MARQUEE RESOURCES LIMITED

Interim Financial Report
31 December 2019

CONTENTS

DIRECTORS' REPORT

Your directors submit the financial report of the Group for the half-year ended 31 December 2019. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of directors who held office during or since the end of the interim period and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated.

Charles Thomas	Managing Director appointed 30 November 2016 Executive Chairman appointed 24 Oct 2019
George Henderson	Non Executive Director appointed 21 February 2018
Daniel Moore	Non Executive Director appointed 5 September 2019
Mark Ashley	Chairman resigned 24 October 2019

Review of Operations

Clayton Valley Project (USA)

The company in conjunction with its consultant geologist has been assessing the best course of action for the Clayton Valley Project. No additional exploration was undertaken on this project during the December 2019 half year and the company is maintaining these tenements and actively searching for a JV partner or Buyer.

Werner Lake Project Canada

The 2 year anniversary period to earn a maximum 70% interest in the project just recently occurred (21 Feb 2020). The Company earned a 30% interest only by spending more than $1 million within the first year. A joint venture is currently being formed with Global Energy Metals Corp **(GEMC)** who holds the remaining 70% interest. The Board intends to participate/fund its 30% share in the joint venture program with GEMC going forward.

Redlings REE Project

In June 2019, Marquee Resources Limited agreed to acquire 100% ownership of the Redlings REE Project (E37/1311). The total area of the exploration licence 37/1311 is 39.06km^2 (13 blocks). Sellers' consideration was $10,000 in cash and the issue of 790,817 fully paid ordinary shares in the capital of MQR. The transaction was completed on 12 July 2019.

The company started and competed a phase 1 Auger sampling program at the Redlings REE Project in WA during the December 2019 half-year.

The auger soil programme follows a successful site visit by RSC Mining and Mineral Exploration ('RSC') in October. RSC completed an auger soil programme at Marquee Resources' Redlings REE Project from 11th to 17th December 2019. The target was the REE-hosting Redlings dyke, which is interpreted to extend up to 16 km in length over Marquee's tenement. Previous high-grade assay results from surficial dyke material have indicated the potential for economic mineralisation which is now being followed up by the Company.

The current programme was designed to confirm the tenor of previous results and to extend indications of REE mineralisation to the north-west, along a regional magnetic low interpreted as representing the host structure of the dyke.

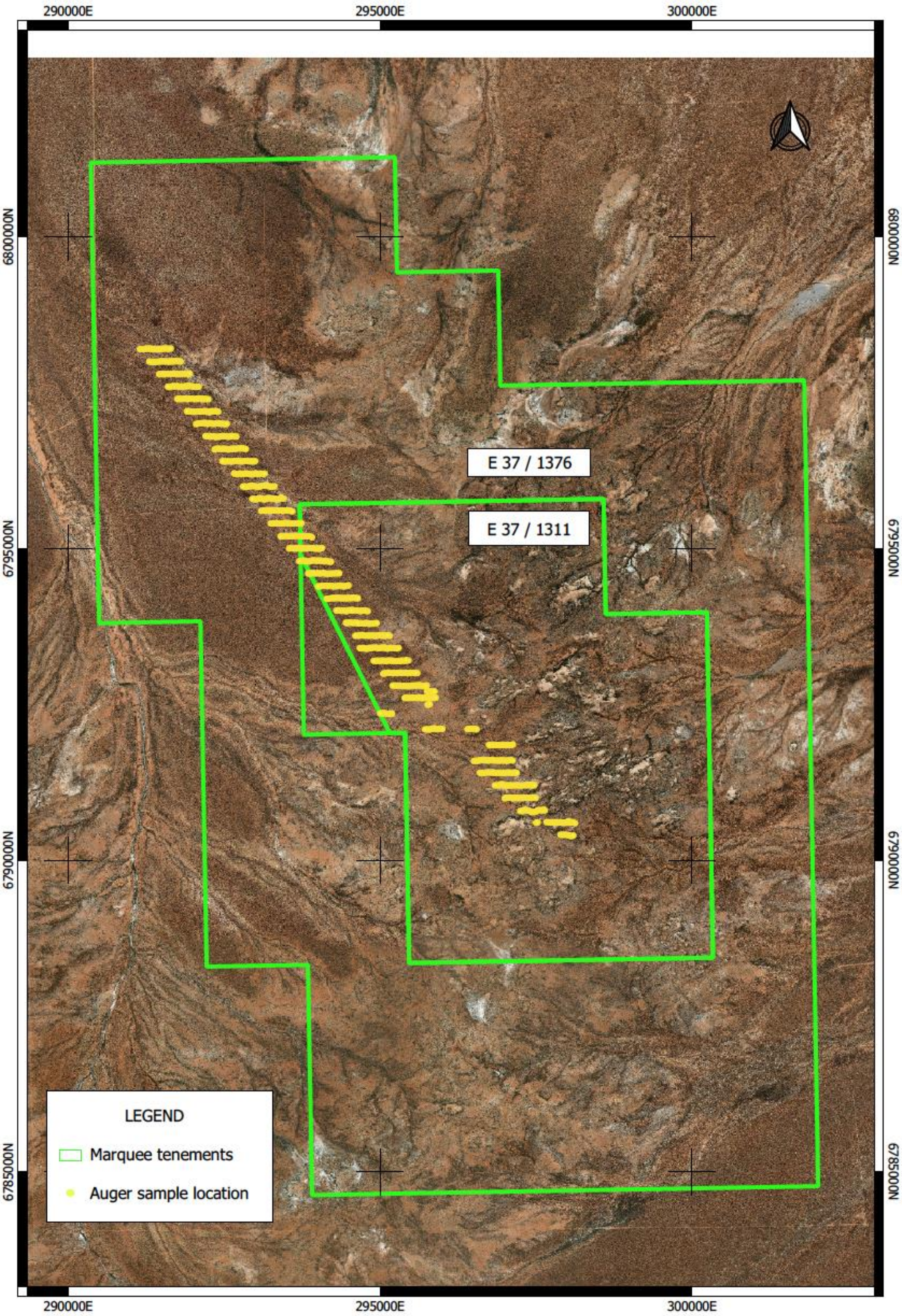
Sampling was generally at a 25m spacing on 200m spaced lines to provide acceptable indication of the target mineralisation. 757 sample locations were initially planned; however, 9 locations were abandoned due to outcropping bedrock and an additional 81 points were added to help delineate the target and confirm adequate programme coverage over soil anomalies as determined by initial pXRF measurements. A final total of 829 samples were collected from the programme (Figure 1).

To date, 526 samples have been submitted for ICP-MS laboratory analysis. Marquee is currently interpreting the draft results in conjunction with its consulting geologists (RSC) and will release the final results and report shortly. Depending upon interpretation, the next phases of work on the project will possibly include a further auger programme, seeking to infill strongly anomalous areas that are likely to become drilling targets and/or further extend the known mineralisation at surface. The company will update the market with its exploration plans for the Redlings REE Project once the assays from the Phase 1 auger programme have been received and analysed in conjunction with RSC.

DIRECTORS' REPORT

Review of Operations cont.

Figure 1: Phase 1 Auger sample locations.



DIRECTORS' REPORT

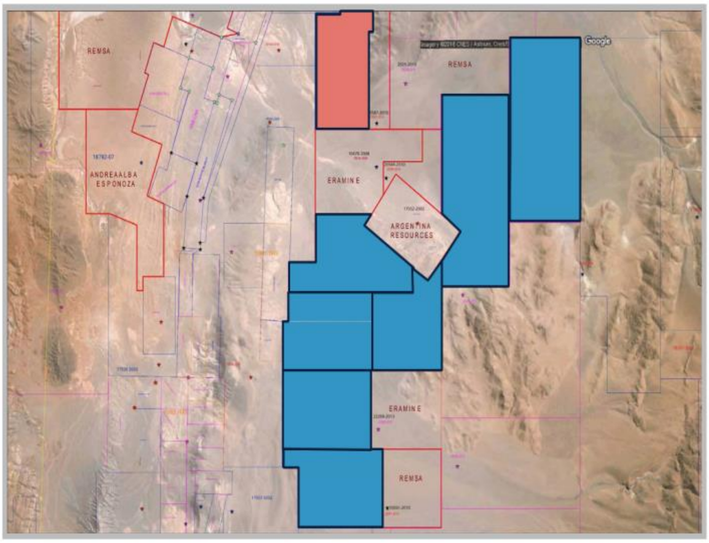
Review of Operations cont.

Centenario Lithium Project

Marquee holds a 30% interest in a Lithium exploration project in the Centenario-Ratones, an area of the Andes in the north-west of Argentina. (ASX:LPI hold 70%). The "salar" (salt plain) has attracted global interest and exploration since 2010. The salar is within South America's "The Lithium Triangle" and located approximately 165km west of the City of Salta which is the capital of the mining friendly Salta Province. The tenements cover and area of ~68km2 of lithium brine salar across seven adjoining properties. The basin surrounded by mountains and according to Independent Geologist Reports (IGA) is a closed drainage system.

The IGA's and geophysical survey undertaken in late 2018 indicate an extensive brine body throughout the tenements. The most recent IGA was written by independent consultant and hydrogeologist Murray Brooker who was the JORC Competent Person to Orocobre on their Olaroz lithium brine project.

Discussions are well advanced into a transaction to advance the project. It is expected that an announcement can be made within Q2 2020 upon mutual approval being granted by the respective Boards involved in the transaction.



Corporate Opportunities

The Company continues to review a vast amount of mineral acquisition opportunities with the objective of acquiring mature exploration assets with the potential to deliver long-term shareholder returns. The board believes the company is uniquely positioned to capitalise on some of the opportunity's that currently exist in the sector.

DIRECTORS' REPORT

Review of Operations cont.

Corporate

The Company held its Annual General Meeting on the 30th October 2019. All resolutions were passed on a show of hands.

Events subsequent to reporting date

No other matters or circumstances have occurred subsequent to reporting date that would have a material impact on the consolidated financial statements.

Financial Position

The cash balance at the end of the half-year was $1,200,820 (30 June 2019: $782,086).

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, BDO Audit (WA) Pty Ltd, to provide the directors of the company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 6 and forms part of this directors' report for the half-year ended 31 December 2019.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.

Charles Thomas

Charles Thomas
Executive Chairman
13 March 2020

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF MARQUEE RESOURCES LIMITED

As lead auditor for the review of Marquee Resources Limited for the half-year ended 31 December 2019, 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.

This declaration is in respect of Marquee Resources Limited and the entities it controlled during the period.

Dean Just

Director

BDO Audit (WA) Pty Ltd

Perth, 13 March 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Notes	31 December 2019 $	31 December 2018 $
Continuing operations			
Interest income		1,541	4,495
Administrative expenses		(248,472)	(312,500)
Staff expenses		(206,971)	(201,245)
Share based payment	4	-	(60,500)
Impairment Exploration	3	(789,800)	(115,300)
Finance cost lease		(2,862)	
Depreciation and amortisation expense		(18,489)	(2,748)
Loss before income tax		**(1,265,053)**	**(687,798)**
Income tax expense		-	-
Net loss for the period		**(1,265,053)**	**(687,798)**
Other comprehensive income, net of income tax			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		10,359	21,234
Other comprehensive loss for the period, net of income tax		10,359	21,234
Total Comprehensive loss attributable to owners of the parent		(1,254,694)	(666,563)
Basic and diluted loss per share (cents per share)		(2.22)	(1.61)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Notes	31 December 2019 $	30 June 2019 $
Assets			
Current assets			
Cash and cash equivalents		1,200,820	782,086
Trade and other receivables		40,422	27,133
Prepayments		9,358	28,341
Total current assets		1,250,600	837,560
Non-current assets			
Property, plant and equipment		14,765	16,916
Right-of-use asset	1	40,846	-
Deferred exploration and evaluation expenditure	3	3,844,179	4,381,721
Investment in associate	6	1,081,411	-
Deposits		-	35,000
Total non-current assets		4,981,201	4,433,637
Total assets		6,231,801	5,271,197
Liabilities			
Current liabilities			
Trade and other payables		203,032	89,961
Lease liability		33,134	-
Accruals		14,500	36,500
Total current liabilities		250,666	126,461
Non-Current Liabilities			
Lease liability		8,913	-
Total non-current liabilities		8,913	-
Total Liabilities		259,579	126,461
Net assets		5,972,222	5,144,736
Equity			
Issued capital	4	12,438,405	10,356,226
Reserves	5	4,137,051	4,126,692
Accumulated losses		(10,603,234)	(9,338,181)
Total Equity		5,972,222	5,144,736

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Note	Issued capital	Option reserve	Share-based payment reserve	Foreign currency translation reserve	Accumulated losses	Total Equity
		$	$	$	$	$	$
Balance at 1 July 2018		10,295,726	1,471,000	2,548,000	2,863	(5,259,755)	9,057,834
Loss for the period		-	-	-	-	(687,798)	(687,798)
Exchange differences arising on translation of foreign operations		-	-	-	21,234	-	21,234
Total comprehensive loss for the period		-	-	-	21,234	(687,798)	(666,563)
Issue of Options		60,500	-	-	-	-	60,500
Balance at 31 December 2018		10,356,226	1,471,000	2,548,000	24,097	(5,947,553)	8,451,770
Balance at 1 July 2019		10,356,226	1,471,000	2,548,000	107,692	(9,338,181)	5,144,736
Loss for the period		-	-	-	-	(1,265,053)	(1,265,053)
Exchange differences arising on translation of foreign operations		-	-	-	10,359	-	10,359
Total comprehensive loss for the period		-	-	-	10,359	(1,265,053)	(1,254,694)
Issue of Shares		2,147,875	-	-	-	-	2,147,875
Share issue costs		(65,696)	-	-	-	-	(65,696)
Balance at 31 December 2019		12,438,405	1,471,000	2,548,000	118,051	(10,603,234)	5,972,222

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	31 December 2019 $	31 December 2018 $
Cash flows from operating activities		
Payments to suppliers and employees	(439,397)	(638,895)
Interest received	1,541	4,495
Net cash outflow from operating activities	(437,856)	(634,400)
Cash flows from investing activities		
Payments for exploration and evaluation expenditure	(59,714)	(1,406,442)
Payment for plant and equipment	-	(1,674)
Net cash outflow from investing activities	(59,714)	(1,408,116)
Cash flows from financing activities		
Proceeds from issue of equity securities	1,000,000	-
Payment for share issue costs	(65,696)	-
Repayment of lease	(18,000)	-
Net cash inflow from financing activities	916,304	-
Net increase/ (decrease) in cash held	418,734	(2,042,516)
Cash and cash equivalents at the beginning of the period	782,086	3,273,437
Cash and cash equivalents at the end of the period	1,200,820	1,230,921

The accompanying notes form part of these financial statements

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation
The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

The interim report is a General Purpose Financial Report prepared in accordance with *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*.
For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

Accounting policies and methods of computation
The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half-year with the exception of Investment in Associate Policy.

Associates

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment. After application of the equity method, the company determines whether it is necessary to recognise any additional impairment loss with respect to the company's net investment in the associate.

The company's share of the associate post-acquisition profits or losses is recognised in the statement of profit or loss and other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Adoption of new and amended Accounting Standards

For the half-year ended 31 December 2019 the Group has reviewed all of the new and revised Standards and interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2019. The Group has applied for the first time AASB 16 Leases, the impact of which is described below. The group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

AASB 16 *Leases*

The Group leases office space for its corporate office.

Impact of Adoption

AASB 16 provides a model for the dentification and treatment of lease arrangements in the financial statements. AASB 16 superseded the lease guidance *AASB 117 Leases* and the related Interpretations, when it became effective for the Group for the accounting period beginning 1 July 2019.

The group has chosen the modified retrospective application of AASB 16. Consequently the group has not restated the comparative information.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES cont.

Impact of new definition of a lease.

The Group has made use of the practical expedient available on transition to AASB 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with AASB 117 and Interpretation will continue to apply to those leases entered or modified before 1 July 2019.

The change in definition of a lease mainly relates to the concept of control. AASB 16 distinguishes between leases and service contracts on the basis of whether the use of an identified asset is controlled by the customer. Control is considered to exist if the customer has:

- The right to obtain substantially all of the economic benefits from the use of an identified asset: and
- The right to direct the use of that asset.

The Group has applied the definition of a lease and related guidance set out in AASB 16 to all lease contracts entered into or modified on or after 1 July 2019. The directors have determined that the new definition in AASB 16 will not change significantly the scope of contracts that meet the definition of a lease for the Group.

Operating leases

AASB 16 has changed how the Group accounts for leases previously classified as operating leases under AASB 117, which were off- balance sheet.

On initial application of AASB 16 for all leases the group has:

a) Recognised Right-of-Use assets (“ROU Assets”) and lease liabilities in the consolidated statement of financial position, initially measured at the present value of future lease payments:

b) Recognised depreciation of ROU Assets and interest on lease liabilities in the consolidated statement of profit or loss; and

c) Separated the total amount of cash paid into a principal; portion (presented within financing activities) and interest (presented within operating activities) in the consolidated cash flow statement.

Under AASB 16 ROU Assets will be tested for impairment in accordance with AASB 136 Impairment of Assets. This replaces the previous requirement to recognise a provision for onerous lease contracts.

For short term leases (lease term of 12 months or less) and leases of low value assets, the Group opted to recognise a lease expense on a straight line basis as permitted by AASB 16.

The Group has recognised ROU Assets with a net book value of $57,186 and a corresponding lease liability of $57,186 as 1 July 2019. After accounting for depreciation and lease principal payments during the half year the balances as at 31 December 2019 were ROU Assets with a net book value of $40,846 and lease liabilities of $42,047.

The impact on the consolidated statement of profit or loss (increase/decrease) for the period is:

Expense

Expense	$	Notes
Tenancy and operating	18,000	Rent expense on previously recognised operating lease
Depreciation expense	(16,339)	Depreciation of lease asset recognised under AASB16
Finance costs	(2,862)	Interest on lease recognised under AASB 16
Net impact on loss for the period	(1,201)	

Under AASB 117, the lease payments from operating leases were included in cash flows from operating activities. Under AASB 16 lease repayments are included in cash flows from financing activities. The impact on cash flows for the period from adopting AASB 16 is to reduce cash flows from operating activities by $18,000 and to increase cash flows from financing activities by $18,000.

There is no impact on other comprehensive income and EPS.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES cont.

Determination of the appropriate rate to discount the lease payments

The Group estimated the incremental borrowing rate applicable to its lease as the rate of interest that a lessee would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of a similar value to the ROU Asset. The estimate was based on a risk adjusted rate and considered the materiality of the impacts of applying a range of interest rates. The incremental borrow rate applied is 12.5%

The following is a reconciliation of total operating lease commitments at 30 June 2019 to the lease liabilities recognised at 1 July 2019:

	$
Operating lease commitments at 30 June 2019	63,000
Less: discount applied using incremental borrowing rate	(5,814)
Lease liability recognised 1 July 2019	57,186
Right-of-Use asset (value determined solely with reference to the lease liability value)	57,186

The recognised ROU Asset relates to office premises.

Summary of new accounting policies

Right-of-use Assets

The group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any reimbursement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease Liabilities

At the commencement date of the lease, the group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercise by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Significant accounting judgments and key estimates

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this interim report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2019.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES cont.

Statement of compliance

The interim financial statements were authorised for issue on 13 March 2020.

The interim financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

Going Concern

The historical financial information has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

For the six-month period ended 31 December 2019 the Group made a loss of $1,265,053 and had cash outflows from operating activities of $437,856. In the short term, the ability of the Group to continue as a going concern is dependent on securing additional funding. These conditions indicate a material uncertainty that may cast a significant doubt about the consolidated entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors believe there are sufficient funds to meet the Group's working capital requirements and as at the date of this report. The financial report has been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The Group currently has sufficient cash resources to fund its requirements currently based on the belief that additional funds can be raised to finance the group's activities.

- The Directors expect the Group to be successful in securing additional funds through debt or equity issues, when and if required.

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

NOTE 2: OPERATING SEGMENTS

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to the segment and to assess its performance.

The Group's operating segments have been determined with reference to the monthly management accounts used by the Chief Operating Decision maker to make decisions regarding the Group's operations and allocation of working capital. Due the size and nature of the Group, the Board as a whole has been determined as the Chief Operating Decision Maker.

Information reported to the Group's Board of Directors for the purposes of resource allocation and assessment of performance is more specifically focused on the exploration and development of mineral resource projects. The Group's reportable segments under AASB 8 are therefore as follows:

- Exploration and evaluation – Nevada
- Exploration and evaluation – Canada
- Exploration and evaluation – Centenario
- Exploration and evaluation - Redlings
- Other sector

Exploration and evaluation – Nevada refers to the Clayton Valley Project Exploration licenses (EL's) held in Nevada USA. The Group holds a 100% interest in these licences through Sovereign Gold Nevada Inc, a wholly owned subsidiary of Marquee Resources Limited.

Exploration and evaluation – Canada refers to the 30% interest in the Werner Lake project in Canada.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

NOTE 2: OPERATING SEGMENTS cont.

Exploration and evaluation – Centenario refers to the 30% interest via its 100% subsidiary Centenario Lithium Ltd in a Lithium exploration project in the Centenario-Ratones, an area of the Andes in the north-west of Argentina.

Exploration and evaluation – Redlings refers to acquisition of E37/1311 a Rare Earth Project in Western Australia.

The other sector relates to head office operations, including cash management. Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies.

Segment information

The following table presents revenue and profit information and certain asset and liability information regarding business segments for the period ended 31 December 2018, 30 June 2019 and 31 December 2019.

	E & E Canada	E&E Nevada USA	E&E Centenario	E & E Redlings	Other	Consolidated
SEGMENT REPORTING						
Half Year ended 31 December 2019						
Segment Revenue	-	-	-	-	1,541	1,541
Segment net operating loss before tax	792,949		-	-	472,104	1,265,053
Half Year ended 31 December 2018						
Segment Revenue	-	-	-	-	4,495	4,495
Segment net operating loss before tax	126,934	-	-	-	560,864	687,798
Segment assets						
At 31 December 2019	2,768,450	986,934	1,081,411	212,530	1,182,476	6,231,801
At 30 June 2019	3,551,943	984,452			734,802	5,271,197
Segment liabilities						
At 31 December 2019	-	-	-	-	259,579	259,579
At 30 June 2019	20,885	-	-	-	105,576	126,461

Segment results earned by each segment are without allocation of central administration costs and directors' salaries, share of profits from associates, investment revenue and finance costs, income tax expense, gains or losses of associates and discontinued operations. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

NOTE 3: EXPLORATION AND EVALUATION EXPENDITURE

	Six months to 31 December 2019 $	Year to 30 June 2019 $
Costs carried forward in respect of areas of interest in the following phases:		
Exploration and evaluation phase – at cost		
Balance at beginning of period	4,381,721	5,966,453
Asset acquired (i)	100,000	-
Expenditure incurred	152,258	1,409,321
Impaired exploration expenditure (ii)	(789,800)	(3,017,606)
Foreign Exchange	-	23,553
Total exploration and evaluation expenditure	3,844,179	4,381,721

(i) Redlings acquisition $10,000 cash plus the issue 790,818 MQR shares (deemed issue price 11.38 cents per share)

(ii)The Board undertook a review of all Exploration and Evaluation assets and agreed that the value of Werner Lake project should be impaired by $789,800 to reflect the general decrease in Cobalt prices globally and reflect the final 30% interest in Werner Lake (maximum level 70% not achieved).

The exploration assets satisfy AASB 6 and remain as exploration assets in the statement of financial position. The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent upon the successful development and commercial exploitation or sale of the respective areas.

NOTE 4: ISSUED CAPITAL

	31 December 2019 $	30 June 2019 $
Ordinary shares		
Issued and fully paid	12,438,405	10,356,226

	Six months to 31 December 2019		Year to 30 June 2019	
	Number	$	Number	$
Movements in ordinary shares				
Balance at beginning of period	42,744,284	10,356,226	42,571,428	10,295,726
Placement	10,000,000	1,000,000	-	-
Acquisition share Redlings Project (i)	790,818	90,000		
Centenario acquisition (ii)	10,075,000	1,057,875		
Consultant share based payments			172,856	60,500
Equity Issue Costs	-	(65,696)	-	-
Balance at end of period	63,610,102	12,438,405	42,744,284	10,356,226

(i) Issue of 790,818 MQR shares at a deemed issue price of $0.1138 cents per share for acquisition of Redlings Project.
(ii) Issue of 10,075,000 MQR shares as consideration for the acquisition of Centenario Lithium Ltd at a deemed issue price of $0.105

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

NOTE 5: RESERVES

Movements in reserves were as follows:

Consolidated	Option reserve	Equity based payment reserve	Foreign currency translation reserve	Total
31 December 2019	$	$	$	$
Balance at beginning of period	1,471,000	2,548,000	107,692	4,126,692
Equity based payment (shares)	-	-	-	-
Currency translation differences	-	-	10,359	10,359
Balance at end of year	1,471,000	2,548,000	118,051	4,137,051

Consolidated	Option reserve	Share based payment reserve	Foreign currency translation reserve	Total
31 December 2018	$	$	$	$
Balance at beginning of period	1,471,000	2,548,000	2,864	4,021,864
Equity based payment (shares)	-	-	-	-
Currency translation differences	-	-	21,234	21,234
Balance at end of year	1,471,000	2,548,000	24,097	4,043,097

NOTE 6: ASSET ACQUISITION

On the 5th September 2019, Marquee Resources Ltd acquired 100% of the issued shares of Centenario Lithium Ltd ,with the only key asset being its retained 30% interest in a Lithium exploration project in the Centenario-Ratones, an area of the Andes in the north-west of Argentina. (ASX:LPI hold 70%) with no infrastructure or personnel. This is via Centenario's 30% interest in Lithium Power International Holdings (Argentina) Pty Ltd the holder of the 7 leases. As the acquisition of Centenario Lithium Ltd is not deemed a business acquisition, the transaction must be accounted for as a share based payment for the net assets acquired.

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset.

The consideration payable was $25,000 cash option fee plus 10,075,000 MQR shares at an issue price of $0.105. In addition, deferred consideration shares in the form of Class A and Class B Performance Rights (as detailed below) were granted and are subject to certain performance milestones to be met before 4 September 2021.

The performance rights will have the following milestones and vesting conditions attached to them:
Class A Performance Rights will vest and convert to a Share upon the delineation of JORC-compliant Resource of 250,000 tonnes of lithium carbonate equivalent with a minimum grade of 200mg/l lithium across the Centenario Project within 2 years of completion having a value of $1,000,000 and a deemed issue price based on the higher of:

(i) a 10% discount to the 5 day volume weighted average price of the Marquee's shares traded on the ASX immediately prior to the vesting period date to a maximum value of 25c; and
(ii) $0.10

Class B Performance Rights will vest and convert to a share upon the delineation of JORC-compliant Resource of 500,000 tonnes of lithium carbonate equivalent with a minimum grade of 200mg/l lithium across the Centenario Project within 2 years of completion having a value of $1,000,000 and a deemed issue price based on the higher of:

(i) a 10% discount to the 5 day volume weighted average price of the Marquee's shares traded on the ASX immediately prior to the vesting period date to a maximum value of 25c; and
(ii) (ii) $0.10

As at the reporting date, the achievement if the milestones has been assessed as not probable, hence no value has been attributed to the performance rights. The probability is assessed again at each reporting date.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

NOTE 6: ASSET ACQUISITION cont.

Details of the fair value of the assets and liabilities acquired as at 5 September 2019 are as follows:

Purchase consideration comprises:	$
Option fee	25,000
10,075,000 MQR shares (issue price $0.105)	1,057,875
Total consideration	1,082,875

Net asset acquired:	$
Investment in Lithium Power International Holdings (Argentina) Pty Ltd	1,081,411
Trade and other receivables	1,315
Intercompany receivable	329
Other payables	(180)
	1,082,875

NOTE 7: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date other than the deferred consideration as outlined in Note 6.

NOTE 8: RELATED PARTY TRANSACTIONS

Daniel Moore was appointed non-executive director on 5 September 2019. He is paid a monthly fee of $3,000.

There has been no change in the nature of related party transactions since the last annual reporting date.

NOTE 9: EVENTS SUBSEQUENT TO REPORTING DATE

There are no events subsequent to reporting date to report.

DIRECTORS' DECLARATION

In the opinion of the directors of Marquee Resources Limited ('the company'):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:

    a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

    b. giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half-year then ended; and

2. 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 signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

Charles Thomas

Charles Thomas
Executive Chairman

13 March 2020

BDO
Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au
38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Marquee Resources Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Marquee Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, notes comprising a statement of 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 half-year financial report of the Group is not in accordance with the Corporations Act 2001 including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2019 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 Corporations Regulations 2001.

Emphasis of matter – 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 Group's ability to continue as a going concern and therefore the Group 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.

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 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 2019 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit (WA) Pty Ltd

BDO

Dean Just

Director

Perth, 13 March 2020