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# BLACKEARTH

Specialising in Critical Commodities

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ASX:BEM

ABN 66 610 168 191

## FINANCIAL REPORT

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FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

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**CORPORATE DIRECTORY**

**DIRECTORS**

**Thomas Revy**  
Managing Director

**Phillip Hearse**  
Chairman – resigned 16 November 2020

**George Bauk**  
Non-Executive Director  
Chairman – appointed 16 November 2020

**David Round**  
Finance Director – appointed 16 November 2020

**COMPANY SECRETARY**

Simon Storm – resigned 4 September 2020  
David Round – appointed 4 September 2020

**REGISTERED OFFICE**

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677 Murray Street  
West Perth WA 6005

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**AUDITORS**

Bentleys Audit & Corporate (WA) Pty Ltd  
Level 3  
216 St Georges Terrace  
Perth WA 6000

**SHARE REGISTRY**

Automic Registry Services  
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Perth WA 6000

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ASX Code : BEM

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## DIRECTORS' REPORT

The Directors present their report on BlackEarth Minerals NL ("BEM" or the "Company") and its controlled entity (the "Consolidated Entity") for half-year ended 31 December 2020.

## BOARD OF DIRECTORS

The names and details of the Consolidated entity's directors in office during the financial period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Phillip Hearse	Chairman – resigned 16 November 2020
Thomas Revy	Managing Director
George Bauk	Non-Executive Director
George Bauk	Chairman – appointed 16 November 2020
David Round	Finance Director – appointed 16 November 2020

## COMPANY SECRETARY

Simon Storm – resigned 4 September 2020  
David Round – appointed 4 September 2020

## REVIEW OF OPERATIONS

In the 1st half of 2020/21 the Company has undertaken significant work on both its Maniry Graphite Project situated in southern Madagascar as well as its Donnelly River Ni-Cu-PGE exploration project located in Western Australia. These activities included:

- The signing of a binding MOU with one of the world's largest refractory groups, Austrian-based and London listed, RHI Magnesita
- Comprehensive review of downstream graphite processing options
- Discussions held with a number of groups involved in the downstream processing of graphite concentrates
- The commencement of social and environmental activities / studies as part of the Maniry Project BFS and pre-construction permitting requirements
- Historic data review and re-interpretation on the Company's Donnelly River Prospect
- Preliminary geochemical sampling at Donnelly River
- Planning and costing for future exploration works at Donnelly River

During the second half of 2020/21, the Company plans to:

- Focus on advancing arrangements with a number of key groups in relation to its downstream graphite processing strategy.
- Commence large-scale pilot plant works on suitable Maniry material
- Undertake exploration activities at both its Maniry Project and Donnelly River Prospect and
- Continue Maniry BFS related activities

## RESULTS OF OPERATIONS

The operating loss after income tax of the Consolidated Entity for the half year ended 31 December 2020 was \$862,864 (31 December 2019: \$1,451,529).

No dividend has been paid during or is recommended for the financial period ended 31 December 2020.

## DIRECTORS' REPORT (Continued)

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### FINANCIAL POSITION

The Consolidated Entity's working capital surplus, being current assets less current liabilities was \$1,911,888 at 31 December 2020 (30 June 2020 was \$992,924).

In the Directors' opinion, there are reasonable grounds to believe that the Consolidated entity will be able to pay its debts as and when they become due and payable.

### SUBSEQUENT EVENTS

- (a) On 18 January 2021, upon receiving approval from the shareholders at the Annual General meeting held on the 11 January 2021, the Company issued 8,200,000 performance rights to the directors under the Company's Incentive Plan.
- (b) On 18 January 2021, upon receiving approval from the shareholders at the Annual General meeting held on the 11 January 2021, the Company issued 1,000,000 unlisted \$0.07 options to MacMillan Capital Pty Ltd as part of its fees for managing the Company's equity raise.
- (c) On 03 February 2021, the Company signed a MOU with leading U.S. company Urbix Inc. to fastrack downstream graphite production. Under the terms of the MOU, the Company will, initially, supply its high grade graphite concentrate to Urbix's downstream processing facility in the USA when Urbix' facility is completed. Following the successful completion of the Urbix plant in the USA, the Company and Urbix propose a Joint Venture plant.
- (d) On 10 February 2021, the Company signed an agreement with Luxcarbon GmbH, a world leading German based graphite supply chain group. The Company will use the supply agreement with Luxcarbon to secure the supply of up to 25,000t of high grade product to assist Urbix in completing their plant development.
- (e) On 11 February 2021, the Company issued 2,000,000 fully paid ordinary shares upon the exercising of 2,000,000 unlisted options at an exercise price of \$0.08.
- (f) On 15 February 2021, the Company issued 2,280,000 fully paid ordinary shares upon the receipt of consideration for the payment of 2,280,000 partly paid shares(at \$0.006 fully paid).
- (g) On 16 February 2021, the Company issued 600,000 fully paid ordinary shares upon the receipt of consideration for the full payment of 600,000 partly paid shares (at \$0.006 fully paid).
- (h) On the 16 February 2021, the Company issued 4,500,000 unlisted \$0.15 options to Luxcarbon GmbH in accordance with Consulting Agreement to provide technical and project funding advisory services.
- (i) On 22 February 2021, the Company issued 7,725,780 fully paid ordinary shares upon the receipt of consideration for the full payment of 7,725,780 partly paid shares(at \$0.006 fully paid).
- (j) On 25 February 2021, the Company issued 4,807,220 fully paid ordinary shares upon the receipt of consideration for the full payment of 4,807,220 partly paid shares(at \$0.006 fully paid).
- (k) On 01 March 2021, the Company issued 1,481,750 fully paid ordinary shares upon the receipt of consideration for the full payment of 1,481,750 partly paid shares(at \$0.006 fully paid).

### AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, Bentley's Audit & Corporate (WA) Pty Ltd, to provide the directors of the Consolidated entity with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is set out on page 4 and forms part of this directors' report for the period ended 31 December 2020.

Signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the *Corporations Act 2001*.



**Thomas Revy**  
Managing Director

Dated at Perth this 4th day of March 2021

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**Bentleys Audit & Corporate  
(WA) Pty Ltd**

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To the Board of Directors

### **Auditor's Independence Declaration under Section 307C of the Corporations Act 2001**

As lead audit partner for the review of the financial statements of BlackEarth Minerals NL for the half year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours Faithfully,

  
**BENTLEYS**  
Chartered Accountants

  
**MARK DELAURENTIS CA**  
Partner

Dated at Perth this 4<sup>th</sup> day of March 2021

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Half-Year Ended 31 December 2020

	Notes	31 December 2020 \$	31 December 2019 \$
Other Revenue		116,490	81,288
Research and Development Rebate		116,775	224,812
Administration costs		(325,196)	(456,685)
Personnel and Consulting Costs		(464,110)	(654,170)
Occupancy Costs		(20,645)	(20,870)
Exploration and evaluation costs written off		(273,378)	(620,665)
Depreciation and amortisation		(4,677)	(4,752)
Other Expenses		(8,123)	(487)
<b>Loss before income tax</b>		(862,864)	(1,451,529)
Income tax expense		-	-
<b>Loss after income tax</b>		(862,864)	(1,451,529)
Exchange differences on translation of foreign operations		(13,344)	2,442
<b>Total comprehensive income for the period</b>		(876,208)	(1,449,087)
Basic and diluted loss per share (cents per share)		0.67	1.39

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

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

		31 December 2020	30 June 2020
	Note	\$	\$
<b>Current Assets</b>			
Cash and cash equivalents		2,032,516	1,133,917
Trade and other receivables		238,666	239,533
Total Current Assets		2,271,182	1,373,450
<b>Non Current Assets</b>			
Mineral Exploration Assets	2	659,646	659,646
Property, plant and equipment		27,787	25,084
Total Non Current Assets		687,433	684,730
<b>TOTAL ASSETS</b>		<b>2,958,615</b>	<b>2,058,180</b>
<b>Current Liabilities</b>			
Trade and other payables		317,454	347,759
Provisions		41,840	32,767
Total Current Liabilities		359,294	380,526
<b>TOTAL LIABILITIES</b>		<b>359,294</b>	<b>380,526</b>
<b>NET ASSETS</b>		<b>2,599,321</b>	<b>1,677,654</b>
<b>Equity</b>			
Issued capital	3	11,212,332	9,461,604
Reserves	4	288,499	254,696
Accumulated losses		(8,901,510)	(8,038,646)
<b>TOTAL EQUITY</b>		<b>2,599,321</b>	<b>1,677,654</b>

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



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the Half-Year Ended 31 December 2020**

	Issued capital	Foreign Currency Translation Reserve	Share Based Payment Reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$
Balance at 01 July 2019	7,704,020	(1,938)	247,784	(5,805,828)	2,144,038
Loss for the period	-	-	-	(1,451,529)	(1,451,529)
Exchange differences on translation of foreign entity	-	2,442	-	-	2,442
Total comprehensive loss for the period	-	2,442	-	(1,451,529)	(1,449,087)
Issue of shares	1,680,964	-	-	-	1,680,964
Capital raising costs	(103,380)	-	-	-	(103,380)
Issue of options	-	-	114,385	-	114,385
Amortisation of options/performance rights	-	-	51,345	-	51,345
Exercise of performance rights	180,000	-	(180,000)	-	-
<b>Balance at 31 December 2019</b>	<b>9,461,604</b>	<b>504</b>	<b>233,514</b>	<b>(7,257,357)</b>	<b>2,438,265</b>
	Issued capital	Foreign Currency Translation Reserve	Share Based Payment Reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$
Balance at 01 July 2020	9,461,604	(8,043)	262,739	(8,038,646)	1,677,654
Loss for the period	-	-	-	(862,864)	(862,864)
Exchange differences on translation of foreign entity	-	(13,344)	-	-	(13,344)
Total comprehensive loss for the period	-	(13,344)	-	(862,864)	(876,208)
Issue of shares	1,830,111	-	-	-	1,830,111
Capital raising costs	(79,383)	-	-	-	(79,383)
Amortisation of options/performance rights	-	-	47,147	-	47,147
Exercise of performance rights	-	-	-	-	-
<b>Balance at 31 December 2020</b>	<b>11,212,332</b>	<b>(21,387)</b>	<b>309,886</b>	<b>(8,901,510)</b>	<b>2,599,321</b>

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the Half-Year Ended 31 December 2020**

	31 December 2020	31 December 2019
	\$	\$
<b>Cash Flows from Operating Activities</b>		
Receipts from customers	19,914	-
Payments to suppliers and employees	(624,112)	(788,501)
Payments for exploration and evaluation	(355,477)	(572,399)
Proceeds from government grants and tax incentives	161,960	-
Interest received	1,495	14,589
Net cash used in operating activities	<u>(796,220)</u>	<u>(1,346,311)</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	<u>(7,380)</u>	<u>(15,713)</u>
Net cash used in investing activities	<u>(7,380)</u>	<u>(15,713)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issue of shares	1,810,694	1,680,964
Payment for capital raising costs	<u>(84,620)</u>	<u>(103,380)</u>
Net cash generated by financing activities	<u>1,726,074</u>	<u>1,577,584</u>
Net increase in cash held	922,474	215,560
Cash and cash equivalents at the beginning of the period	1,133,917	1,363,126
Effect of exchange rates on cash balances	<u>(23,875)</u>	<u>2,442</u>
<b>Cash and cash equivalents at the end of the period</b>	<u><u>2,032,516</u></u>	<u><u>1,581,128</u></u>

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

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# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## For the half-year ended 31 December 2020

These consolidated financial statements and notes represent those of BlackEarth Minerals NL and its controlled entity (the "Consolidated entity"). BlackEarth Minerals NL is a no liability company, incorporated and domiciled in Australia.

The Consolidated entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The financial statements for the period ended 31 December 2020 were approved and authorised for issue by the Board of Directors on 4<sup>th</sup> March 2021.

### 1. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies adopted by the Consolidated entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### ***Basis of Preparation***

This interim financial report is intended to provide users with an update on the latest annual financial statements of BlackEarth Minerals NL and controlled entities. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in combination with the annual financial statements of the Group for the year ended 30 June 2020, together with any public announcements made during the half-year.

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

#### ***Estimates***

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Consolidation Entity's last annual financial statements for the year ended 30 June 2020.

#### ***Going Concern***

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

The Company incurred a loss of \$862,864 (31 December 2019: \$1,451,529), net cash outflows from operating activities of \$796,220 (31 December 2019: \$1,346,311) for the half year ended 31 December 2020. As at balance date the Group had a working capital surplus of \$1,911,888 (30 June 2020: \$992,924).

The directors have prepared a cash flow forecast, which indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report.

Based on these factors, the directors are satisfied that the going concern basis of preparation is appropriate. The financial report has therefore been prepared on a going concern basis, which assumes continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**For the half-year ended 31 December 2020 (continued)**

**2. MINERAL EXPLORATION ASSETS**

	<b>31 December 2020</b>	<b>30 June 2020</b>
	\$	\$
Opening Balance	659,646	783,772
Exploration and evaluation costs impaired	-	(124,126)
WA tenements		
Closing Balance	<u>659,646</u>	<u>659,646</u>

<sup>a</sup> Following a review of the Company's Australian graphite projects areas, a decision was made to surrender exploration licences E66/95, E70/4811 and E70/4812 which resulted in an impairment cost of \$124,126. The company will now focus its attention on the two remaining Australian tenements and the Madagascan tenements.

**3. ISSUED CAPITAL**

**(a) Fully Paid Ordinary Shares**

	<b>31 December 2020</b>		<b>30 June 2020</b>	
	Number	\$	Number	\$
Opening Balance	113,655,521	9,458,790	83,639,453	7,701,206
Exercise of performance rights	-	-	2,000,000	180,000
Issue of shares to directors	545,082	19,417	-	-
Issue of shares	36,213,880	1,810,694	28,016,068	1,680,964
Capital raising costs	-	(79,383)	-	(103,380)
Closing Balance	<u>150,414,483</u>	<u>11,209,518</u>	<u>113,655,521</u>	<u>9,458,790</u>

**(b) Partly-paid Contributing Shares – 25 cents**

	<b>31 December 2020</b>		<b>30 June 2020</b>	
	Number	\$	Number	\$
Opening Balance	28,142,750	2,814	28,142,750	2,814
Closing Balance	<u>28,142,750</u>	<u>2,814</u>	<u>28,142,750</u>	<u>2,814</u>

Partly Paid ordinary shares carry one vote per share and carry a right to dividends in proportion to the amount already paid.

**4. RESERVES**

	<b>31 December 2020</b>	<b>30 June 2020</b>
	\$	\$
Options	114,385	114,385
Performance Rights	195,501	148,354
Foreign Currency Translation Reserve	(21,387)	(8,043)
	<u>288,499</u>	<u>254,696</u>

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**For the half-year ended 31 December 2020 (continued)**

**5. SEGMENT INFORMATION**

**(a) Description of segments**

For management purposes, the consolidated entity has two segments which are exploration activities relating to minerals within Australia and Madagascar.

Refer below for details on assets, liabilities, revenues and expenses monitored by the Board.

**(b) Segment information provided to the Board of Directors**

The segment information provided to the Board of Directors for the reportable segments for the reporting period ended 31 December 2020 is as follows:

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Consolidated entity has tenements in Western Australia. However, the Board, on a functional perspective, has identified that there are two reportable segments, being exploration of minerals in Australia and Madagascar subsequent to listing.

**(i) Segment revenues and results**

**31 December 2020**

	<b>Australia</b>	<b>Madagascar</b>	<b>Total</b>
	\$	\$	\$
Revenue	-	47,416	47,416
Loss	(237,042)	(36,336)	(273,378)
<b>Total segment loss</b>	<b>(237,042)</b>	<b>11,080</b>	<b>(225,962)</b>

	<b>Total</b>
Reconciliation of segment result to Consolidated entity net loss	\$
i) Unallocated items	
- Other revenue	
- Other	185,849
	(822,751)
<b>Loss from continuing operations</b>	<b>(862,864)</b>

**31 December 2019**

	<b>Australia</b>	<b>Madagascar</b>	<b>Total</b>
	\$	\$	\$
Revenue	-	50,285	50,285
Loss	(536,522)	(84,143)	(620,665)
<b>Total segment loss</b>	<b>(536,522)</b>	<b>(33,858)</b>	<b>(570,380)</b>

	<b>Total</b>
Reconciliation of segment result to Consolidated entity net loss	\$
i) Unallocated items	
- Interest revenue	7,372
- Other	(888,521)
<b>Loss from continuing operations</b>	<b>(1,451,529)</b>

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**For the half-year ended 31 December 2020 (continued)**

**5. SEGMENT INFORMATION (Continued)**

**(ii) Segment Assets**

**31 December 2020**

	Australia \$	Madagascar \$	Total \$
<b>Segment Assets</b>	82,751	576,894	659,646
<b>Unallocated assets:</b>			
- Cash and cash equivalents			2,032,516
- Other Assets			266,453
<b>Total Consolidated Entity Assets</b>			<b><u>2,958,615</u></b>

**30 June 2020**

	Australia \$	Madagascar \$	Total \$
<b>Segment Assets</b>	82,751	576,895	659,646
<b>Unallocated assets:</b>			
- Cash and cash equivalents			1,133,917
- Other Assets			264,617
<b>Total Consolidated Entity Assets</b>			<b><u>2,058,180</u></b>

**(iii) Segment Liabilities**

**31 December 2020**

	Australia \$	Madagascar \$	Total \$
<b>Segment Liabilities</b>	-	-	-
<b>Unallocated Liabilities:</b>			
- Trade and other payables			359,294
<b>Total Consolidated Entity Liabilities</b>			<b><u>359,294</u></b>

**30 June 2020**

	Australia \$	Madagascar \$	Total \$
<b>Segment Liabilities</b>	-	-	-
<b>Unallocated Liabilities:</b>			
- Trade and other payables			380,526
<b>Total Consolidated Entity Liabilities</b>			<b><u>380,526</u></b>

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## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2020 (continued)

### 6. SUBSEQUENT EVENTS

- (a) On 18 January 2021, upon receiving approval from the shareholders at the Annual General meeting held on the 11 January 2021, the Company issued 8,200,000 performance rights to the directors under the Company's Incentive Plan.
- (b) On 18 January 2021, upon receiving approval from the shareholders at the Annual General meeting held on the 11 January 2021, the Company issued 1,000,000 unlisted \$0.07 options to MacMillan Capital Pty Ltd as part of its fees for managing the Company's equity raise.
- (c) On 03 February 2021, the Company signed a MOU with leading U.S. company Urbix Inc. to fastrack downstream graphite production. Under the terms of the MOU, the Company will, initially, supply its high grade graphite concentrate to Urbix's downstream processing facility in the USA when Urbix' facility is completed. Following the successful completion of the Urbix plant in the USA, the Company and Urbix propose a Joint Venture plant.
- (d) On 10 February 2021, the Company signed an agreement with Luxcarbon GmbH, a world leading German based graphite supply chain group. The Company will use the supply agreement with Luxcarbon to secure the supply of up to 25,000t of high grade product to assist Urbix in completing their plant development.
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- (f) On 15 February 2021, the Company issued 2,280,000 fully paid ordinary shares upon the receipt of consideration for the payment of 2,280,000 partly paid shares(at \$0.006 fully paid).
- (g) On 16 February 2021, the Company issued 600,000 fully paid ordinary shares upon the receipt of consideration for the full payment of 600,000 partly paid shares (at \$0.006 fully paid).
- (h) On the 16 February 2021, the Company issued 4,500,000 unlisted \$0.15 options to Luxcarbon GmbH in accordance with Consulting Agreement to provide technical and project funding advisory services.
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- (j) On 25 February 2021, the Company issued 4,807,220 fully paid ordinary shares upon the receipt of consideration for the full payment of 4,807,220 partly paid shares(at \$0.006 fully paid).
- (k) On 01 March 2021, the Company issued 1,481,750 fully paid ordinary shares upon the receipt of consideration for the full payment of 1,481,750 partly paid shares(at \$0.006 fully paid).

### 7. COMMITMENTS

(a) **Exploration Expenditure - Australia**

The Consolidated entity has certain obligations with respect to tenements and minimum expenditure requirements in Australia, as follows:

	2021	2020
	\$	\$
Within 12 months	72,000	48,000
12 Months or longer and not longer than 5 years	72,000	48,000
Longer than 5 years	-	-
Total	144,000	96,000

Madagascar has no minimum expenditure however annual fees of \$75,000 are due in March each year

## DIRECTORS' DECLARATION

The directors of BlackEarth Minerals NL declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001 including compliance with accounting standards and:
  - (a) comply with International Financial Reporting Standards as disclosed in note 1; and
  - (b) give a true and fair view of the Consolidated entity's financial position as at 31 December 2020 and of its performance for the period ended on that date; and
2. At the date of this statement 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 made pursuant to s.303(5) of the *Corporations Act 2001*.



**Thomas Revy**  
**Managing Director**

Dated at Perth this 4th day of March 2021



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## Independent Auditor's Review Report

### To the Members of Blackearth Minerals NL

#### Conclusion

We have reviewed the accompanying half-year financial report of Blackearth Minerals NL ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

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

- a. Giving a true and fair view of the Blackearth Minerals NL financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *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* 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.

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## Independent Auditor's Review Report

To the Members of Blackearth Minerals NL (Continued)



### Responsibility of the Directors for the Financial Report

The directors of the Blackearth Minerals NL 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 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 Consolidated Entity'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.

**BENTLEYS**

**Chartered Accountants**

**MARK DELAURENTIS CA**

**Partner**

Dated at Perth this 4<sup>th</sup> day of March 2021

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