

For personal use only



FINANCIAL REPORT

For the half year ended 31 December 2020



CORPORATE DIRECTORY

Auteco Minerals Ltd

ACN 110 336 733
ABN 96 110 336 733

Executive Chairman

Ray Shorrocks

Non-Executive Directors

Steve Parsons
Michael Naylor

Chief Operating Officer

Darren Cooke

Company Secretary

Nicholas Katris

Registered and Principal Office

Ground Floor
24 Outram Street
West Perth, Western Australia 6005

T: +61 8 9220 9030

E: info@autecominerals.com.au

W: www.autecominerals.com.au

Securities Exchange Listing

ASX Code: AUT

Share Registry

Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace
Perth, WA 6000

T: 1300 850 505

T: +61 3 9415 4000 (International)

W: www.computershare.com.au

Investor Centre: www.investorcentre.com

Legal Adviser

HWL Ebsworth Lawyers
Level 20, 240 St Georges Terrace
Perth WA 6000

Auditor

Ernst & Young
11 Mounts Bay Road
Perth, WA 6000

Stay in Touch

[Sign up to our Newsletter](#)

[Follow us on Facebook](#), [LinkedIn](#) & [Twitter](#)

For personal use only



CONTENTS

Directors' Report	2
Auditor's Independence Declaration	10
Financial Statements	11
Directors' Declaration	23
Independent Auditor's Report	24

For personal use only

DIRECTORS' REPORT

The directors' of Auteco Minerals Ltd ("Auteco" or "the Company") and its controlled entities (collectively, the Group) present their half year report together with the financial statements of the Group for the half year period ended 31 December 2020.

BOARD OF DIRECTORS

The Directors of the Company in office during the half year and until the date of this report are set out below. Directors were in office for the entire period unless otherwise stated.

Ray Shorrocks
(Executive Chairman)

Stephen Parsons
(Non-executive Director)

Michael Naylor
(Non-executive Director)

Samuel Brooks
(Executive Director resigned 30 November 2020)

PRINCIPAL ACTIVITIES

The principal activities of the Company during the period consisted of mineral exploration and evaluation at the Pickle Crow Gold Project in Ontario, Canada.

REVIEW OF OPERATIONS

Pickle Crow Project

Auteco's Pickle Crow Gold Project is located in the world-class tier 1 mining jurisdiction of Ontario, Canada.

Geologically, the project is set within the Uchi sub-province of the Archean Superior Craton. The Uchi sub-province has an endowment exceeding 40Moz of gold, hosting significant deposits including Red Lake (Evolution Mining), Madsen (Pure Gold), Springpole (First Mining) and the emerging Dixie discovery (Great Bear).

The Auteco land holding encompasses the high-grade Pickle Crow gold mine that produced 1.5Moz of gold at grade of 16g/t between 1935 and 1966, making it one of Canada's highest-grade historical gold mines.

Following recent consolidation of tenure, Auteco has embarked on the first systematic camp-scale exploration program undertaken in the northern Pickle Crow district.

Strategic Work Plan

Auteco has commenced a phased strategic work program designed to test and unlock the potential of the Pickle Crow district (Figure 1). As at December 31 2020, an updated Mineral Resource estimate (Phase 1) had been completed. Near mine extensional drilling (work Phase 2) was in progress at the end of 2020. Results delivered during the half were encouraging, with the defined work program on track to be successfully completed by mid-year 2021.

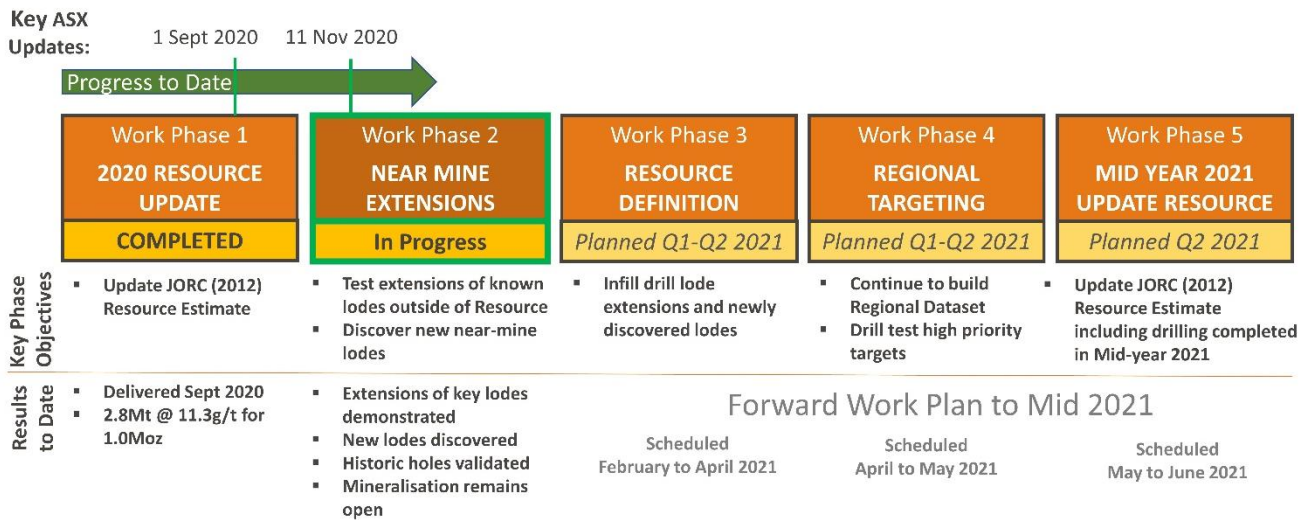


Figure 1: Pickle Crow Strategic Work Plan

Mineral Resource Update – September 2020

An updated Mineral Resource estimate for Pickle Crow was released in September 2020, with the Inferred Resource increasing to 1.0 million ounces at 11.3 g/t gold¹ (Table 1). The Resource estimate was prepared in accordance with the JORC Code (2012 edition).

Table 1: Independent JORC 2012 Inferred Resource Estimate at selected lower cut-off grades at the Pickle Crow Gold Project

Lower Cut-Off	Tonnes (Mt)	Grade Gold g/t	Gold Million oz
3.5 g/t Au	2.8	11.3	1.0

The Inferred Resource is proximal to existing historic underground infrastructure (Figure 2). The mineralisation estimated was constrained by drill data density and observed to be open along strike and at depth on multiple structures.

¹ As announced in September 2020, Resource Grows to 1 Moz at 11.3g/t Gold at Pickle Crow. Auteco confirms that it is not aware of any new information or data that materially affects the information included in the original announcement and that all material assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcement.

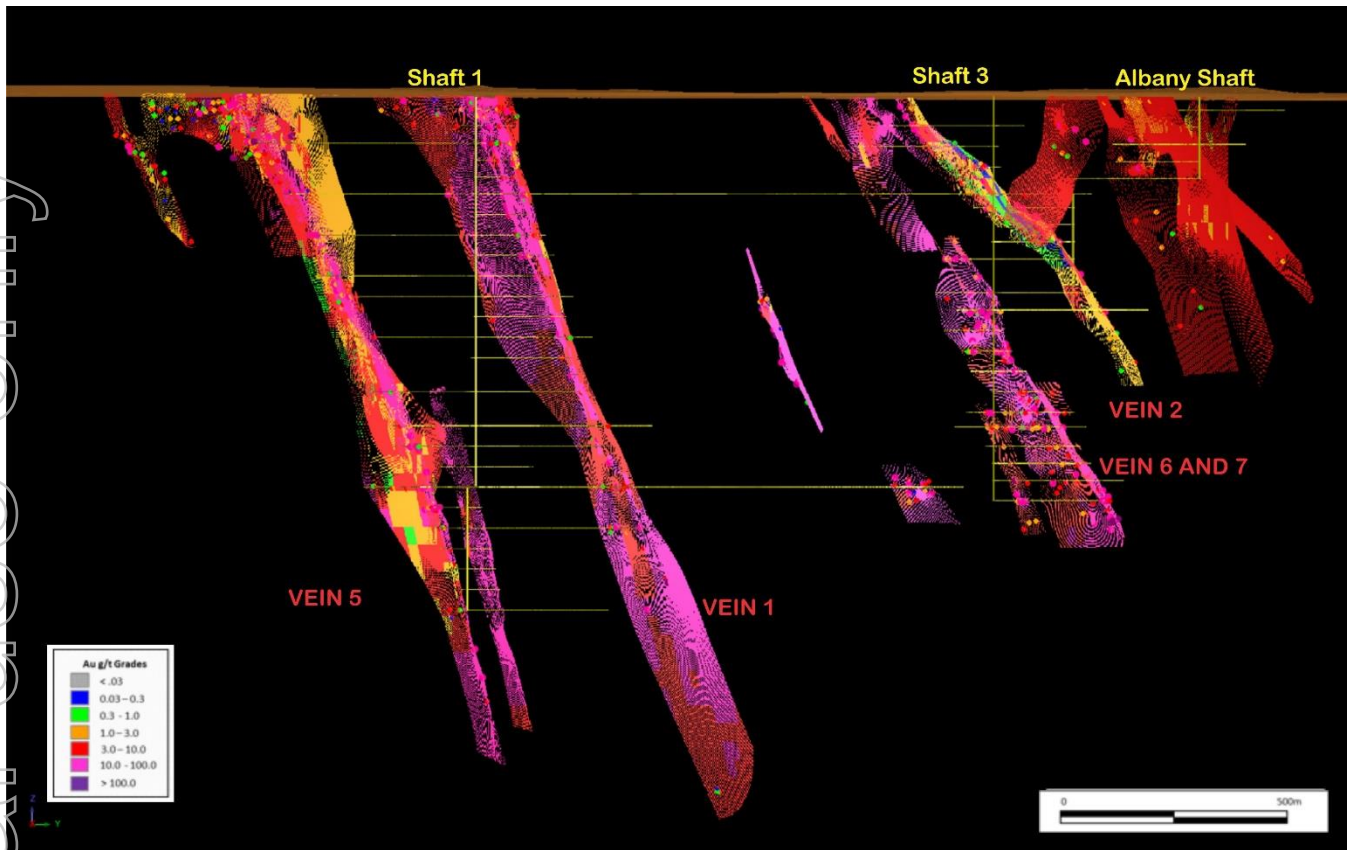


Figure 2: Long section view showing Resource blocks from the September 2020 Resource update relative to mine infrastructure.

Drilling Program Overview

In the second half of 2020 Auteco embarked on a 45,000m drill program with the key objectives of:

- defining new and extensional high-grade structures outside of the current Inferred Resource within 300 metres from surface in the near-mine environment
- infill drilling newly discovered structures and extensions to potentially define additional Inferred Resource by mid-year 2021
- commencing testing of high priority regional exploration targets

As at 31 December 2020, approximately 19,000 metres of the program had been completed. Work to the end of 2020 had focused exclusively on near mine extensional drilling outside of the 1Moz Inferred Resource (Phase 2 of the work program). By the end of 2020, the number of rigs on site had increased to four.

Key Exploration Results for the half year Ending 31 December 2020

The location of key exploration results delivered by Auteco is presented in Figure 3.

Mineralisation at Pickle Crow consists of multiple narrow vein structures that have been grouped by proximity to underground infrastructure for reporting purposes. The Pickle Crow project area has been grouped into 3 key areas:

- Shaft 1
- Shaft 3
- Albany Shaft

Work during the period focused predominantly on the Shaft 1 and Shaft 3 areas.

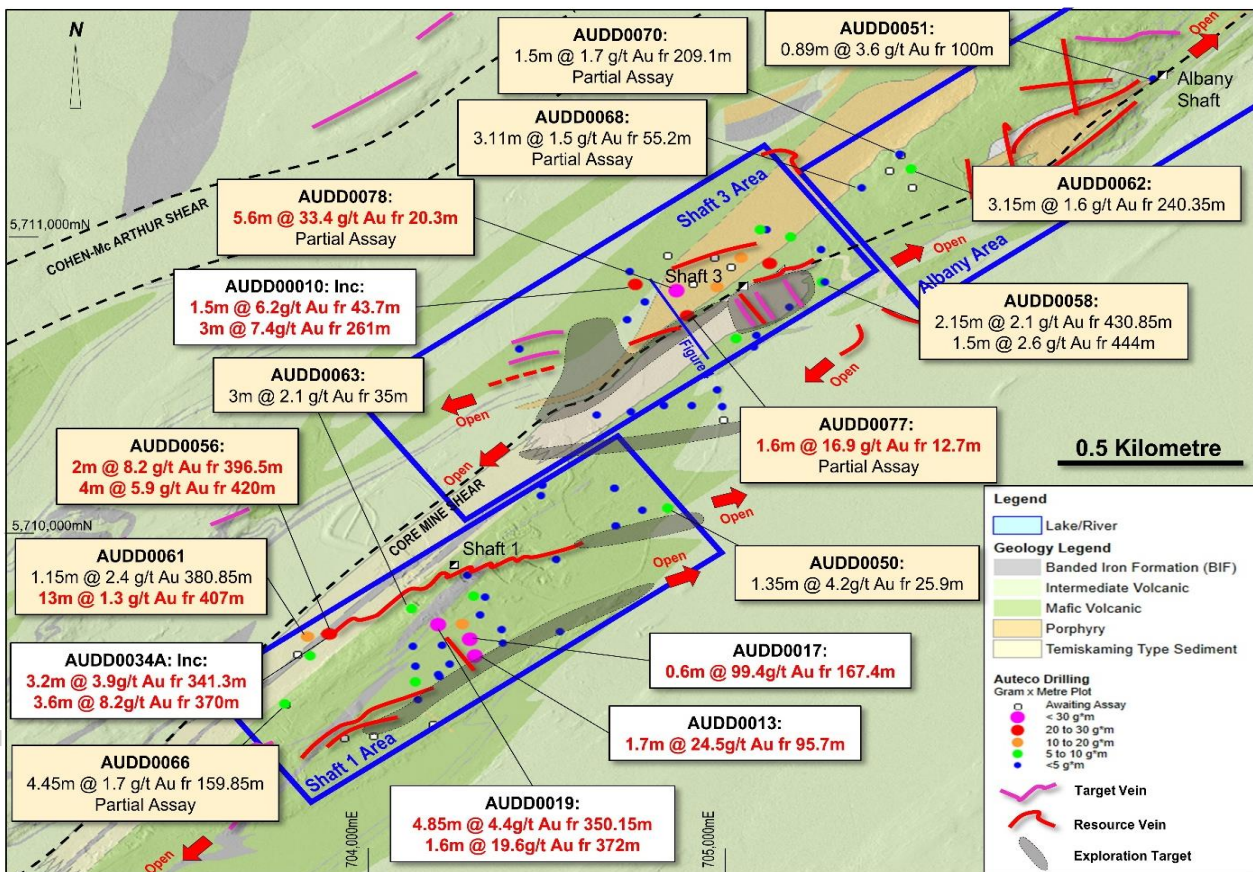


Figure 3: Surface plan showing selected Auteco intersections to date from the Pickle Crow Gold Project.

Shaft 1 Area – Key Results

Drilling completed in the Shaft 1 discovered new mineralised structures in addition to extending mineralised structures beyond the limits of the September Resource estimate. Significant assay results received during the period included:

- 1.6m @ 25.8 g/t gold from 95m in AUDD0013 (See ASX Release 1/9/2020)
- 0.6m @ 99.4 g/t gold from 167.4m in AUDD0017 (See ASX Release 1/9/2020)
- 4.85m @ 4.4 g/t gold from 350.15m in AUDD0019 (See ASX Release 1/9/2020)
- 1.6m @ 19.6 g/t gold from 372m in AUDD0019 (See ASX Release 1/9/2020)
- 6m @ 8.2 g/t gold from 370m in AUDD0034A (See ASX Release 11/11/2020)
- 2m @ 3.8 g/t gold from 138.45m in AUDD0032 (See ASX Release 11/11/2020)
- 2m @ 8.2 g/t gold from 396.5m in AUDD0056 (See ASX Release 19/1/2021 – drilled in 2021 H2)
- 4m @ 5.9 g/t gold from 420m in AUDD0056 (See ASX Release 19/1/2021 – drilled in 2021 H2)

Shaft 3 Area – Key Results

Drilling by Auteco during the period successfully defined extensions to known mineralised structures in the Shaft 3 area. Additionally, numerous previously unrecognised mineralised structures outside of the Resource were discovered. Key results included:

- 3m @ 7.4 g/t gold from 261m in AUDD0010 (See ASX Release 1/9/2020)
- 5.6m @ 33.4 g/t gold from 20.3m in AUDD0078 (See ASX Release 19/1/2021 – drilled in 2021 H2)
- 1.6m @ 16.7 g/t gold from 12.7m in AUDD0077 (See ASX Release 19/1/2021 – drilled in 2021 H2)

Other Exploration Activities

Activities completed during the period include:

- Collection of ground magnetic data in select areas.
- Continued analysis of historic data (drilling, geochemistry).
- Selective resampling of mineralisation halos in historic core.

Future Work Plans

Activities in the first half of 2021 will focus on:

- Mobilisation of a 5th drill rig to site
- Completion of step out extensional drilling
- Infill drilling with sufficient density to potentially define additional Inferred Resource in the Shaft 1 and Shaft 3 areas
- Drill testing of priority regional exploration targeting (Springer shaft, Crowshaw, Powderhouse)
- Delivery of a Resource update anticipated in June 2021
- Condition assessment of surface infrastructure (processing plant)

Covid-19 Impact

The management of the health and safety of our employees and contractors during the COVID-19 pandemic is of high importance for the Company. Whilst exploration activities in Canada have been able to continue, the impact of the pandemic is ongoing.

The Company remains vigilant and will continue social distancing and hygiene practices and other additional control measures as appropriate to protect our workforce from the spread of COVID-19, in line with the West Australian and Canadian Government advice and guidelines.

CORPORATE

Performance and Position

Cash and cash equivalents as at 31 December 2020 was \$29,580,965 (30 June 2020: \$4,846,429).

The loss after income tax incurred by the Group for the six months ended 31 December 2020 was \$1,899,870 (2019: \$460,445).

The loss included the following items:

- Corporate costs of \$0.97 million (2019: \$0.4 million);
- Employee benefit expenses \$0.747 million (2019: \$0.06 million); and
- Share-based payment expenses of \$0.25 million (2019: Nil)

At 31 December 2020 the Group's total assets increased \$28,186,092 to \$34,881,796 (30 June 2020: \$6,695,704)

The view of the Directors is that the Company and the Group are operating as a going concern.

Placements

During the period, Auteco completed a fully underwritten placement to raise approximately \$30.6 million (before costs) via the issue of approximately 231.4 million new fully paid ordinary shares in the Company; and

In addition, shareholders approved Directors' participation in the April 2020 placement for \$225k via 6,428,572 fully paid ordinary shares, which were issued in July 2020.

Proceeds of the Placement are funding ongoing exploration at Auteco's flagship Pickle Crow Gold Project, as well as working capital requirements.

Board Change

In December, Sam Brooks resigned as Executive Technical Director. Mr Brooks is based in Perth and also holds the position of Chief Geologist at emerging WA gold producer Bellevue Gold (ASX: BGL). Given the travel restrictions associated with COVID-19 and Auteco's success in building an exploration team in Canada, Mr Brooks has stepped down to focus solely on the Bellevue gold project.

Change of Auditor

The Company appointed Ernst and Young (“EY”) effective 2 February 2021, this will be tabled at the Company’s 2021 Annual General Meeting to confirm the appointment of EY as the Company’s auditor.

Annual General Meeting

Auteco held its Annual General Meeting on 26 November 2020, with all resolutions being passed on a poll.

Change of Registered Address

The Company’s registered address and principal place of business changed to:

Ground Floor
24 Outram Street
West Perth WA 6005

EVENTS AFTER THE REPORTING DATE

Chief Operating Officer Appointment

The Company announced on 8 January 2021, that it had appointed Darren Cooke as Chief Operating Officer, effective 1 February 2021.

Darren is a geologist with 24 years’ experience having previously held senior positions in global majors including Barrick Gold, Newmont and Northern Star Resources. Darren has had extensive gold industry experience in Australia and North America spanning regional and near mine exploration, operational geology, long-term planning and corporate development.

Tenement Acquisition at Pickle Crow

On 17 February 2021, the Company announced it secured a large, highly strategic land holding along strike from its 1Moz Pickle Crow gold project in Ontario, Canada. It has increased its land position around the high-grade, tenure to more than 496km².

There are no other matters or circumstances which have arisen since the end of the half year 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 subsequent financial periods.

AUDITORS INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 10, and forms part of this report.

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



Ray Shorrocks

Executive Chairman

Dated on 15 March 2021

JORC Compliance Statement

This report contains references to Mineral Resources and Ore Reserves estimates which have been extracted from the above Company Announcements. For full details of Exploration Results in this half year report that have been previously announced, refer to the Company's said announcement or release on the said date. The Company confirms that it is not aware of any new information or data that materially affects the information included in the said announcements, and in the case of estimates of Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not materially modified from the original market announcements.

Disclaimer

This report has been prepared by the Company based on information from its own and third-party sources and is not a disclosure document. No party other than the Company has authorised or caused the issue, lodgement, submission, despatch or provision of this half year report, or takes any responsibility for, or makes or purports to make any statements, representations or undertakings in this half year report. Except for any liability that cannot be excluded by law, the Company and its related bodies corporate, directors, employees, servants, advisers and agents disclaim and accept no responsibility or liability for any expenses, losses, damages or costs incurred by you relating in any way to this half year report including, without limitation, the information contained in or provided in connection with it, any errors or omissions from it however caused, lack of accuracy, completeness, currency or reliability or you or any other person placing any reliance on this half year report, its accuracy, completeness, currency or reliability. This half year report is not a prospectus, disclosure document or other offering document under Australian law or under any other law. It is provided for information purposes and is not an invitation nor offer of shares or recommendation for subscription, purchase or sale in any jurisdiction. This half year report does not purport to contain all the information that a prospective investor may require in connection with any potential investment in the Company. Each recipient must make its own independent assessment of the Company before acquiring any shares in the Company.

Forward Looking Statements

Various statements in this document constitute statements relating to intentions, future acts and events. Such statements are generally classified as "forward looking statements" and involve known and unknown risks, uncertainties and other important factors that could cause those future acts, events and circumstances to differ materially from what is presented or implicitly portrayed in this half year report. The Company gives no assurances that the anticipated results, performance or achievements expressed or implied in these forward-looking statements will be achieved.

AUDITOR'S INDEPENDENCE DECLARATION



**Building a better
working world**

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Auditor's independence declaration to the Directors of Auteco Minerals Limited

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

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Auteco Minerals Limited and the entities it controlled during the financial period.

A handwritten signature in black ink, appearing to read 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Russell Curtin'.

Russell Curtin
Partner
15 March 2021

For personal use only



FINANCIAL STATEMENTS

For the half year ended 31 December 2020

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Note	31 December 2020 \$	31 December 2019 \$
INTEREST AND OTHER INCOME		67,538	2,860
EXPENSES			
Accounting, audit and taxation services		(33,355)	(14,317)
Business development		(96,967)	-
Consultants and contractors		(594,389)	(100,967)
Depreciation and amortisation		(913)	(468)
Employee benefits		(747,221)	(265,043)
Share-based payments		(245,975)	-
Exploration and evaluation written off		(15,633)	(2,930)
Insurance		(21,902)	-
Listing and compliance		(68,063)	(35,865)
Office rental & outgoings		(5,052)	(5,052)
Other costs		(27,895)	(38,663)
Travel and accommodation		(2,814)	-
Unrealised foreign exchange differences		(107,229)	-
		(1,967,408)	(463,305)
Loss before income tax for the period		(1,899,870)	(460,445)
Income tax expense		-	-
Loss after income tax for the period		(1,899,870)	(460,445)
Other comprehensive loss			
<i>Items that may be reclassified to profit or loss in subsequent periods</i>			
Exchange differences on translation of foreign operations		(171,476)	-
Total comprehensive loss for the period attributable to:			
Equity holders of the Company		(2,071,346)	(460,445)
Total comprehensive income for the period, net of tax		(2,071,346)	(460,445)
Basic and diluted loss per share (cents per share)		(0.12)	(0.05)

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



INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Note	31 December 2020 \$	30 June 2020 \$
ASSETS			
Current assets			
Cash and cash equivalents		29,580,965	4,846,429
Other receivables		285,255	154,385
Other assets		99,589	59,038
Total current assets		29,965,809	5,059,852
Non-current assets			
Plant and equipment		68,652	36,658
Right-of-use asset	7	358,385	-
Exploration and evaluation assets	8	4,488,950	1,599,194
Total non-current assets		4,915,987	1,635,852
Total assets		34,881,796	6,695,704
LIABILITIES			
Current liabilities			
Trade and other payables	6	1,194,348	509,632
Lease liabilities	7	182,138	-
Provisions		22,606	3,885
Total current liabilities		1,399,092	513,517
Non-current liabilities			
Lease liabilities	7	159,156	-
Provisions		208,854	208,854
Total non-current liabilities		368,010	208,854
Total liabilities		1,767,102	722,371
Net assets		33,114,694	5,973,333
EQUITY			
Share capital	9	60,593,904	31,628,171
Reserves		6,771,822	6,696,324
Accumulated losses		(34,251,032)	(32,351,162)
Total equity		33,114,694	5,973,333

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

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Share capital \$	Share based payment reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2019	24,978,682	512,346	-	(24,741,359)	749,669
Loss for the period	-	-	-	(460,445)	(460,445)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(460,445)	(460,445)
Balance at 31 December 2019	24,978,682	512,346	-	(25,201,804)	289,224
Balance at 1 July 2020	31,628,171	6,696,324	-	(32,351,162)	5,973,333
Loss for the period	-	-	-	(1,899,870)	(1,899,870)
Other comprehensive loss	-	-	(171,476)	-	(171,476)
Total comprehensive loss for the period	-	-	(171,476)	(1,899,870)	(2,071,346)
Transactions with owners					
Issue of share capital	30,600,000	-	-	-	30,600,000
Cost of issue of share capital	(1,634,267)	-	-	-	(1,634,267)
Consideration for options issued	-	1,000	-	-	1,000
Share based payments	-	245,974	-	-	245,974
Balance at 31 December 2020	60,593,904	6,943,298	(171,476)	(34,251,032)	33,114,694

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



INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	31 December 2020 \$	31 December 2019 \$
OPERATING ACTIVITIES		
Payments to suppliers and employees	(1,336,871)	(227,795)
Payments for exploration and evaluation expensed	(19,354)	(2,930)
Interest received	44,698	2,730
Other income	22,960	-
Net cash used in operating activities	(1,288,567)	(227,995)
INVESTING ACTIVITIES		
Payments for plant and equipment	(32,836)	-
Payments for exploration and evaluation capitalised	(2,737,267)	(151,388)
Other (security bond refunded)	-	5,513
Net cash used in investing activities	(2,770,103)	(145,875)
FINANCING ACTIVITIES		
Proceeds from issue of shares	30,600,000	-
Proceeds from option issuances	1,000	-
Capital raising costs for issue of shares	(1,659,268)	-
Principal elements of lease payments	(29,450)	-
Interest payments	(3,143)	-
Net cash provided by financing activities	28,909,139	-
Net increase/(decrease) in cash and cash equivalents	24,850,469	(373,870)
Cash and cash equivalents at the beginning of the period	4,846,429	728,055
Effect of movements in exchange rates on cash held	(115,933)	-
Cash and cash equivalents at the end of the period	29,580,965	354,185

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

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

1. CORPORATE INFORMATION

The Interim consolidated financial statements of Auteco Minerals Ltd and its subsidiaries (collectively, the “Group”) for the half year ended 31 December 2020 were authorised for issue in accordance with a resolution of the directors on 15 March 2021.

Auteco Minerals Ltd (“the Company”) is a for profit company, limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The Group’s principal activity for the six months ended 31 December 2020 consisted of exploration and evaluation in Canada.

The nature of operations & principal activities of the Group are further described in the Directors’ report.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

a) Statement of compliance

The interim consolidated financial statements for the six months ended 31 December 2020 have been prepared in accordance with AASB 134 Interim Financial Reporting.

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements as at 30 June 2020.

b) Significant accounting policies

The accounting policies applied in these financial statements are consistent with those applied by the Group in the 30 June 2020 consolidated financial statements, except as disclosed in note 2(c).

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2020 interim reporting period and have not been applied in these financial statements.

c) New and amended standards adopted by the Group

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period and were relevant to the Group. The adoption of the new and amended accounting standards and interpretations had no material impact on the Group. Any new, revised or amending Accounting Standards of Interpretations that are not yet mandatory have not been adopted early.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2020

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

When preparing the Interim Financial Statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income 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 Group's last annual financial statements for the year ended 30 June 2020.

4. CONTINGENT LIABILITIES

There have been no material changes to contingent liabilities disclosed in the 30 June 2020 annual report.

5. COMMITMENTS

There have been no material changes to commitments disclosed in the 30 June 2020 annual report.

6. TRADE AND OTHER PAYABLES

	31 December 2020 \$	30 June 2020 \$
Trade payables	897,386	350,690
Other payables	43,246	13,040
Accrued expenses	253,716	145,902
	1,194,348	509,632

Refer to Note 8 for further information on increased activities during the period.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

7. LEASES

The Group has a lease contracts for a 6-unit drill camp and generator in its operations. The lease term is two years.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Buildings and Camp \$
Opening carrying amount	-
Additions	370,744
Depreciation	(12,359)
Closing carrying amount	358,385

Set out below are the carrying amounts of right-of-use liabilities recognised and the movements during the period:

	31 December 2020 \$	30 June 2020 \$
Additions	370,744	-
Accretion of interest	3,143	-
Payments	(32,593)	-
Closing carrying amount	341,294	-
Current	182,138	-
Non-current	159,156	-

The following are the amounts capitalized to exploration and evaluation assets:

	31 December 2020 \$	30 June 2020 \$
Depreciation expense for right-of-use assets	12,359	-
Interest expense on lease liabilities	3,143	-
Total amount capitalized in exploration and evaluation assets	15,502	-

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

8. EXPLORATION AND EVALUATION ASSETS

	31 December 2020 \$	30 June 2020 \$
Carrying amount at the beginning of the period	1,599,194	44,638
Acquisition of the Pickle Crow Gold Project	-	864,974
Capitalised expenditure at cost	2,905,389	903,524
Exploration and evaluation expenditure written off	(15,633)	(213,942)
Carrying amount at the end of period	4,488,950	1,599,194

On March 12, 2020, Auteco and First Mining executed a definitive Earn-In Agreement (the "Earn-In Agreement") whereby Auteco may earn an 80% interest in PC Gold, a wholly owned subsidiary of First Mining which owns the Pickle Crow Project. During the half year ended 31 December 2020, the Company has ramped up exploration activities at the Pickle Crow Project. The higher level of exploration activity resulted in an increase in exploration and evaluation assets, plant and equipment, right-of-use asset, trade and other payables, and lease liabilities.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

9. ISSUED CAPITAL

	31 December 2020 # of shares	30 June 2020 # of shares	31 December 2020 \$	30 June 2020 \$
Fully paid ordinary Shares	1,567,178,936	1,335,750,364	60,593,904	31,628,171

	# of shares	\$
Balance at 30 June 2019	1,002,464,650	24,978,682
Share placement	291,285,714	6,175,000
Shares issued and part of the acquisition of PC Gold	30,000,000	715,000
Options exercised	12,000,000	65,801
Less: cost of shares issued	-	(306,312)
At 30 June 2020	1,335,750,364	31,628,171
Share placement	231,428,572	30,600,000
Less: cost of shares issued	-	(1,634,267)
At 31 December 2020	1,567,178,936	60,593,904

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

10. SEGMENT INFORMATION

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

The Group reports two segments for the period ended 31 December 2020:

Exploration and evaluation

- Pickle Crow Gold Project – Gold in Ontario, Canada
- Limestone Well Project – Vanadium in Western Australia

	Australia	Canada	Total
	\$	\$	\$
Six months ended 31 December 2020			
Segment results	(15,633)	(36,856)	(52,489)
Unallocated losses after income tax			(1,847,381)
Loss after income tax			(1,899,870)
Six months ended 31 December 2019			
Segment results	-	-	-
Unallocated losses after income tax			(460,445)
Loss after income tax			(460,445)
31 December 2020			
Segment assets	-	5,212,277	5,212,277
Unallocated assets			29,669,519
Total assets			34,881,796
Segment liabilities	11,906	1,196,230	328,275
Unallocated liabilities			558,966
Total liabilities			1,767,102
30 June 2020			
Segment assets	-	1,662,752	1,662,752
Unallocated assets			5,032,952
Total assets			6,695,704
Segment liabilities	-	328,275	328,275
Unallocated liabilities			394,096
Total liabilities			722,371

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

11. EVENTS AFTER THE REPORTING DATE

Chief Operating Officer Appointment

The Company announced on 8 January 2021, that it had appointed Darren Cooke as Chief Operating Officer, effective 1 February 2021.

Darren is a geologist with 24 years' experience having previously held senior positions in global majors including Barrick Gold, Newmont and Northern Star Resources. Darren has had extensive gold industry experience in Australia and North America spanning regional and near mine exploration, operational geology, long-term planning and corporate development.

Tenement Acquisition at Pickle Crow

On 17 February 2021, the Company announced it secured a large, highly strategic land holding along strike from its 1Moz Pickle Crow gold project in Ontario, Canada. It has increased its land position around the high-grade, tenure to more than 496km².

There are no other matters or circumstances which have arisen since the end of the half year 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 subsequent financial periods.

DIRECTORS' DECLARATION

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

In accordance with a resolution of the directors of Auteco Minerals Ltd, I state that in the opinion of the directors:

- (a) the interim financial statements and notes of the Company and its subsidiaries (collectively the Group) are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the board



Raymond Shorrocks
Executive Chairman

Dated on 15 March 2021

INDEPENDENT AUDITOR'S REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2020



Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Independent auditor's review report to the members of Auteco Minerals Limited

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Auteco Minerals Limited (the Company) and its subsidiaries (collectively the Group), which comprises the interim consolidated statement of financial position as at 31 December 2020, the interim consolidated statement of profit or loss and other comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2020 and of its consolidated financial performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether on the basis of the procedures described, anything has come to our attention that causes us to 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 consolidated financial position as at 31 December 2020 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

INDEPENDENT

AUDITOR'S REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020



Building a better
working world

2

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

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

A handwritten signature in black ink, appearing to read 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Russell Curtin'.

Russell Curtin

Partner

Perth

15 March 2021