571,417</u>	<u>592,696</u>

During the prior year Chase Mining Corporation acquired a 40% interest in Red Fox Resources Pty Ltd (Red Fox) for a total cash consideration of \$600,000. Red Fox is an exploration Company with a Gold and Silver-Lead-Zinc focus, owning seven granted tenements.

The Company continues to not have any commitments or contingent liabilities in respect of its investment in Red Fox Resources Pty Ltd.

Notes to the financial statements for the half-year ended 31 December 2021

Note 5 Investments accounted for using the equity method (continued)

	31 December 2021 \$	30 June 2021 \$
Balance at the beginning of the period	592,696	-
Investment acquired during the period	-	600,000
Share of loss after income tax	(21,279)	(7,304)
	<u>571,417</u>	<u>592,696</u>

Red Fox exploration activities continued during the half year with the completion of a gravity survey, geophysical modelling and geochemical sampling during the half year period.

Note 6 Contributed Equity

	31 Dec 2021 Shares	30 June 2021 Shares	31 Dec 2021 \$	30 June 2021 \$
(a) Share capital				
Fully paid ordinary shares	468,132,761	370,007,761	15,112,958	13,634,004

(b) Movements in ordinary share capital

Date	Details	Note	Number of Shares	Issue Price	\$
1 July 2021	Opening balance		370,007,761	-	13,634,004
2 November 2021	Placement shares	(c)	56,250,000	\$0.016	900,000
22 November 2021	Share purchase plan	(c)	35,625,000	\$0.016	570,000
17 December 2021	Director placements	(c)	6,250,000	\$0.016	100,000
	Share issue expenses		-	-	(91,046)
31 December 2020	Closing balance		<u>468,132,761</u>		<u>15,112,958</u>

(c) Issue to sophisticated investors and Share purchase Plan

The issue of a total of 91,875,000 fully paid ordinary shares to existing shareholders and sophisticated investors at an issue price of \$0.016 cash. A further 6,250,000 fully paid ordinary shares were issued to Directors following receipt of Shareholder approval at the 2021 Annual General Meeting.

Notes to the financial statements for the half-year ended 31 December 2021

Note 6 Contributed Equity (continued)

(d) Capital Management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group includes equity attributable to equity holders, comprising of issued capital, reserves and accumulated losses. In order to maintain or adjust the capital structure, the Company may issue new shares, sell assets to reduce debt or adjust the level of activities undertaken by the company.

The Group monitors capital on the basis of cash flow requirements for operational and exploration expenditure. The Group will continue to use capital market issues to satisfy anticipated funding requirements.

The Group has no externally imposed capital requirements. The Group's strategy for capital risk management is unchanged from prior years.

Note 7 Contingent assets and liabilities

There were no contingent liabilities as at 31 December 2021.

Note 8 Commitments

(a) Exploration commitments

The Group has met all of its minimum expenditure commitments on its tenements.

(b) Other commitments

Zeus project - in the event of commercial production, the Group will pay royalty of 2.5% of net smelter returns to prospectors Fekete and Kiernicki on the Alotta Project claims and 2% net smelter returns to Aurora Platinum Corporation on the Lorraine Project claims.

Note 9 Related party transactions

Related party transactions were consistent with this reported in the previous annual financial report.

Note 10 Events subsequent to reporting date

No matters or circumstances have arisen since 31 December 2021 that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in future financial years.

Directors' Declaration

The Directors of the Company declare that:

1. The financial statements and accompanying notes as set out on pages 9 to 18, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date.
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 and is signed for and on behalf of the directors by:



Leon Pretorius

Executive Chairman

Brisbane

15 March 2022

Independent Auditor's Review Report to the Members of Chase Mining Corporation Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Chase Mining Corporation Limited (the "Company" and its subsidiaries ("the Group")), which comprises the consolidated condensed statement of financial position as at 31 December 2021, the consolidated condensed statement of comprehensive income, consolidated condensed statement of changes in equity and consolidated condensed statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group'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 Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & 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.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

The financial statements have been prepared on a going concern basis which contemplates that the Group will continue to meet its commitments and can therefore continue normal business activities and realise its assets and discharge its liabilities in the ordinary course of business.

The ability of the Group to execute its currently planned exploration, evaluation and business activities necessitates the need to periodically raise additional funds. Accordingly, when necessary, the Directors of the Company investigate various options for raising additional funds which may include, amongst other initiatives, issuing new capital, successful exploitation or a sale of areas of interest.

Nexia Brisbane Audit Pty Ltd

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Independent Auditor's Review Report to the Members of Chase Mining Corporation Limited (continued)

Material Uncertainty Related to Going Concern (continued)

As stated in Note 1, these events or conditions, along with other matters set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion 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 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.

Nexia Brisbane Audit Pty Ltd

Nexia Brisbane Audit Pty Ltd



Gavin Ruddell
Director

Date: 15 March 2022