PURSUIT MINERALS

Limited

ABN: 27 128 806 977

And Controlled Entities

CONSOLIDATED REPORT

For the Half-Year Ended 31 December 2020

Competent Persons' Statements

Statements contained in this report relating to exploration results, historical exploration results, historical estimates of mineralisation and Exploration targets are based on, and fairly represents, information and supporting documentation prepared by Mr. Jeremy Read, who is a member of the Australian Institute of Mining & Metallurgy (AusIMM), Member No 224610. Mr Read is a full-time employee of the Company and has sufficient relevant experience in relation to the mineralisation styles being reported on to qualify as a Competent Person as defined in the *Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012*. Mr Read consents to the use of this information in this report in the form and context in which it appears.

Statements contained in this report relating to the Koitelainen Inferred Mineral Resource and the Airijoki Inferred Mineral Resource, are based on, and fairly represents, information and supporting documentation prepared by Mr. Chris Grove, who is a member of the Australian Institute of Mining & Metallurgy (AusIMM), Member No 310106. Mr Grove is a full-time employee of the mineral resource consulting company "Measured Group", who were contracted by Pursuit Minerals Limited to prepare an estimate of the Inferred Mineral Resource at Koitelainen and the Inferred Mineral Resource at Airijoki. Mr Grove has sufficient relevant experience in relation to the mineralisation styles being reported on to qualify as a Competent Person as defined in the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012. Mr Grove consents to the use of this information in this report in the form and context in which it appears.

DIRECTORS

Mark Freeman	Chief Executive Officer / Executive Director
Peter Wall	Non-Executive Chairman
Matthew O'Kane	Non-Executive Director
Jeremy Read	Technical Director / Executive Director

SECRETARY

Mark Freeman

REGISTERED OFFICE

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SHARE REGISTRY

Automic Pty Ltd
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Perth WA 6000

AUDITORS

Pitcher Partners BA&A Pty Ltd
Level 11,
12-14 The Esplanade
Perth WA 6000

Your Directors submit the financial report of Pursuit Minerals Limited ("Pursuit" or the "Company") and its controlled entities (the "Consolidated Entity") for the half-year ended 31 December 2020.

DIRECTORS

The following persons were directors of Pursuit Minerals Limited during the whole of the half-year under review and up to the date of this report, unless otherwise stated:

Mark Freeman	Chief Executive Officer / Executive Director
Peter Wall	Non-Executive Chairman
Matthew O'Kane	Non-Executive Director
Jeremy Read	Technical Director / Executive Director

COMPANY SECRETARY

Mark Freeman

PRINCIPAL ACTIVITIES

The principal activity of the Consolidated Entity during the half-year was conducting mineral exploration activities on its nickel, copper, platinum, and vanadium tenements located in Australia, Norway, Sweden and Finland. In addition, the Consolidated Entity was actively engaged in assessing acquisition and joint venture opportunities in relation to other mineral resource projects.

Warrior Project (100%)

- On 2 December 2020, Pursuit entered into a binding acquisition agreement to acquire a **593km^2** tenement package (one granted exploration licence and three exploration licence applications known as Calingiri East, Calingiri West, Bindi Bindi and Wubin), comprising the Warrior Project, located **20km north and 170km north-northeast of Chalice Gold Mine's (ASX:CHN)** major PGE-Nickel-Copper discovery on the Julimar Project.
- The Warrior Project covers a number of known mafic-ultramafic rock units and unexplored magnetic and gravity anomalies suspected to be mafic and ultramafic intrusive rocks.
- The Company subsequently applied for and was granted the Wubin South tenement (E70/5678), increasing the Warrior Project tenement holding to **646 km^2**.
- An **airborne electromagnetic survey** over Calingiri East, Wubin, Wubin South and the most prospective sections of Calingiri West was completed in early March 2021. The overall Warrior AEM survey resulted in 1,922 line/km of airborne EM data being collected and a number of highly prospective PGE-Ni-Cu targets being identified.
- Contractors have been secured and commenced on **12 March 2021** moving-loop ground EM ("MLEM") surveys to follow-up six highly prospective targets on the Calingiri East Project which were identified from the recently completed airborne EM survey (ASX Announcement 25 February 2021). The MLEM program is designed to further refine the orientation and position of the six EM anomalies and provide targets for drill testing. Calingiri East now has an estimated 7,000m of combined strike length of Airborne EM anomalies with PGE-Ni-Cu sulphide mineralisation potential.

- Results from Calingiri West and Wubin Projects require further post processing due to shallow conductive cover, potentially masking the conductors of interest. Pursuit will advise the market once this post processing is completed and drill targets identified. Following delivery of the final AEM data, ground follow-up programs will be initiated with the objective of commencing drill testing of high priority targets during the second quarter 2021.
- The "late-time" EM conductors, forming the AEM targets, are associated with magnetic anomalies interpreted to be due to mafic or ultramafic intrusive rocks, which are known to host the PGE-Ni-Cu mineralisation at the Gonneville Intrusion on Chalice Mining Limited's Julimar PGE-Ni-Cu Project (see Chalice Mining ASX Announcement 23 March 2020).
- The prospectivity of the Warrior Project for PGE-Ni-Cu mineralisation has been confirmed by previous aircore drilling at Calingiri East intersecting up to **1420ppm Ni** in mafic rocks and anomalous platinum and palladium previously intersected at Wubin.
- The Calingiri West tenement covers part of the **Sovereign Magnetic Complex** and is immediately adjacent to late-time AEM anomalies recently defined by Devex Resources (ASX: DEV, see ASX Announcement 8 October 2020). **Devex** is planning on commencing drilling in the near term.
- The Bindi Bindi tenement application contains ultramafic outcrops anomalous in nickel and is adjacent to Liontown Resources (ASX: LTR) Moora Gold-PGE-Nickel Copper project which contains a number of prospects including the southern portion of the Bindi Bindi ultramafic complex. Liontown announced encouraging elevated assay results (Cu, Au, Ni + PGE) in its announcement dated **19 January 2021**.
- The Wubin granted tenement contains mafic-ultramafic rocks with limited historical drilling for iron ore returning anomalous platinum and copper. Palladium was not assayed, however, drilling on the neighbouring licence held by Chalice Gold returned anomalous palladium associated with platinum.
- As at the date of this report, Pursuit has paid $300,000 in cash and issued 40,000,000 fully paid ordinary shares to the vendor of the Warrior Project. Following ministerial consent for the transfer of the remaining tenement (West Calingiri) to Pursuit, an additional 10,000,000 shares will be issued to the vendor. In addition, Pursuit will grant the vendor a 1% net smelter royalty on all minerals produced from the tenements and a milestone payment of $200,000 in cash on achieving a mineralised drill intersection on one tenement of at least 10 metres of 2% nickel equivalent or better.

Figure One – Calingiri East (E70/5379) Preliminary AEM Data & Proposed MLEM Lines

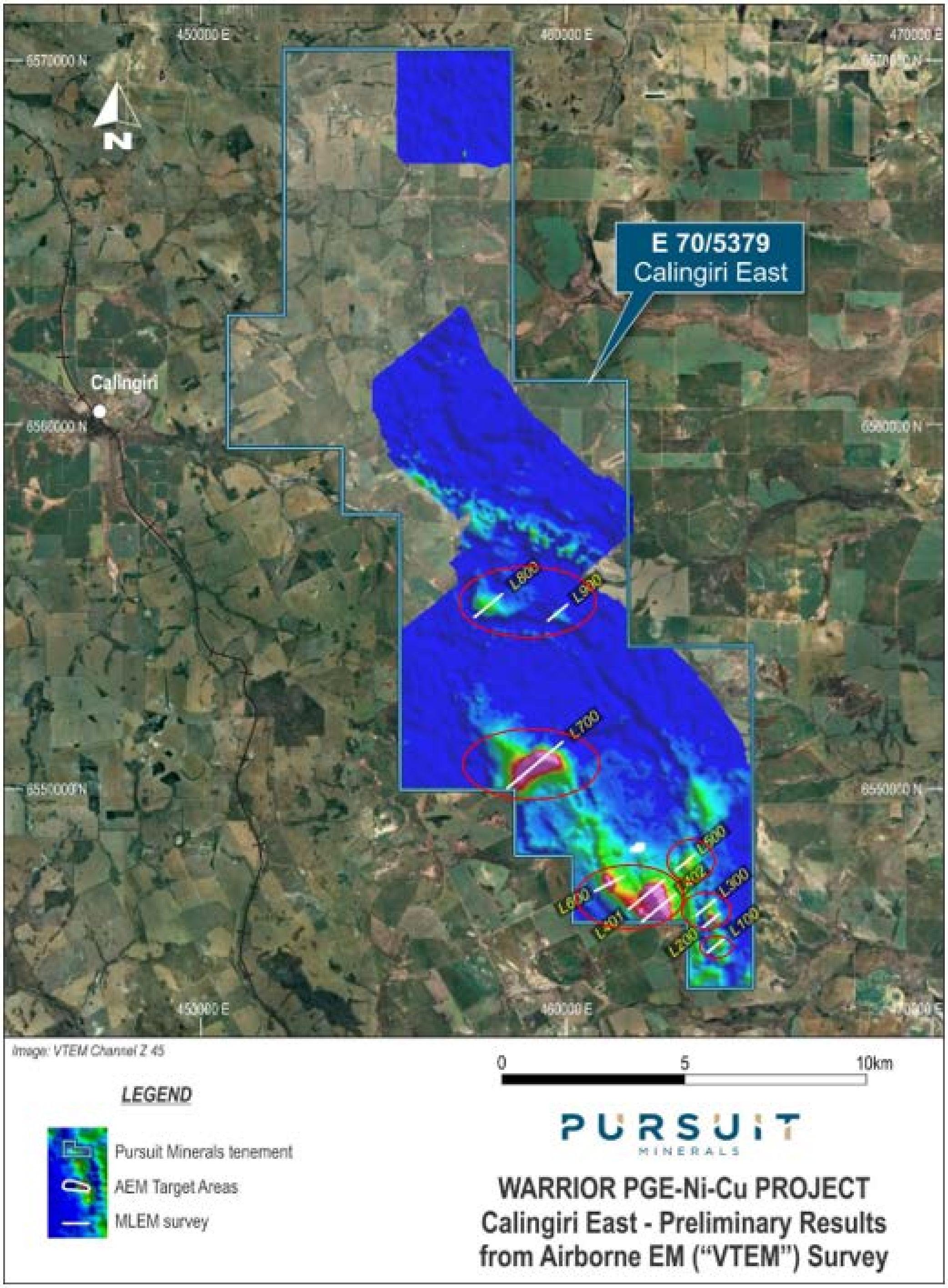
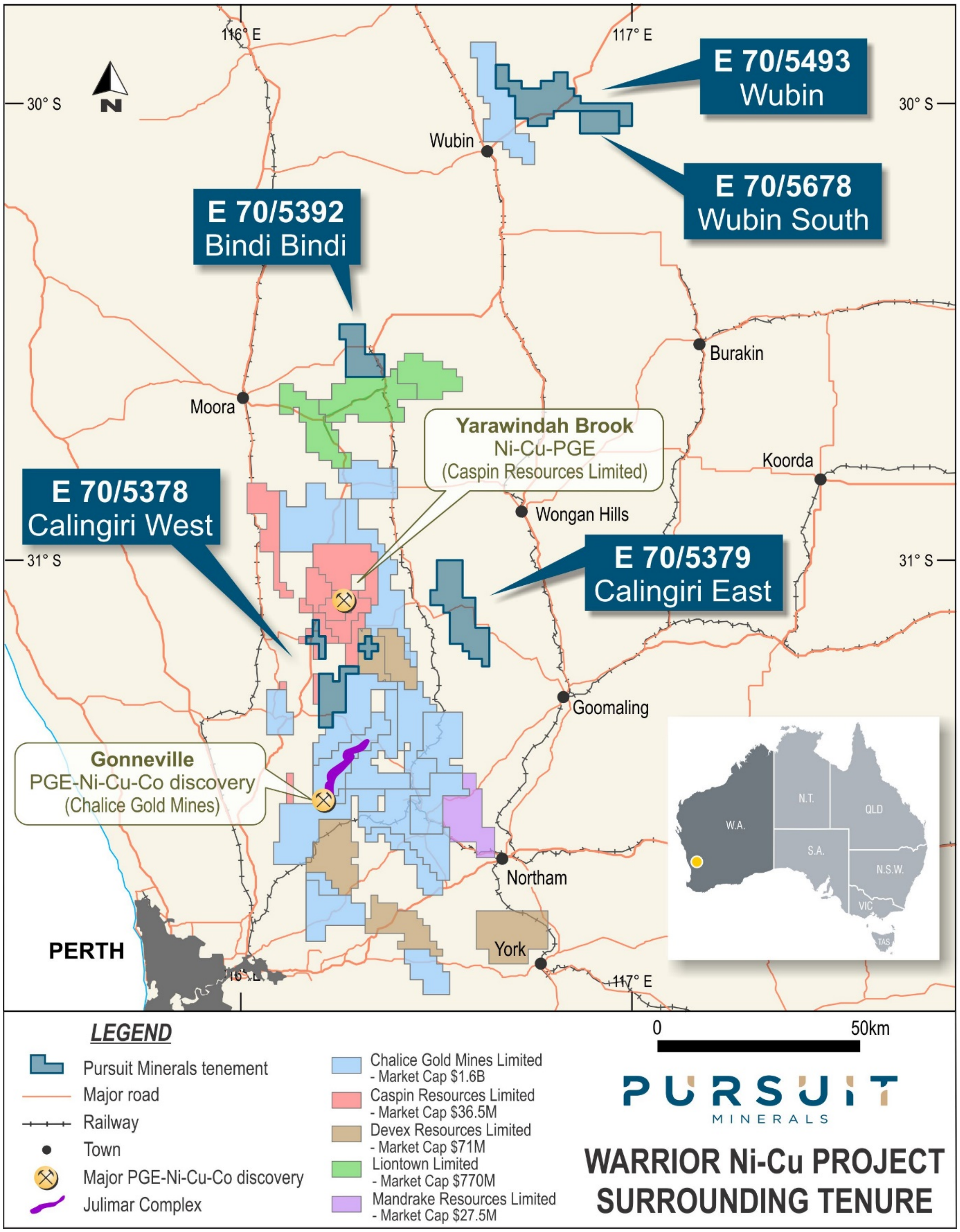


Figure Two – Warrior PGE-Ni-Cu Project Location



Gladiator Project (100%)

- As announced on 25 September 2020, during the half year ended 31 December 2020 Pursuit entered into a binding acquisition agreement to acquire the Gladiator Gold Project, comprising of 4 exploration licences located 10km northwest of Laverton in Western Australia. Under the terms of the binding acquisition agreement, Pursuit will pay $100,000 in shares in two tranches to the vendors of the tenements. The first tranche was payable immediately and the second tranche payable upon renewal/extensions of certain licence terms being granted. As at the date of this report, both tranches of shares have been issued.

- The Company completed a small soil sampling program during December 2020. The Company received one significant result, sample number 20PGS0045, of 0.059 ppm in Bleg (0.01 ppm Fire Assay) with the remaining results at low levels. The results present a weak NNW trending anomalism previously not identified in prior explorer's work.

- Historical downhole assay and drilling reports not previously available electronically are being digitised and brought into the Company's database to assist with targeting of follow up drill holes.

- Significant historical drill intersections within the project area include:
  - 11m @ 4.64g/t Au from 61m, including 1m @ 37.2g/t Au from 65m, in drill hole WGC89
  - 11m @ 2.75g/t Au from 59m, including 1m @ 11.47g/t Au from 60m and 1m @ 4.06g/t Au from 67m, in drill hole WGC98
  - 17m @ 1.16g/t Au from 43m in drill hole BCP318
  - 15m @ 0.93g/t Au from 54m, including 1m @ 3.56g/t Au from 56m, in drill hole NGV58
  - 23m @ 0.70g/t Au from 44m, in drill hole BCP362
  - 5m @ 1.05g/t Au from 97m, including 1m @ 2.89g/t Au, from 98m in drill hole LJC0075

Sale of Scandinavian Assets for $3 million

- On 20 January 2021, the Company announced the execution of a sale agreement of its nickel and vanadium projects in Norway, Sweden and Finland to BMR Group PLC (BMR), which has subsequently been renamed Kendrick Resources PLC (Kendrick).

- Total consideration of ~$3 million (predominantly in Kendrick shares), to be realised upon Kendrick completing a standard listing on the London Stock Exchange (LSE) in the United Kingdom, as follows:

  - Option Fee of $50,000 (expires 31 March 2021) has been paid, with an extension right of an additional 6 months for $A60,000;
  - GBP £1.25 million ($2.2 million), payable in Kendrick shares upon listing;
  - $250,000 in cash, upon the completion of a Bankable Feasibility Study, on any of the Scandinavian Projects, demonstrating an internal rate of return of not less than 25%; and
  - $500,000 in cash upon a decision to mine in relation to any of the Scandinavian Projects.

- During the option period, Kendrick is liable for all costs associated with maintaining the Scandinavian Projects in good standing and all other related expenses.

- The agreement is subject to Kendrick raising ~$2.65 million to fund project development and other conditions, including Pursuit shareholder approval which was sought and received on 15 March 2021.

Queensland Zinc Exploration Projects

Paperbark and Bluebush Projects

- The Paperbark Project is located approximately 215km north-northwest of Mount Isa and 25km south-east of the Century Mine in north-west Queensland. It occurs within the Lawn Hill Platform of the Western Succession of the Mt Isa Province.

- The Bluebush Project is located approximately 280km north-northwest of Mount Isa and 72km northeast of the Century Mine in northwest Queensland and occurs within the Lawn Hill Platform of the Western Succession of the Mt. Isa Province.

- The Bluebush Project consists of two exploration permits (EPM's 8454 and 8937) covering an area of approximately 214km^2. Previous drilling has intersected zinc mineralisation over an area of 120km^2 making Bluebush one of the largest areas of zinc mineralisation in Australia.

- No significant work was conducted on the Paperbark or Bluebush Projects during the period as the Consolidated Entity considers the Gladiator and Warrior Projects to be the focus of its mineral exploration activities.

Other Projects

- The Buck Mountain Gold Project Acquisition terminated on 30 September 2020, when the Company confirmed it would not proceed with the Buck Mountain Acquisition.

Corporate

Pursuit completed $2.8 million in capital raisings during the period, consisting of a $1.4 million in placements and a $1.4 million non-renounceable rights issue. In addition, $320,769 of shares were issued in lieu of cash payments. A breakdown of shares issued is as follows:

- 59,500,000 Placement shares were issued on 24 July 2020 at a price of $0.005 to raise $297,500 before costs.
- 60,500,000 Placement shares were issued on the 18 September 2020 at a price of $0.005 to raise $302,500 before costs.
- 6,875,000 shares were issued on the 18 September 2020 at a price of $0.018 in lieu of marketing costs of $123,750
- 66,222,222 Placement shares were issued on 20 October 2020 at a price of $0.009 to raise $596,000 before costs.
- 4,370,666 shares were issued on 20 October 2020 at a price of $0.009 in lieu of brokerage costs of $39,336.
- 157,411,423 Rights issue shares were issued to shareholders and clients of CPS Capital on 17 November 2020 at a price of $0.009 to raise $1,416,704 before costs.
- 10,020,278 were issued on 17 November 2020 at a price of $0.009 in lieu of costs brokerage costs of $90,183.
- 22,222,221 Placement shares were issued on the 2 December 2020 at a price of $0.009 to raise $200,000 before costs.
- 4,608,4441 Consideration shares were issued on 16 October 2020 at a price of $0.0108 to pay $50,000 for a binding agreement to acquire tenements.

- 5,000,000 shares were issued on the 2 December 2020 at a price of $0.0135 in lieu of marketing costs of $67,500.

As at 31 December 2020, Pursuit had cash reserves of $2.4 million.

REVIEW OF RESULTS

The loss after tax for the half-year ended 31 December 2020 was $3,263,853 loss (2019: $601,932 loss). The significant items affecting the loss after tax were:

a) Administrative and operating expenses totalling $511,440 (2019: $509,974 loss) has increased in the directors, key management personnel renumeration and other administrative expenses due to the costs of employing additional staff and an increase in corporate activity.

b) Impairment of exploration and evaluation expenditure $1,338,148 (2019: Nil) relating to the nickel and vanadium projects in Sweden, Norway and Finland.

c) Share based payments $1,481,801 (2019: Nil) in respect of incentive options being issued to directors, key management personnel, and advisors provided.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the period the following changes in the state of affairs of the Company occurred:

a) The Company acquired the Gladiator Project in September 2020 as detailed within

b) On the 2 December 2020 the Company announced that it had entered into an acquisition agreement to acquire 593km2 tenement package (one granted exploration licence and three exploration licence applications known as Calingiri East, Calingiri West, Bindi Bindi and Wubin), comprising the Warrior Project, located 20km north and 170km north-northeast of Chalice Gold Mine's (ASX:CHN) major PGE-Nickel-Copper discovery on the Julimar Project.

c) The Company continues to maintain strict costs constraints.

DIVIDENDS

No dividends were paid during the half-year and no recommendation is made as to payment of dividends.

EVENTS SUBSEQUENT TO REPORTING DATE

On the 20 January 2021, the Company announced the execution of a sale agreement of its nickel and vanadium projects in Norway, Sweden and Finland (Scandinavian Projects) to BMR Group PLC (BMR) which has subsequently been renamed Kendrick Resources PLC (Kendrick). The sale agreement allows Pursuit to fully focus on its Warrior and Gladiator Projects in Western Australia.

Total consideration of up to ~$3 million (predominantly in BMR shares), to be realised upon Kendrick listing on the on the London Stock Exchange in the United Kingdom, as follows:

- Option Fee of $50,000 (expires 31 March 2021) has been paid, with an extension right of an additional 6 months for $A60,000;

- GBP £1.25 million (A$2.2 million), payable in Kendrick shares;

- $250,000 in cash, upon the completion of a Bankable Feasibility Study, on any of the Scandinavian Projects, demonstrating an internal rate of return of not less than 25%; and

- $500,000 in cash upon a decision to mine in relation to any of the Scandinavian Projects.

During the option period, Kendrick is liable for all costs associated with maintaining the Scandinavian Projects in good standing and all other related expenses.

The agreement is subject to Kendrick raising ~$2.65 million to fund project development and other conditions, including PUR shareholder approval.

No other matters or circumstances have arisen since the end of the period which will significantly affect, or may significantly affect, the state of affairs or operations of the reporting entity in future financial periods.

SCHEDULE OF TENEMENTS

Project	Tenement	Location	Area (km^2)	Expiry Date
Warrior	ELA70/ 5378 - Calingiri West	WA	126.06	TBA
Warrior	E70/5392 - Bindi Bindi	WA	94.49	01/12/2025
Warrior	E70/5379 – Calingiri East	WA	179.08	01/12/2025
Warrior	E70/5493 - Wubin	WA	192.98	25/11/2025
Warrior	E70/5678 – Wubin South	WA	53.41	17/01/2026
Gladiator	E38/3201	WA	1.42	12/09/2022
Gladiator	E38/3202	WA	3.01	12/09/2022
Gladiator	E38/3063	WA	2.7	EOT pending
Gladiator	E38/3064	WA	2.12	EOT pending
Paperbark	EPM 14309	Queensland	75	12/9/2022
Bluebush	EPM 8937	Queensland	144	6/9/2021
Bluebush	EPM 8454	Queensland	70	11/11/2020
Koitelainen	Koitelainen Exploration Licence	Finland	13.73	13/7/2022
Karhujupukka	Karhujupukka North – Exploration Licence ML2018:0068	Finland	1	4/1/2023
Karhujupukka	Karhujupukka South – Exploration Licence ML2018:0069	Finland	5.5	4/1/2023
Simesvallen	Simesvallen nr 100	Sweden	63	20/6/2021
Kullberget	Kullberget nr 100	Sweden	81	20/6/2021
Airijoki	Airijoki nr 100	Sweden	9.6	27/6/2021
Airijoki	Airijoki nr 101	Sweden	4.8	25/11/2021
Airijoki	Airijoki nr 102	Sweden	13.5	25/11/2021
Airijoki	Airijoki nr 103	Sweden	4.1	26/11/2021

ROUNDING OF AMOUNTS

The Consolidated Entity is an entity which ASIC Corporations Instrument 2016/191 applies and, accordingly, amounts in the financial statements and the Directors' Report have been rounded to the nearest dollar.

AUDITOR'S DECLARATION OF INDEPENDENCE

The auditor's independence declaration for the half-year ended 31 December 2020 has been received and is included within the financial statements.

Signed in accordance with a resolution of the Directors.

Mark Freeman
CEO
16 March 2021

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF PURSUIT MINERALS LIMITED AND ITS CONTROLLED ENTITIES

In relation to the independent review for the half-year ended 31 December 2020, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards).*

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

Pitcher Partners BA&A Pty Ltd

PITCHER PARTNERS BA&A PTY LTD

J C PALMER
Executive Director
Perth WA, 16 March 2021

PURSUIT MINERALS LIMITED

ABN 27 128 806 977

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF PURSUIT MINERALS LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Pursuit Minerals Limited (the "Company") and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other 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 Pursuit Minerals Limited does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Pursuit Minerals Limited financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and 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 our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company.

Responsibility of the Directors for the Financial Report

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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PITCHER PARTNERS

PURSUIT MINERALS LIMITED

ABN 27 128 806 977

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF PURSUIT MINERALS LIMITED

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.

Pitcher Partners BA&A Pty Ltd

PITCHER PARTNERS BA&A PTY LTD

J C PALMER
Executive Director
Perth WA, 16 March 2021

	Note	Half-year ended 31 December 2020 $	Half-year ended 31 December 2019 $
Interest income	2	-	585
Rental income	2	-	1,818
Revenue		-	2,403
Administrative and other expenses	3	**(511,440)**	(509,974)
Exploration and evaluation costs		-	(105,212)
Impairment of exploration and evaluation expenditure	7	**(1,338,148)**	-
Share based payments	11	**(1,414,265)**	-
Gain on disposal of fixed assets		-	13,145
Finance costs		-	(2,294)
Loss before income tax from continuing operations		**(3,263,853)**	(601,932)
Income tax benefit/(expense)		-	-
Loss after income tax from continuing operations		**(3,263,853)**	(601,932)
Discontinued operations			
Loss from discontinued operations	5	**(30,359)**	-
Loss after income tax from discontinued operations		**(30,359)**	-
Net loss for the period		**(3,294,212)**	(601,932)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Continuing operations – Exchange differences on translation of foreign operations		-	(24,241)
Discontinued operations - Exchange differences on translation of foreign operations	5	**7,135**	-
Total comprehensive loss for the half-year		**(3,287,077)**	(626,173)
Loss attributable to:			
Owners of the parent		**(3,294,212)**	(601,932)
		(3,294,212)	(601,932)
Total comprehensive loss attributable to:			
Owners of the parent		**(3,287,077)**	(626,173)
		(3,287,077)	(626,173)
Basic and diluted loss per share (cents) from continuing operations		**(0.64)**	(0.21)
Basic and diluted loss per share (cents) from discontinued operations		**(0.01)**	-
Total basic and diluted loss per share (cents)		**(0.65)**	(0.21)

The accompanying notes form part of these financial statements.

	Note	Consolidated 31 December 2020 $	Consolidated 30 June 2020 $
ASSETS			
Current Assets			
Cash and cash equivalents		**2,382,838**	462,064
Trade and other receivables	6	**87,013**	50,660
Prepayments		**143,319**	38,037
Assets held for sale	5	**2,260,184**	-
Total Current Assets		**4,873,354**	550,761
Non-Current Assets			
Exploration and evaluation assets	7	**1,335,858**	3,470,104
Plant and equipment	8	**-**	24,513
Total Non-Current Assets		**1,335,858**	3,494,617
Total Assets		**6,209,212**	4,045,378
LIABILITIES			
Current Liabilities			
Trade and other payables	9	**178,415**	117,145
Other financial liabilities	10	**1,050,000**	-
Liabilities held for sale	5	**22,566**	-
Total Current Liabilities		**1,250,981**	117,145
Total Liabilities		**1,250,981**	117,145
Net Assets		**4,958,231**	3,928,233
EQUITY			
Contributed equity	11	**65,851,524**	62,948,714
Share based payments reserve	12	**7,130,739**	5,716,474
Foreign currency translation reserve		**(137,680)**	(144,815)
Accumulated losses	13	**(67,886,352)**	(64,592,140)
Total Equity		**4,958,231**	3,928,233

The accompanying notes form part of these financial statements.

Consolidated Entity	Contributed Equity $	Share Based Payment Reserve $	Foreign currency translation reserve $	Accumulated Losses $	Total $
Balance at 1 July 2020	**62,948,714**	**5,716,474**	**(144,815)**	**(64,592,140)**	**3,928,233**
(Loss) for the half-year	-	-	-	(3,294,212)	(3,294,212)
Other comprehensive income	-	-	7,135	-	7,135
Total comprehensive loss for the half-year	-	-	7,135	(3,294,212)	(3,287,077)
Shares issued during the half-year	3,053,954	-	-	-	3,053,954
Share issue expenses	(151,144)	-	-	-	(151,144)
Share based payment	-	1,414,265	-	-	1,414,265
Balance at 31 December 2020	**65,851,524**	**7,130,739**	**(137,680)**	**(67,886,352)**	**4,958,231**
Balance at 1 July 2019	**59,861,941**	**7,316,474**	**(160,196)**	**(63,571,952)**	**3,446,267**
(Loss) for the half-year	-	-	-	(601,932)	(601,932)
Other comprehensive income	-	-	(24,241)	-	(24,241)
Total comprehensive loss for the half-year	-	-	(24,241)	(601,932)	(626,173)
Shares issued during the half-year	1,436,924	-	-	-	1,436,924
Conversion of performance rights	1,600,000	(1,600,000)	-	-	-
Share issue expenses	(118,157)	-	-	-	(118,157)
Balance at 31 December 2019	**62,780,708**	**5,716,474**	**(184,437)**	**(64,173,884)**	**4,138,861**

The accompanying notes form part of these financial statements.

	31 December 2020 $ Inflows/ (Outflows)	31 December 2019 $ Inflows/ (Outflows)
Cash flows from operating activities		
Rental income received	**-**	1,818
Payments to suppliers and employees	**(457,844)**	(624,640)
Interest paid	**(649)**	(2,294)
Interest received	**-**	585
Net cash (used in) operating activities	**(458,493)**	(624,531)
Cash flows from investing activities		
Proceeds from sale of plant and equipment	**-**	17,105
Payments for warrior project assets	**(110,000)**	-
Payment for exploration and evaluation assets	**(172,293)**	(288,960)
Net cash (used in) investing activities	**(282,293)**	(271,855)
Cash flows from financing activities		
Proceeds from share issues	**2,683,185**	1,436,924
Costs of issuing equity	**(21,625)**	(118,157)
Net cash provided from financing activities	**2,661,560**	1,318,767
Net increase/(decrease) in cash held	**1,920,774**	422,381
Cash and cash equivalents at beginning of the period	**462,064**	530,674
Effects of exchange rate changes on the balance of cash and cash equivalents in foreign currencies	**-**	-
Cash and cash equivalents at end of the period	**2,382,838**	953,055

The accompanying notes form part of these financial statements.

1. *Basis of preparation of half-year report*

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2020 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by Pursuit Minerals Limited ("the Company") during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting half-year except for the adoption of new and amended standards as set out below.

In the reporting period, the Consolidated Entity has adopted all the new and revised accounting standards and Interpretations that are relevant to its operations and effective for the current financial year. The adoption of these new and revised accounting standards and interpretations did not have any material effect on the financial results or financial position of the Group or the Company for the reporting period.

Going Concern

As at 31 December 2020 the Consolidated Entity had cash reserves of $2,382,838 (June 2020: $462,064), net working capital of $1,824,755 excluding held for sale assets and liabilities (June 2020: $433,616) and net assets of $4,958,231 (June 2020: $3,928,233). The Consolidated Entity incurred a loss for the half year ended 31 December 2020 of $3,294,212 (2019 loss: $601,932) and net cash outflows from operating activities of $458,493 (2019: $624,531 outflows).

The condensed consolidated interim financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and liabilities in the normal course of business. In order to meet its day-to-day obligations as and when they fall due and to progress its exploration projects, the Board has regard to:

- Its ability to manage exploration and corporate overhead expenditure accordingly in light of available cash reserves;
- the ability of the Company to raise additional funding in the future; and
- the successful exploration and subsequent exploitation of the Consolidated Entity's tenements.

Based on the success of previous capital raisings combined with the potential to attract farm-in partners for projects and the potential sale of the current portfolio of exploration assets held, the Directors have prepared the financial statements on a going concern basis, which as described above, contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

The Directors are confident of securing funds as and when necessary to meet the Consolidated Entity's obligations as and when they fall due.

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

Discontinued operations

A discontinued operation is a component of the Consolidated Entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

Impact of New Standards and Interpretations Issued but Not Yet Adopted
The accounting policies and methods of computation adopted in the preparation of the condensed consolidated financial report are consistent with those adopted and disclosed in the Group's financial report for the year ended 30 June 2020, except for the adoption of the new standards as set out below.

The adoption of the new and revised Standards and Interpretations issued by the AASB has no material impact on the accounts reported in the current and prior periods.

The Group has applied all new and revised Australian Accounting Standards that apply to annual reporting periods beginning on or after 1 July 2020, including the following:

(i) AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material

AASB 2018-7 principally amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendment also includes some supporting requirements in AASB 101 in the definition to give it more prominence and clarifies the explanation accompanying the definition of material.

The application of AASB 2018-7 has not materially impacted the financial statements of the Group.

(ii) AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia

AASB 2019-5 makes amendments to AASB 1054 Australian Additional Disclosures by adding a disclosure requirement for an entity intending to comply with IFRS Standards to disclose the information required by paragraph 30 of AASB 108 (regarding disclosing the effect of new standards not yet issued) to IFRS Standards that have not yet been issued by the Australian Accounting Standards Board.

The application of AASB 2019-5 has not materially impacted the financial statements of the Consolidated Entity.

New Accounting Standards
The Australian Accounting Standards Board (AASB) has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Consolidated Entity.

The Consolidated Entity has decided not to early adopt any of these new and amended pronouncements. The Consolidated Entity's assessment of the new and amended pronouncements that are relevant to the Consolidated Entity but applicable in future reporting periods is set out below.

(i) AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018 – 2020 and Other Amendments

AASB 2020-3 amends AASB 1 First-time Adoption of Australian Accounting Standards, AASB 3 Business Combinations, AASB 9 Financial Instruments, AASB 116 Property, Plant and Equipment, AASB 137 Provisions, Contingent Liabilities and Contingent Assets and AASB 141 Agriculture as a consequence of the recent issuance by IASB of the following IFRS: Annual Improvements to IFRS Standards 2018-2020, Reference to the Conceptual Framework, Property, Plant and Equipment: Proceeds before Intended Use and Onerous Contracts – Cost of Fulfilling a Contract.

AASB 2020-3 mandatorily applies to annual reporting periods commencing on or after 1 January 2022 and will be first applied by the Consolidated Entity in the financial year commencing 1 July 2022.

The likely impact of this accounting standard on the financial statements of the Consolidated Entity has not been determined.

(ii) AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current, AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date

AASB 2020-1 amends AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.

AASB 2020-1 and AASB 2020-6 mandatorily applies to annual reporting periods commencing on or after 1 January 2023 and will be first applied by the Consolidated Entity in the financial year commencing 1 July 2023.

The likely impact of this accounting standard on the financial statements of the Consolidated Entity has not been determined.

Significant Accounting Estimates, Judgements and Assumptions
The preparation of financial statements requires management to make judgments and estimates relating to the carrying amounts of certain assets and liabilities. Actual results may differ from the estimates made. Estimates and assumptions are reviewed on an ongoing basis.

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next accounting period are:

(i) Share based payment transactions

The Consolidated Entity measures the cost of equity settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of the equity instruments granted were calculated using the Black-Scholes option pricing model taking into account the terms and conditions upon which the instruments were granted. The assumptions used in these valuations are set out in note 11.

The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Volatility, where required for the valuation of share-based payment transactions, is calculated with reference to the Consolidated Entity's historical volatility and share price movements prior to the measurement date.

(ii) Impairment of assets

The ultimate recoupment of the value of exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale, of the exploration and evaluation assets.

Impairment tests are carried out on a regular basis to identify whether the asset carrying values exceed their recoverable amounts. There is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts.

The key areas of judgement and estimation include:
- Recent exploration and evaluation results and resource estimates;
- Environmental issues that may impact on the underlying tenements;
- Fundamental economic factors that have an impact on the operations and carrying values of assets and

liabilities; and
- The determination of an assets fair value less cost to sell (FVLCTS) and its value in use (VIU)

(iii) Fair value of financial liabilities

Financial liabilities recognised form part of the consideration to be paid for the acquisition of the Gladiator and Warrior Projects. The amounts represent the cash consideration to be paid and/or shares to be issued under each of the Project acquisition agreements. The fair value of shares to be issued under each of the Project acquisition agreements has been measured with reference to Pursuit's quoted share price on the ASX.

	31 December 2020 $	31 December 2019 $
2. *Other income*		
Interest income	-	585
Rental income	-	1,818
	-	2,403

Until September 2019 office space was rented out to two companies who paid monthly fees at market rates.

3. *Administrative and other expenses*

Accounting fees	**12,000**	64,154
Auditor's remuneration	**11,153**	14,489
Consulting fees	**34,853**	99,313
Depreciation	**24,513**	5,201
Directors and Key Management Personnel remuneration	**270,399**	144,434
Rent	**4,313**	13,475
Legal fees	**58,176**	76,931
Travel and accommodation expenses	**-**	26,015
Foreign exchange gain/(loss)	**386**	6,330
Other administrative expenses	**95,647**	59,632
	511,440	509,974

	31 December 2020 $	30 June 2020 $
5. *Discontinued operations*		
Loss from discontinued operations of Scandinavian Projects (Note 7)	**(30,359)**	-

On 20 January 2021, the Consolidated Entity announced the execution of a sale agreement for its nickel and vanadium projects in Norway, Sweden and Finland. Refer to Note 7: Exploration and evaluation assets.

Included within the Consolidated Statement of Cash Flows was $14,085 of expenditure incurred in relation to discontinued operations.

$7,135 of other comprehensive income was recognised in relation to the discontinued operations and assets held for sale.

The effect of the disposal on the financial position of the Consolidated Entity is summarised below:

	31 December 2020 $	30 June 2020 $
Exploration assets	**2,215,370**	-
Other assets	**44,814**	-
Trade and other payables	**(22,566)**	-
Net assets held for sale	**2,237,618**	-

6. *Trade and other receivables*

	31 December 2020 $	30 June 2020 $
Goods and services tax receivable	**58,523**	20,435
Other receivables	**28,490**	30,225
	87,013	50,660

7. *Exploration and evaluation assets*

	31 December 2020 $	30 June 2020 $
Balance at beginning of period	**3,470,104**	3,087,240
Impairment[1]	**(1,338,148)**	
Less: Asset held for sale[1] (Note 5)	**(2,215,370)**	-
Exploration expenditure during the period[2]	**1,335,858**	336,794
Impact of foreign exchange rates	**83,414**	46,070
Balance at end of period	**1,335,858**	3,470,104

The ultimate recoupment of these costs is dependent on the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

1) On the 20 January 2021, the Consolidated Entity announced the execution of a sale agreement of its nickel and vanadium projects in Norway, Sweden and Finland (collectively, the “Scandinavian assets”) to BMR Group PLC (BMR), which has subsequently been renamed as Kendrick Resources PLC (Kendrick). The sale agreement allows Pursuit to fully focus on its Warrior and Gladiator Projects in Western Australia.

Total consideration of ~$3 million (predominantly in Kendrick shares), to be realised upon Kendrick listing on the on the London Stock Exchange in the United Kingdom, as follows:

- Option Fee of $50,000 (expires 31 March 2021) has been paid, with an extension right of an additional 6 months for $60,000;
- GBP £1.25 million ($2.2 million), payable in Kendrick shares;
- $250,000 in cash, upon the completion of a Bankable Feasibility Study, on any of the Scandinavian Projects, demonstrating an internal rate of return of not less than 25%; and
- $500,000 in cash upon a decision to mine in relation to any of the Scandinavian Projects.

During the option period, Kendrick is liable for all costs associated with maintaining the Scandinavian Projects in good standing and all other related expenses.

The agreement is subject to Kendrick raising ~$2.65 million to fund project development and other conditions, including PUR shareholder approval.

In light of the above, the Consolidated Entity has recognised an impairment expense of $1,338,148 as at 31 December 2020 in order to write down the carrying amount of it's Scandinavian assets to their fair value expected to be realised from the sale to BMR. The net carrying amount of $2,215,370 has been reclassified and presented as Assets held for Sale as at the half year period end.

2) Gladiator and Warrior Projects

As announced on 25 September 2020, during the half year ended 31 December 2020 Pursuit entered into a binding acquisition agreement to acquire the Gladiator Gold Project. Under the terms of the binding acquisition agreement, Pursuit will pay $100,000 in shares in two tranches to the vendors of the tenement. The first tranche of $50,000 in shares to be issued was payable immediately and issued on 16 October 2020 (refer to Note 11 for further information). The second tranche remained as outstanding as has been included as a financial liability at 31 December 2020 (Note 10).

On 2 December 2020, Pursuit entered into a binding acquisition agreement to acquire a tenement package which collectively comprises the Warrior Project. Under the terms of the binding acquisition agreement, Pursuit will pay $300,000 in cash and 40,000,000 fully paid ordinary shares at settlement to the vendor. An additional 10,000,000 fully paid ordinary shares will also be issued to the vendor upon transfer of all four tenements to Pursuit which comprise the Warrior Project.

In conjunction with the acquisition, Pursuit will also grant the vendor a 1% net smelter royalty on all minerals produced from the Warrior Project tenements and a milestone payment of $200,000 in cash upon achieving a mineralised drill intersection on one of the tenements of at least 10 metres of 2% nickel equivalent or better.

As at 31 December 2020, Pursuit had paid $100,000 to the vendor. A further $200,000 and 40,000,000 has been included as a financial liability at 31 December 2020 (Note 11). The remaining consideration to be paid has been disclosed as a contingent liability as at 31 December 2020 (refer to Note 14 (a) for further information).

8. *Plant and equipment*

	Office Equipment $	Software $	Plant and Equipment $	Total $
Carrying value at 30 June 2019	8,572	22,830	4,029	35,431
Additions / (Disposals)	3,686	-	(3,960)	(274)
Depreciation	(2,067)	(8,508)	(69)	(10,644)
Carrying value at 30 June 2020	10,191	14,322	-	24,513
Additions / (Disposals)	-	-	-	-
Depreciation	(10,191)	(14,322)	-	(24,513)
Carrying value at 31 December 2020	-	-	-	-

9. *Trade and other payables*

	31 December 2020 $	30 June 2020 $
Trade creditors	**86,415**	51,904
Sundry creditors and accruals	**92,000**	65,241
	178,415	117,145

10. Other financial liabilities

	31 December 2020 $	30 June 2020 $
Shares to be issued as part of the consideration payable for the Gladiator Project	**50,000**	-
Cash to be paid as part of the consideration payable for the Warrior Project	**200,000**	-
Shares to be issued as part of the consideration payable for the Warrior Project	**800,000**	-
	1,050,000	-

The above financial liabilities related to consideration payable as part of the Consolidated Entity's acquisition of the Gladiator and Warrior areas of interest (Note 7). The amount recognised at 31 December 2020 represents the fair value of shares to be issued as per the terms of the acquisitions.

11. *Contributed equity*	**31 December 2020 $**		30 June 2020 $	
	No.	**$**	No.	$
Balance at beginning of period	353,234,313	62,948,714	178,527,328	59,861,941
Placement Shares [(i) (v)]	208,444,443	1,396,000	138,002,927	1,380,029
Rights Issue [(ii)(v)]	157,411,423	1,416,704	5,689,518	56,895
Payment for Tenements [(iii)]	4,608,441	50,000	20,000,000	146,000
Payment for services [(iv)]	11,875,000	191,250	3,014,540	22,006
Exercise of Class A Performance Rights	-	-	8,000,000	1,600,000
Share issue costs [(v)]	-	(151,144)	-	(118,157)
Balance at end of period	735,573,620	65,851,524	353,234,313	62,948,714

(i) The Company completed placement shares during the period, issued as follows:
- 59,500,000 shares were issued on 24 July 2020 at a price of $0.005 to raise $297,500 before costs.
- 60,500,000 shares were issued on the 18 September 2020 at a price of $0.005 to raise $302,500 before costs.
- 66,222,222 shares were issued on 20 October 2020 at a price of $0.009 to raise $596,000 before costs.
- 22,222,221 shares were issued on the 2 December 2020 at a price of $0.009 to raise $200,000 before costs.

(ii) Non-renounceable rights issue as follows:
- 157,411,423 shares were issued to shareholders and clients of CPS Capital on 17 November 2020 at a price of $0.009 to raise $1,416,703 before costs.

(iii) The Company issued shares for consideration to acquire tenements:
- 4,608,441 shares were issued on 16 October 2020 at a price of $0.0108 to pay $50,000 for a binding agreement to acquire tenements.

(iv) The company issued shares to pay for services rendered to the Company:
- 6,875,000 shares were issued on the 18 September 2020 at a price of $0.018 in lieu of marketing costs of $123,750.
- 5,000,000 shares were issued on the 2 December 2020 at a price of $0.0135 in lieu of marketing costs of $67,500.

(v) The company issued shares to pay for capital raising costs in addition to cash payments made for capital raising costs. These shares issued form part of the relevant placement shares issued during the period and are recognised within (i) and (ii) respectively:
- 10,020,278 were issued on 17 November 2020 at a price of $0.009 in lieu of costs of $90,183.
- 4,370,666 shares were issued on 20 October 2020 at a price of $0.009 in lieu of brokerage costs of $39,336.

<u>Options on issue</u>	**31 December 2020 No.**	30 June 2020 No.
Balance at beginning of period	**77,608,073**	77,608,073
Options issued (Note 11)	**64,000,000**	-
Options expired	**-**	-
Options exercised	**-**	-
Balance at end of period	**141,608,073**	77,608,073

	31 December 2020 $	30 June 2020 $
12. *Share based payment reserve*		
Opening Balance	**5,716,474**	7,316,474
Options Issued	**1,414,265**	
Conversion to shares	**-**	(1,600,000)
Share based payment reserve	**7,130,739**	5,716,474

The Share based payment reserve is used to record the fair value of items recognised as expenses on valuation of options and other equity instruments issued by the Company.

The following share-based payment transactions occurred during the period:

Options issued to Directors[1]	**1,345,020**	-
Options issued to Corporate Advisors[2]	**69,245**	-
Total share-based payments for the year	**1,414,265**	-
Share-based payments expense	**1,414,265**	-

1) On 14 September 2020, the Company issued 59,000,000 unlisted options to Directors. The options are exercisable at $0.007 on or before 20 September 2023 and vested immediately on grant date.

These options were valued using Black-Scholes option pricing model, utilising the following inputs:

Measurement of Fair Value	
Grant date share price	$0.023
Exercise price	$0.007
Expected volatility	276.95%
Option life	3 years
Risk-free interest rate	0.24%
Fair value per option granted	$0.023
Expensed during the period	**$1,345,020**

2) On 18 September 2020, the Company issued 5,000,000 unlisted options to Corporate Advisors. The options are exercisable at $0.007 on or before 20 September 2023 and vested immediately on grant date.

These options were valued using Black-Scholes option pricing model, utilising the following inputs:

Measurement of Fair Value	
Grant date share price	$0.014
Exercise price	$0.007
Expected volatility	279.64%
Option life	3 years
Risk-free interest rate	0.27%
Fair value per option granted	$0.014
Expensed during the period	**$69,245**

13. *Operating segments*

Operating segments are identified based on the internal reports that are regularly reviewed by the Board of Director's, the entities' Chief Operation Decision Maker, for the purpose of allocating resources and assessing performance. The adoption of this "management approach" has resulted in the identification of reportable segments.

The Consolidated Entity reports financial information by projects grouped into Geographical location i.e. Australian projects, Swedish projects, and Finnish projects. Items of income and expenditure and assets and liabilities that are not allocated to the exploration projects are allocated to the Corporate segment.

The following tables present revenue and profit information for the Consolidated Entity's operating segments for the six months ended 31 December 2020 and 2019, respectively.

(i) Segment performance

Half-Year 31 December 2020	**Australian projects**	**Swedish Projects**	**Finnish Projects**	**Corporate**	**Total**
	$	$	$	$	$
Total segment revenue	-	-	-	-	-
Segment expenditure	(50)	(14,354)	(16,005)	(1,925,755)	(1,956,064)
Segment result	(50)	(14,354)	(16,005)	(1,925,775)	(1,956,064)

Reconciliation of segment result to Consolidated Entity loss before tax:	
- Capitalised expenditure	-
- Impairment of exploration and evaluation expenditure	(1,338,148)
Net loss before tax	**(3,294,212)**

Half-Year 31 December 2019	**Australian projects**	**Swedish Projects**	**Finnish Projects**	**Corporate**	**Total**
	$	$	$	$	$
Total segment revenue	-	-	-	2,403	2,403
Segment expenditure	-	(91,919)	(18,029)	(604,335)	(714,283)
Segment result	-	(91,919)	(18,029)	(601,932)	(711,880)

Reconciliation of segment result to Consolidated Entity loss before tax:	
- Capitalised expenditure	109,948
- Impairment of exploration and evaluation expenditure	-
Net loss before tax	**(601,932)**

(ii) **Segment assets**

	Norway	Australia	Sweden	Finland	Total
Half-Year 31 December 2020	$	$	$	$	**$**
Segment assets	-	3,509,028	2,244,475	15,709	**5,769,212**
Segment liabilities	-	(788,415)	(13,603)	(8,963)	**810,981**
Net assets		**2,720,613**	**2,230,872**	**6,746**	**6,580,193**
Transferred to Held for Sale:			(2,230,872)	(6,746)	(2,237,618)
30 June 2020					
Segment assets	256,121	575,274	2,118,313	1,095,670	4,045,378
Segment Liabilities	-	(117,145)	-	-	**(117,145)**
Net assets	**256,121**	**458,129**	**2,118,313**	**1,095,670**	**3,928,233**

14. *Commitments and contingencies*

Summarised below are the Consolidated Entity's exploration expenditure commitments:

	31 December 2020	30 June 2020
	$	$
Up to 1 year	**40,000**	-
Between 2 and 5 years	**30,000**	-
	70,000	-

The expenditure commitment of the Group for later than one year but not later than five years is uncertain. It is not possible to accurately forecast the nature or amount of future tenement expenditure commitments required to maintain areas of interest, although it will be necessary to incur expenditure.

(a) <u>Contingent liabilities</u>

As announced to the ASX on 2 December 2020, Pursuit entered into a binding acquisition agreement to acquire a 593km^2 tenement package (one granted exploration licence and three exploration licence applications known as Calingiri East, Calingiri West, Bindi Bindi and Wubin), comprising the Warrior Project, located 20km north and 170km north-northeast of Chalice Gold Mine's (ASX:CHN) major PGE-Nickel-Copper discovery on the Julimar Project.

Upon confirmation of the remaining tenement (West Calingiri) being granted and following ministerial consent for its transfer to Pursuit, the Company will be required to issue an additional 10,000,000 shares to the vendor. In addition, Pursuit will grant the vendor a 1% net smelter royalty on all minerals produced from the tenements and a milestone payment of $200,000 in cash on achieving a mineralised drill intersection on one tenement of at least 10 metres of 2% nickel equivalent or better. Ministerial consent has not been received as at the date of this report.

15. *Related party transactions*

During the period, the Consolidated Entity had the following dealings with related parties.

(b) <u>Mr Peter Wall</u>

Mr Wall is a Non-Executive Director of the Company. He is also a partner at Steinepreis Paganin, a Perth based corporate law firm that provides legal services to the Company on commercial terms. The following payments/transactions occurred during the half-year:

Director fees	$18,000 for services provided in the half-year ended 31 December 2020.
Other	Steinepreis Paganin was paid or due to be paid an aggregate amount of $67,851 for legal services rendered during the period (31 Dec 2019: $78,276).

(c) <u>Mr Matthew O'Kane</u>

Matthew O'Kane is a Non-Executive Director of the Company. The following payments/transactions occurred during the half-year:

Director fees	$18,000 for services provided in the half-year ended 31 December 2020.

(d) <u>Mr Jeremy Read</u>

Mr Read is a Technical Director of the Company. The following payments/transactions occurred during the half-year:

Consultancy fees	$74,000 for services provided in the half-year ended 31 December 2020 (31 December 2019 $41,800). $10,500 (GST excl.) remained due and payable to Mr Read as at 31 December 2020 (31 December 2019: $NIL).

(e) <u>Mr Mark Freeman</u>

Mr Freeman is a Chief Executive Office of the Company. The following payments/transactions occurred during the half-year:

Directors fees	$90,000 for services provided in the half-year ended 31 December 2020.
Other	Meccano Consulting Pty Ltd (an entity related to Mr Freeman) was paid or due to be paid an aggregate amount of $14,000 for accounting, bookkeeping and registered office services rendered during the period.

16. *Events after the end of the reporting period*

On the 20 January 2021, the Company announced the execution of a sale agreement of its nickel and vanadium projects in Norway, Sweden and Finland to BMR Group PLC (BMR), which was subsequently renamed Kendrick Resources PLC (Kendrick). The sale agreement allows Pursuit to fully focus on its Warrior and Gladiator Projects in Western Australia.

Total consideration of ~$3 million (predominantly in BMR shares), to be realised upon Kendrick completing a standard listing on the London Stock Exchange in the United Kingdom, as follows:

- Option Fee of $50,000 (expires 31 March 2021) has been paid, with an extension right of an additional 6 months for $A60,000;
- GBP £1.25 million (A$2.2 million), payable in Kendrick shares;
- $250,000 in cash, upon the completion of a Bankable Feasibility Study, on any of the Scandinavian Projects, demonstrating an internal rate of return of not less than 25%; and
- $500,000 in cash upon a decision to mine in relation to any of the Scandinavian Projects.

During the option period, Kendrick is liable for all costs associated with maintaining the Scandinavian Projects in good standing and all other related expenses.

The agreement is subject to Kendrick raising ~$2.65 million to fund project development and other conditions, including PUR shareholder approval.

No other matters or circumstances have arisen since the end of the period which will significantly affect, or may significantly affect, the state of affairs or operations of the reporting entity in future financial periods.

The Directors of the Company declare that:

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

   a. Comply with Accounting Standards AASB 134: *Interim Financial Reporting*; and
   b. Give a true and fair view of the financial position as at 31 December 2020 and of the performance for the half year ended on that date of the Company and the Consolidated Entity.

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

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

Mark Freeman
CEO

16 March 2021