For personal use only

CASPIN

CASPIN RESOURCES LIMITED
ABN 33 641 813 587
AND ITS CONTROLLED ENTITIES

INTERIM FINANCIAL REPORT

For the half year ended 31 December 2020

Caspin Resources Limited
ABN 33 641 813 587
Ground Floor, 16 Ord Street
West Perth WA 6005, Australia
PO Box 558, West Perth WA 6872

ASX Code: CPN
www.caspin.com.au
E admin@caspin.com.au
T +61 8 6373 2000

CONTENTS

For personal use only

For personal use only

DIRECTORS' REPORT

Your Directors present their half-yearly report on the consolidated entity consisting of Caspin Resources Limited ("Caspin" or "the Company") and the entities it controlled at the end of, or during, the period 1 July 2020 to 31 December 2020 ("the Group").

Directors

The persons who were Directors of Caspin Resources Limited during the interim reporting period and up to the date of this report are:

Mr Cliff Lawrenson	Non-Executive Chairman (appointed on 1 October 2020)
Mr Justin Tremain	Non-Executive Director (appointed on 1 October 2020)
Mr Simone Suen	Non-Executive Director (appointed on 1 October 2020)
Dr Jon Hronsky	Non-Executive Director (appointed on 17 June 2020)
Mr Greg Miles	Director (Appointed 17 June 2020, resigned on 1 October 2020), and Chief Executive Officer (appointed on 1 October 2020)
Richard Bevan	Non-Executive Director (appointed on 17 June 2020, resigned on 1 October2020)

Review of Operations

Caspin successfully listed on the ASX on 25 November 2020. The well-supported Initial Public Offering (IPO) raised $8M. The Company is now well funded to evaluate its exciting exploration projects and looks forward to a successful 2021.

Yarawindah Project

The Yarawindah Project is located approximately 20 km south of New Norcia, 100km northeast of Perth, Western Australia. Caspin owns 80% of the project including five granted exploration licenses and two exploration license applications.

During the period, the Company has completed Stage 1 of a new Airborne Electromagnetic (AEM) survey covering 116km^2 that had not been previously explored for orthomagmatic Ni-Cu-PGE mineralisation. AEM is an effective first-pass screening tool for detecting shallow conductive sources such as accumulations of sulphides. The AEM survey has identified 15 new anomalies which have been prioritised based on their geophysical as well as geological attributes.

Included is a standout, strong, late-time anomaly comprised of 3 conductors over a strike of 1.3km known as XC-29 (Figure 1). The AEM anomaly lies on what is known as the Brassica Trend, a sequence of magnetic anomalies likely mapping a package of near-surface mafic and ultramafic intrusive rocks. Sulphide mineralisation has been intersected by drilling at the Brassica Prospect, over 5km further along strike to the northwest. Such is the quality of the anomaly; the Company has been able to model the conductors dipping gently to moderately east with the top of the conductors ranging from 35m to 115m below the surface.

The Company has completed a single reconnaissance traverse of soil geochemistry over the anomaly returning elevated values of nickel, cobalt and chrome, likely confirming underlying mafic and ultramafic rocks. Sampling at this location occurred between conductors, which are also potentially too deep in this location to develop a mineralisation signature at surface. Therefore, follow-up ground electromagnetic (EM) and soil geochemistry programs are desirable to confirm drill targets.

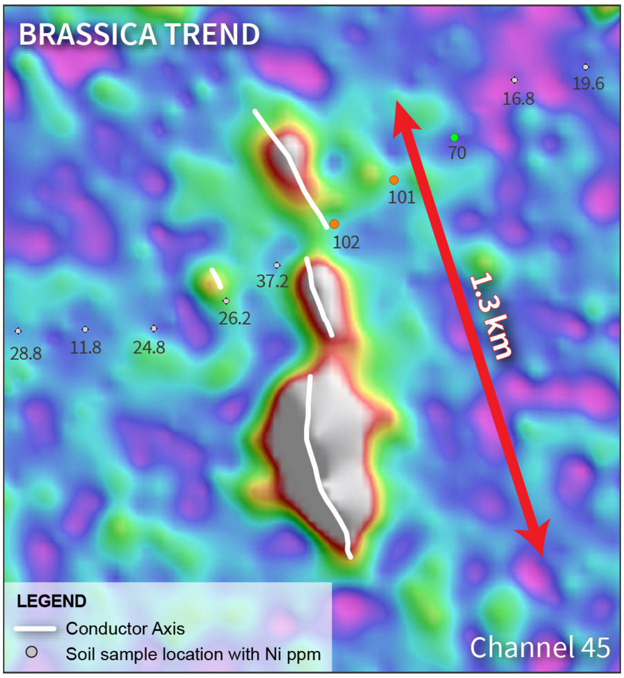

Figure 1. Yarawindah AEM coverage XC 29 anomaly.

DIRECTORS' REPORT

The recognition of XC-29 has drawn attention to additional AEM anomalies along the Brassica Trend that were identified during the 2018 AEM survey but were considered medium to low priority compared to other targets at the time. These anomalies, XC-07 to XC-09, now have greater significance considering their proximity and stratigraphic alignment with XC-29. XC-07 also has encouraging PGE results from nearby rock chip samples.

Other priority targets for immediate exploration are the XC-31 and XC-34 anomalies, which are strong, late-time conductors, albeit each occurring on a single survey line (survey lines are spaced 100m apart). These anomalies will also require ground EM to enable 3D modelling prior to confirming drill targets.

The Company is preparing for its maiden drilling program at Yarawindah which is expected to commence late in the March 2021 quarter following the ground EM, subject to finalisation of additional land access agreements and drill rig availability. There are a further four "medium-priority" anomalies that require further investigation which the Company will systematically de-risk through ground EM and soil geochemistry.

Mount Squires Project

The Mount Squires Project lies within the West Musgrave region of Western Australia and is 100% owned by Caspin. Mount Squires is a large scale, greenfield-style gold and base metal project. Gold mineralisation was first identified at the Handpump Prospect by Western Mining Corporation (WMC) during geochemical surveying in the late 1990's. Several gold anomalies were identified, but the primary target was nickel and copper sulphide mineralisation, which returned poor results.

Later exploration by Beadell Resources Ltd in the mid 2000's identified a number of gold prospects with further soil geochemistry, rock chip sampling and mapping. Drilling at the Handpump Prospect returned significant intercepts of 43m @ 1.18g/t from 14m including 9m @ 3.25g/t from 34m. After the initial discovery, there was limited exploration due to a change in the corporate strategy and the project was later surrendered. The remainder of the project remains under-explored with only broad-spaced soil geochemistry completed. Caspin considers that the geological setting may have some affinity with intracontinental "hot-spot" epithermal gold mineralisation. Examples of this mineralisation style are deposits in the northern Nevada region, including the Sleeper deposit, with high gold grades from shallow crustal emplacement.

Most of the project is yet to have any form of modern exploration. As such, the Company's objectives are geared towards reconnaissance-style soil geochemistry and drilling along a 50km long structural corridor, which if proved positive can be followed by targeted RC and diamond drilling. The project is also contiguous with the West Musgrave nickel-copper sulphide project, owned and operated by OZ Minerals Limited, on the eastern tenement boundary. Significant nickel-copper sulphide mineralisation has been found at the One Tree Hill Prospect (not owned by Caspin), only 200m outside of the Mount Squires Project tenement boundary. Caspin will concurrently continue to evaluate the potential for Ni-Cu mineralisation along strike from the One Tree Hill Prospect.

During the period, a small batch of 71 soil samples, collected as part of an orientation survey over the Handpump area, were submitted for analysis. The results will help determine the most appropriate analytical technique for soil geochemistry programs at the project, which are due to commence in the second quarter of 2021. All results are pending.

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled or reviewed by Mr Greg Miles, who is an employee of the company. Mr Miles is a Member of the Australian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Miles consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the Exploration Results information included in this report and that all material assumptions and parameters underpinning Exploration Results, as reported in the market announcements dated 14 December 2020 and 16 December 2020 continue to apply and have not materially changed.

The Group's operating loss for the period ended 31 December 2020 was $1,251,762.

For personal use only

For personal use only

DIRECTORS' REPORT

Significant Change in State of Affairs

On 17 June 2020, the Company was incorporated and appointed Mr Richard Bevan, Mr Gregory Miles, and Mr Jonathan Hronsky as directors.

On 2 October 2020, Caspin Resources Limited and its subsidiaries, demerged from Cassini Resources Ltd ("Cassini"). The demerger transactions comprised Caspin receiving cash from Cassini and acquiring the assets of Souwest Metals Pty Ltd, Salvado Resources Pty Ltd, Search Resources Pty Ltd, and Opis Resources Pty Ltd ("demerger entities"). At this point Mr Bevan and Mr Miles resigned as directors, Mr Miles was appointed as CEO, and Cliff Lawrenson, Justin Tremain and Simone Suen were appointed as directors. The following transactions occurred either as part of the demerger transaction or subsequent to it:

- On 21 September 2020, the shareholders of Cassini approved the demerger transaction.
- On 2 October 2020, subsequent to court order approval of the demerger transaction, Caspin issued a total of 4,000 shares (comprising of 1,000 Caspin shares to each demerger entity). Also, on 1 October 2020, Caspin acquired the assets of demerger entities which comprised of:
    - Cash and cash equivalent of $103;
    - Exploration and evaluation assets of $2,728,857; and
    - Trade and other payables of $578.
- On 2 October 2020, Caspin received cash of $500,000 from Cassini being the Caspin Cash Amount as per Demerger Scheme Book.
- Conditional upon the Acquisition Scheme and Demerger Scheme becoming effective (which has now occurred), Caspin has entered into a deed ('Contingent Payment Deed') with OZ Minerals ('OZ Minerals') which provides for potential payment by OZ Minerals to Caspin for additional consideration in two potential scenarios ('Contingent Consideration). Refer to Note 15 for further details.
- On 12 October 2020 Caspin lodged a Prospectus with ASIC for an offer of 30,000,000 Shares at an issue price of A$0.20 each to raise A$6,000,000 (before costs), with provision to accept Oversubscriptions of up to a further 10,000,000 Shares to raise up to an additional $2,000,000 (before costs) (Offer).
- On 19 November 2020, 40,000,000 fully paid ordinary shares at an issue price of $0.20 per share were issued under the Offer.
- The Company issued 2,500,000 million Board and Management Options exercisable at $0.30 with an expiry date that is 5 years from date of issue to the Chief Executive Officer, and Directors of the Company. Refer to Note 10 for details of these options.
- The Company issued 4,920,000 Performance Rights with various vesting conditions to the Chief Executive Officer, and Directors of the Company. Refer to Note 10 for details of these performance rights.
- On 23 November 2020, Caspin listed on the Australian Stock Exchange.

There were no other significant changes in the state of affairs of the Group during the period.

Matters Subsequent to Reporting Date

DATE	DETAILS
4 Jan 2021	**Vesting of Performance Rights** Caspin advises that 2.5 million Tranche 1 Performance Rights and 1.9 million Tranche 2 Performance Rights have vested, having met the applicable vesting criteria. Accordingly, the Tranche 1 and Tranche 2 Performance Rights will be converted into Caspin shares within 20 business days. Refer to Note 10.
22 Jan 2021	**Appendix 3G – Tranche 1 and Tranche 2 Performance Rights**
22 Jan 2021	**Appendix 3Y – Change of Director's Interest Notice x 4**
25 Jan 2021	**Becoming a substantial holder – Atasa**
28 Jan 2021	**Quarterly Activities and Cashflow Report**
11 Feb 2021	**Yarawindah Brook Project – Exploration Update** • Surface geophysics supports XC-29 anomaly and geological interpretation • Multiple, strong bedrock conductors over 700m strike with potential extensions • Permitting process well advanced, targeting drilling later first quarter • Exploration advancing on multiple fronts; soil geochemistry program completed over the Yenart Propsect.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly evolving and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future periods.

Auditor's Independence Declaration

The Auditor's Independence Declaration under section 307C of the Corporation Act 2001 is included within this financial report.

This report is signed in accordance with a resolution of the Board of Directors.

Greg Miles
Chief Executive Officer

Perth, Western Australia, 8 March 2021

For personal use only

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 JARRAD PRUE TO THE DIRECTORS OF CASPIN RESOURCES LIMITED

As lead auditor for the review of Caspin Resources Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 8 March 2021

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

For personal use only

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Note	31 December 2020 $
Revenue from continuing operations		
Other income	3	31,809
Employee and director benefits expenses		89,174
Financial and company secretarial expenses		35,335
Audit Fees		16,000
Legal Fees		84,075
Insurance		27,194
ASX and share registry fees		114,989
Share based payment expense	10	837,563
Consultants and corporate advisory		10,241
Marketing, travel and investor relations		22,809
Rent expenses		2,838
Other expenses		43,352
Profit/(Loss) before income tax expense		**1,251,761**
Income tax expense		-
Profit/(Loss) after income tax for the period		**1,251,761**
Other Comprehensive Income		
Items that may be reclassified to profit or loss		
Exchange difference on translation of foreign operations		-
Other comprehensive loss for the period, net of tax		**-**
Total comprehensive profit/(loss) for the period		**1,251,761**
Total comprehensive profit/(loss) is attributable to:		
Owners of Caspin Resources Limited		**1,251,761**
		1,251,761
Profit/(Loss) per share from continuing operations attributable to the ordinary equity holders of Caspin Resources Limited:		
Basic and diluted profit/(loss) per share (cents)	16	(6.72)

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

For personal use only

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Note	31 December 2020 $	30 June 2020 $
ASSETS			
Current assets			
Cash and cash equivalents	5	7,347,951	1,000
Trade and other receivables		66,518	-
Total current assets		**7,414,469**	**1,000**
Non-current assets			
Exploration and evaluation expenditure	6	3,043,62	-
Total non-current assets		**3,043,621**	**-**
TOTAL ASSETS		**10,458,090**	**-**
LIABILITIES			
Current liabilities			
Trade and other payables	7	204,805	-
Total current liabilities		**204,805**	**-**
TOTAL LIABILITIES		**204,805**	**-**
NET ASSETS		**10,253,285**	**1,000**
EQUITY			
Issued capital	8	10,367,728	1,000
Reserves	9	1,012,857	-
Accumulated losses		(1,251,761)	-
Capital and reserves attributable to owners of the company		10,128,824	1,000
Non-controlling interest	4	124,461	-
TOTAL EQUITY		**10,253,285**	**1,000**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Issued Capital	Option and Performance Rights Reserve	Accumulated Losses	Non-Controlling Interest	Total
	$	$	$	$	$
Balance at 1 July 2020	1,000	-	-	-	1,000
Total comprehensive income for the period					
Loss for the period ended 31 December 2020	-	-	(1,251,761)	-	(1,251,761)
Total comprehensive income/(loss) for the period	**-**	**-**	**(1,251,761)**	**-**	**(1,251,761)**
Transactions with owners, recorded directly in equity					
Issue of shares, net of costs	10,367,728	-	-	-	10,366,728
Share based payments	-	1,012,857	-	-	1,012,857
Non-controlling interests on acquisition of subsidiary	-	-	-	124,461	124,461
Balance at 31 December 2020	**10,367,728**	**1,012,857**	**(1,251,761)**	**124,461**	**10,253,285**

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

For personal use only

For personal use only

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Note	31 December 2020 $
Cash flows from operating activities		
Payments to suppliers and employees		(368,998)
Interest received		540
Net cash outflow from operating activities		**(368,458)**
Cash flows from investing activities		
Exploration and evaluation expenditure		(253,962)
Net cash outflow from investing activities		**(253,962)**
Cash flows from financing activities		
Proceeds from share issue		8,500,020
Share issue costs		(561,918)
Proceed from borrowings		31,269
Net cash inflow from financing activities		**7,969,371**
Net increase in cash and cash equivalents		7,346,951
Effect of movement in exchange rates on cash held		-
Cash and cash equivalents at beginning of the financial period		1,000
Cash and cash equivalents at end of the period	**5**	**7,347,951**

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

For personal use only

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

1. Summary of significant accounting policies

(a) Basis of preparation

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the Corporation Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. The financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standard Board (IASB). Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The consolidated financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Company was incorporated on 17 June 2020 and accordingly the financials for the period ended 31 December 2020 have not disclosed comparatives.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sales financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving aa higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in relevant notes below.

(b) New and amended standards adopted by the entity

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(c) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Caspin at the end of the reporting period. A controlled entity is any entity over which Caspin has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities in included only for the period of the year that they were controlled. A list of controlled entities is contained in note 17 to the financial statements.

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated Group have been eliminated in full on consolidation.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the equity section of the Consolidated Statement of Financial Position and the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

For personal use only

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

1. Summary of significant accounting policies (Cont.)

(d) Acquisition of entities under common control

The Group adopts the pooling of interest method to account for acquisition of entities under common control. The pooling interest method involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts prior to the combination;
- No adjustments are made to reflect fair values, or recognise any new assets or liabilities, that would other be done under the acquisition method. The only adjustments that are made are to harmonise accounting policies; and
- No 'new' goodwill is recognised as a result of the combination.

The Consolidated Statement of Profit or Loss and Other Comprehensive Income reflects the result of the combining entities from the date of demerger. Financial information for the periods prior to the date the combination occurred is not restated.

(e) Income Tax

The income tax expense or benefit (revenue) for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

The charge for current income tax expenses is based on the profit for the period adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(f) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand and cash at bank.

(g) Revenue Recognition

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

For personal use only

1. Summary of significant accounting policies (Cont.)

(g) Revenue Recognition (Cont.)

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Interest

Revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

(h) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

(i) Trade and other Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Company. Trade accounts payable are normally settled within 30 days of recognition.

(j) Good and Services Tax (GST)

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flow on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authorities are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(k) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure, including costs of acquiring the licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Company has obtained the legal rights to explore the area are recognised in the statement of financial position.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

I. The expenditures are expected to be recouped through successful development and exploitation or from sale of the area of interest; or

II. Activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas of interest are continuing.

1. Summary of significant accounting policies (Cont.)

(k) Exploration and Evaluation Expenditure (Cont.)

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purpose of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

When an area of interest is abandoned or the directors decide that it is not commercial, accumulated costs in respect of that area are written off in the financial period the decision is made.

(l) Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Financial Assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Non-Financial Assets

The carrying amounts of the non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the statement of financial performance. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

(m) Share-based payment transactions

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instrument at the date at which they are granted when the fair value of goods and/or services cannot be determined. The fair value of options granted is measured using the Black-Scholes option pricing model. . The fair value of performance rights granted is measured using the trinomial barrier model. The model uses assumptions and estimates as inputs.

The cost of the equity settled transactions is recognised, together with a corresponding increase in equity, over the year in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting year has expired and (ii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date.

For personal use only

For personal use only

1. Summary of significant accounting policies (Cont.)

(m) Share-based payment transactions

No adjustment is made for the likelihood of the market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a year represents the movement in cumulative expense recognised at the beginning and end of the year. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. Where the terms of an equity settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of the modification.

Where an equity settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the award is recognised immediately. However if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The cost of equity-settled transactions with non-employees is measured by reference to the fair value of goods and services received unless this cannot be measured reliably, in which case the cost is measured by reference to the fair value of the equity instruments granted.

(n) Leases

The Company has adopted AASB 16 Leases from incorporation. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

(o) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

For personal use only

1. Summary of significant accounting policies (Cont.)

(p) Use of estimates and judgements

In the process of applying the accounting policies, management has made certain judgements or estimations which have an effect on the amounts recognised in the financial information.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Recoverability of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the company decides to exploit the related lease itself, or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

Share based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options is determined using the Black-Scholes option pricing model, and the fair value of performance rights is determined using the trinomial barrier model.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

2. Segment Information

Operating Segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of its exploration and corporate activities. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics.

The Group operates within on segment which is mineral exploration within Australia. The Group is domiciled in Australia.

3. Other Income

	31 December 2020 $
Loan forgiven on demerger from Cassini	31,269
Interest received	540
Total Other Income	**31,809**

For personal use only

4. Acquisition of commonly controlled entities

On 2 October 2020, Caspin Resources Limited ("Caspin") and its subsidiaries, demerged from Cassini Resources Limited ("Cassini"). The demerger transactions comprised Caspin receiving cash from Cassini and acquiring the assets of Souwest Metals Pty Ltd, Salvado Resources Pty Ltd, Search Resources Pty Ltd, and Opis Resources Pty Ltd ("demerger entities"). The following transactions occurred either as part of the demerger transaction or subsequent to it:

- On 21 September 2020, the shareholders of Cassini approved the demerger transaction.
- On 2 October 2020, subsequent to court order approval of the demerger transaction, Caspin issued a total of 4,000 shares (comprising of 1,000 Caspin shares to each demerger entity). Also, on 2 October 2020, Caspin acquired the assets of demerger entities which comprised of:
  - Cash and cash equivalent of $103;
  - Exploration and evaluation assets of $2,728,857; and
  - Trade and other payables of $578.
- On 2 October 2020, Caspin received cash of $500,000 from Cassini being the Caspin Cash Amount as per Demerger Scheme Book.
- Conditional upon the Acquisition Scheme and Demerger Scheme becoming effective (which has now occurred), Caspin has entered into a deed ('Contingent Payment Deed') with OZ Minerals ('OZ Minerals') which provides for potential payment by OZ Minerals to Caspin for additional consideration in two potential scenarios ('Contingent Consideration). Refer to Note 15 for further details.
- On 12 October 2020 Caspin lodged a Prospectus with ASIC for an offer of 30,000,000 Shares at an issue price of A$0.20 each to raise A$6,000,000 (before costs), with provision to accept Oversubscriptions of up to a further 10,000,000 Shares to raise up to an additional $2,000,000 (before costs) (Offer).
- The Company issued 2,500,000 million Board and Management Options exercisable at $0.30 with an expiry date that is 5 years from date of issue to the Chief Executive Officer, and Directors of the Company. Refer to Note 10 for details of these options.
- The Company issued 4,920,000 Performance Rights with various vesting conditions to the Chief Executive Officer, and Directors of the Company. Refer to Note 10 for details of these performance rights.
- On 19 November 2020, 40,000,000 fully paid ordinary shares at an issue price of $0.20 per share were issued under the Offer.
- On 23 November 2020, Caspin listed on the Australian Stock Exchange.

As a result of the transactions described above, the summarised financial information as at 2 October 2020 for the acquired entities is provided below:

	2 October 2020 $
CURRENT ASSETS	
Cash and Cash Equivalents	103
Total current assets	103
NON-CURRENT ASSETS	
Exploration and evaluation expenditure	2,728,857
Total non-current assets	2,728,857
TOTAL ASSETS	**2,728,960**
CURRENT LIABILITIES	
Trade and other payables	579
Total current liabilities	579
TOTAL LIABILITIES	**579**
NET ASSETS	**2,728,381**
EQUITY	
Share capital	2,603,920
Non-Controlling interest	124,461
TOTAL EQUITY	**2,728,381**

For personal use only

5. Cash and Cash Equivalents

	31 December 2020 $	30 June 2020 $
Cash at bank and in hand	7,347,951	1,000
Total Cash and Cash Equivalents	**7,347,951**	**1,000**

6. Exploration & Evaluation Expenditure

	31 December 2020 $	30 June 2020 $
Opening Balance	-	-
Exploration expenditure relating to acquisition[i]	2,728,857	
Expenditure capitalised during the period	314,764	-
Total Exploration & Evaluation Expenditure	**3,043,621**	**-**

As a result of the demerger transaction 2 October 2020, the Group acquired exploration assets in the Yarawindah Project and Mount Squires Project. Refer to Note 4.

7. Trade and Other Payables

	31 December 2020 $	30 June 2020 $
Trade Creditors	142,113	-
PAYG payable	36,033	-
Superannuation payable	10,081	-
Other payable	16,578	-
Total Trade and Other Payables	**204,805**	-

8. Contributed Equity

(a) Issued and fully paid

	31 December 2020		30 June 2020	
	$	No.	$	No.
Ordinary shares	10,367,728	60,071,922	1,000	1,000
	10,367,728	**60,071,922**	**1,000**	**1,000**

(b) Movement reconciliation

Ordinary Shares	**No. of Shares**	**$**
Opening Balance at 1 July 2020	1,000	1,000
Oct 2020 - Capital distribution from Cassini Resources Limited as part of demerger transaction	20,066,922	500,000
Oct 2020 - Share issued to acquire demerger entities from Cassini Resources Limited	4,000	2,603,920
Nov 2020 - Initial Public Offering	40,000,000	8,000,020
Share issue costs	-	(737,212)
Closing Balance at 31 December 2020	**60,071,922**	**10,367,728**

For personal use only

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

9. Share Based Payment Reserve

(a) Equity settled share-based payments

	31 December 2020		30 June 2020	
	$	No.	$	No
Option reserve	**394,123**	**4,500,000**	-	-
Performance rights reserve	**618,734**	**520,000**	-	-
	1,012,857	**5,020,000**	-	-

(b) Movement reconciliation

Performance Rights

	31 December 2020 No.	31 December 2020 $
Balance at the beginning of the period – 1 July 2020	-	-
Nov 20 - Issue of Tranche 1, Tranche 2, and Tranche 3 performance rights to CEO and directors(i)	4,920,000	-
Dec 20 - Vesting of Tranche 1 and Tranche 2 of performance rights(i)	(4,400,000)	617,500
Vesting expense – Tranche 3 of performance rights(i)	-	1,234
Balance at the end of the period – 31 December 2020	**520,000**	**618,734**

Options

	31 December 2020 No.	31 December 2020 $
Balance at the beginning of the period – 1 July 2020	-	-
Nov 20 - Issue of Lead Manager options(i)	2,000,000	175,294
Nov 20 – Vesting expense of Incentive Options to CEO and Directors	2,500,000	218,829
Balance at the end of the period – 31 December 2020	**4,500,000**	**394,123**

(i) Refer to note 10 for further details on incentive options and performance rights issued during the period.

10. Share Based Payments

Share based payments during the half year ended 31 December 2020 are summarised below.

(a) Recognised share-based payment expense

	31 December 2020 $
Expense arriving from equity settled share-based payment transactions	837,563

For personal use only

10. Share Based Payments (Cont.)

(b) Securities granted during the half year

Performance rights granted during the half year to 31 December 2020 as share based payments are as follows:

Tranche	Class of Securities	Grant Date	Number of Securities	Exercise Price	Expiry Date	Vesting Date	Disposal Restriction
1	Directors & CEO performance rights	23 Nov 2020	2,500,000	Nil – convert to ordinary shares on achievement of performance conditions[1]	5 years from issue date	21 Dec 2020	Subject to 24 months escrow from date of ASX quotation
2	Directors & CEO performance rights	23 Nov 2020	1,900,000	Nil – convert to ordinary shares on achievement of performance conditions[1]	5 years from issue date	24 Dec 2020	Subject to 24 months escrow from date of ASX quotation
3	Directors & CEO performance rights	23 Nov 2020	520,000	Nil – convert to ordinary shares on achievement of performance conditions[1]	5 years from issue date	N/A	Subject to 24 months escrow from date of ASX quotation

1. The performance conditions for the Performance Rights are set out below:

Tranche	Performance Milestones
1	Performance Rights will vest upon the 20-day volume weighted average market price (VWAP) exceeding $0.40 per share
2	Performance Rights will vest upon the 20-day VWAP exceeding $0.60 per share
3	Performance Rights will vest upon the 20-day VWAP exceeding $0.70 per share

The Performance Rights were valued using an Up-and-In Trinomial Model with the following inputs:

Tranche	Dividend Yield	Valuation Date	Expected Volatility	Risk-Free Interest Rate	Expiry	Underlying Share Price	Value per Right ($)	Total Fair Value ($)
1	Nil	23 Nov 2020	65%	0.10%	5 years from issue date	$0.20	$0.152	$380,000
2	Nil	23 Nov 2020	65%	0.10%	5 years from issue date	$0.20	$0.125	$237,500
3	Nil	23 Nov 2020	65%	0.10%	5 years from issue date	$0.20	$0.114	$59,280

During the period 2,500,000 Tranche 1 Performance Rights and 1,900,000 Tranche 2 Performance Rights have vested, having met the applicable vesting criteria. Accordingly, Tranche 1 and Tranche 2 Performance Rights have converted into fully paid ordinary shares in Caspin subsequent to 31 December 2020. The restriction/escrow that was applied to the performance rights also applies to the shares issued on conversion.

For personal use only

10. Share Based Payments (Cont)

Options granted during the half year to 31 December 2020 as share based payments are as follows:

CLASS OF SECURITIES	GRANT DATE	NUMBER OF SECURITIES	EXERCISE PRICE	EXPIRY DATE	VESTING DATE	DISPOSAL RESTRICTION
Lead Manager Options	23 Nov 2020	2,000,000	$0.30	5 years from issue date	23 Nov 2025	N/A
Directors & CEO Incentive Options	23 Nov 2020	2,500,000	$0.30	5 years from issue date	23 Nov 2025	N/A

The Options were valued using a Black-Scholes Model with the following inputs:

Class of Securities	Dividend Yield	Valuation Date	Expected Volatility	Risk-Free Interest Rate	Expiry	Underlying Share Price	Value per Option ($)	Total Fair Value ($)
Lead Manager Options	Nil	23 Nov 2020	65%	0.10%	5 years from issue date	$0.20	$0.0877	$175,294
Directors & CEO Incentive Options	Nil	23 Nov 2020	65%	0.10%	5 years from issue date	$0.20	$0.0875	$218,829

11. Key Management Personnel

For the period 31 December 2020, the following service agreements were entered into for the Directors and key management personnel of Caspin:

Executive Services Agreement – Chief Executive Officer

The Company has entered into an executive services agreement with Mr Greg Miles in respect of his employment as Chief Executive Officer of the Company (Executive Services Agreement). Mr Miles was also previously a Director but resigned from that role on 1 October 2020 in order to serve the role of Chief Executive Officer of the Company.

Name	Base salary excluding superannuation	Termination benefit
Executive		
Greg Miles (CEO)	AUD$200,000	3 months' notice in writing to Mr Miles and paying a further three months' salary in addition to the notice period.

Executive Services Agreement – Non-Executive Directors

On appointment to the Board, all non-executive directors enter into a service agreement with the Group in the form of a letter of appointment. The letter summarises the Board's policies and terms, including compensation, relevant to the director, and among other things:

- the terms of the directors appointment, including governance, compliance with the Company's Constitution, committee appointments, and re-election;
- the directors duties, including disclosure obligations, exercising powers, use of office, attendance at meetings and commitment levels;
- the fees payable, in line with shareholder approval, any other terms, timing of payments and entitlements to reimbursements;
- insurance and indemnity;
- disclosure obligations; and
- confidentiality.

For personal use only

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

11. Key Management Personnel (Cont.)

Name	Base salary
Non-Executive	
Cliff Lawrenson (Chairman)	AUD$54,750[1]
Justin Tremain	AUD$40,000
Simone Suen	AUD$40,000
Jon Hronsky	AUD$40,000

[1]Including superannuation

In accordance with the Constitution, a Shareholder resolution has been passed providing that the Company may pay to the Non-Executive Directors a maximum total amount of remuneration of $300,000 (plus superannuation entitlements) per annum.

Other transactions with Key Management Personnel

Issue of Incentive Options and Performance Rights

During the half year to 31 December 2020, the following securities were issued to key management personnel:

EXECUTIVE AND NON-EXECUTIVE NAME	CLASS OF SECURITIES	GRANT DATE	NO OF EQUITY	SHARE BASED PAYMENTS $
Gregory Miles	Tranche 1 – Performance Rights(1)	23 Nov 2020	800,000	121,600
	Tranche 2 – Performance Rights(1)	23 Nov 2020	600,000	75,000
	Tranche 3 – Performance Rights(1)	23 Nov 2020	160,000	380
	Incentive Options(1)	23 Nov 2020	800,000	70,025
Cliff Lawrenson	Tranche 1 – Performance Rights(1)	23 Nov 2020	500,000	76,000
	Tranche 2 – Performance Rights(1)	23 Nov 2020	400,000	50,000
	Tranche 3 – Performance Rights(1)	23 Nov 2020	120,000	285
	Incentive Options(1)	23 Nov 2020	500,000	43,766
Justin Tremain	Tranche 1 – Performance Rights(1)	23 Nov 2020	400,000	60,800
	Tranche 2 – Performance Rights(1)	23 Nov 2020	300,000	37,500
	Tranche 3 – Performance Rights(1)	23 Nov 2020	80,000	190
	Incentive Options(1)	23 Nov 2020	400,000	35,012
Simone Suen	Tranche 1 – Performance Rights(1)	23 Nov 2020	400,000	60,800
	Tranche 2 – Performance Rights(1)	23 Nov 2020	300,000	37,500
	Tranche 3 – Performance Rights(1)	23 Nov 2020	80,000	190
	Incentive Options(1)	23 Nov 2020	400,000	35,012
Jon Hronsky	Tranche 1 – Performance Rights(1)	23 Nov 2020	400,000	60,800
	Tranche 2 – Performance Rights(1)	23 Nov 2020	300,000	37,500
	Tranche 3 – Performance Rights(1)	23 Nov 2020	80,000	190
	Incentive Options(1)	23 Nov 2020	400,000	35,013
TOTAL			**7,420,000**	**837,563**

[1] Refer to Note 9 and 10 for further details in regards to incentive options and performance rights issued during the period.

For personal use only

12. Dividends

No dividends have been paid or declared since the start of the financial period, and none are recommended.

13. Fair value measurement of financial instruments

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

Recurring fair value measurements

The Group does not have any financial instruments that are subject to recurring or non-recurring fair value measurements.

Fair values of financial instruments not measured at fair value

Due to their short-term nature, the carrying amount of current receivables, current trade and other payables and current interest bearing liabilities is assumed to approximate their fair value.

14. Commitments

There are no material commitments that the Group has entered into during the period under review.

15. Contingent Assets and Liabilities

Contingent Payment Deed

Conditional upon the Acquisition Scheme and Demerger Scheme becoming effective (which has now occurred), Caspin has entered into a deed ('Contingent Payment Deed') with OZ Minerals ('OZ Minerals') which provides for potential payment by OZ Minerals to Caspin for additional consideration in two potential scenarios ('Contingent Consideration).

In the first scenario, if OZ Minerals disposes of 30% or more of its interest in the West Musgrave Project (as defined in the Demerger Scheme Booklet) to a third party and the sale price implies a value for 30% of West Musgrave equal to or greater than $76 million ('Implied Value'), Oz Minerals will pay Caspin Contingent Consideration of A$10 million, plus up to a further A$10 million payable at a rate of A$0.20 for each dollar of value exceeding the Implied Value. If OZ Minerals sells less than a 30% interest, the Contingent Consideration shall be calculated on a pro-rata basis.

In the second scenario, if OZ Minerals sells 30% or more of the contained nickel at West Musgrave to a strategic party, OZ Minerals will pay an amount of A$10 million to Caspin. If OZ Minerals sells less than 30% of the contained nickel, the Contingent Consideration shall be calculated on a pro-rata basis. Contingent Consideration is capped at A$20 million.

In accordance with Australian Accounting Standards, due to the uncertainty in relation to the quantum and timing of this Contingent Consideration, no amounts have been recognised in the financial statements in relation to these matters.

At the date of the report no other material commitments, contingent assets or contingent liabilities exist that the Company is are aware of, other than those disclosed above.

16. Earnings Per Share

Basic earnings per share amounts are calculated by dividing net profit/(loss) for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in the total operations basic and diluted earnings per share computations:

Basic and diluted profit/(loss) per share	31 December 2020 $
Basic profit/(loss) per share (cents per share)	(6.72)
Basic profit/(loss) per share from continuing operations (cents per share)	(6.72)
Diluted profit/(loss) per share (cents per share)	(6.72)
Diluted profit/(loss) per share from continuing operations (cents per share)	(6.72)
Profit/(Loss)	
Profit/(loss) used in the calculation of basic and diluted earnings per share is as follows:	
Loss for the period	(1,251,762)
Loss from continuing operations	(1,251,762)
Weighted average number of ordinary shares	
Weighted average number of ordinary shares outstanding during the period used in calculating basic EPS	18,615,890
Weighted average number of ordinary shares outstanding during the period used in calculating diluted EPS	18,615,890

17. Subsidiaries

(a) Parent entities

Caspin Resources Limited is the ultimate Australian parent entity.

(b) Subsidiaries

The consolidated financial statements include the financial statements of Caspin Resources Limited and the subsidiaries listed in the following table.

	31 December 2020		
	Country of Incorporation	**% Equity Interest**	**Principal Activity**
Search Resources Pty Ltd	Australia	100	Holding Subsidiary
Salvado Resources Pty Ltd	Australia	100	Holding Subsidiary
Opis Resources Pty Ltd	Australia	100	Operating subsidiary
Souwest Metals Pty Ltd	Australia	80	Operating subsidiary

For personal use only

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

18. Related Party Transactions

There have been no other related party transactions entered into during the period other than those disclosed in Note 10 and Note 11.

19. Events Subsequent to Reporting Date

DATE	DETAILS
4 Jan 2021	**Vesting of Performance Rights** Caspin advises that 2.5 million Tranche 1 Performance Rights and 1.9 million Tranche 2 Performance Rights have vested, having met the applicable vesting criteria. Accordingly, the Tranche 1 and Tranche 2 Performance Rights will be converted into Caspin shares within 20 business days. Refer to Note 10.
22 Jan 2021	**Appendix 3G – Tranche 1 and Tranche 2 Performance Rights**
22 Jan 2021	**Appendix 3Y – Change of Director's Interest Notice x 4**
25 Jan 2021	**Becoming a substantial holder – Atasa**
28 Jan 2021	**Quarterly Activities and Cashflow Report**
11 Feb 2021	**Yarawindah Brook Project – Exploration Update** • Surface geophysics supports XC-29 anomaly and geological interpretation • Multiple, strong bedrock conductors over 700m strike with potential extensions • Permitting process well advanced, targeting drilling later first quarter • Exploration advancing on multiple fronts; soil geochemistry program completed over the Yenart Propsect.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly evolving and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

For personal use only

For personal use only

DIRECTOR'S DECLARATION

The directors of the Company declare that:

(a) The financial statements and notes are in accordance with the *Corporations Act 2001*, including:

  (i) complying with the Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and other mandatory professional reporting requirements.

  (ii) giving a true and fair view of the financial position as at 31 December 2020 and the performance for the half year ended 31 December 2020.

(b) At the date of this statement there are reasonable grounds to believe that Caspin Resources Limited will be able to pay its debts when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors by:

Mr Greg Miles
Chief Executive Officer

Perth, 8 March 2021

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

For personal use only

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Caspin Resources Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Caspin Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, 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 ended on that date, a summary of 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 accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

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 a 31 December 2020 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*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

BDO

J Prue

Jarrad Prue

Director

Perth, 8 March 2021