OZAURUM RESOURCES LIMITED
& CONTROLLED ENTITY
ABN 63 643 244 544

CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 5 FEBRUARY 2021

TABLE OF CONTENTS

CORPORATE DIRECTORY

DIRECTORS
Jeffrey Williams (Chairman)
Andrew Pumphrey
Martin Holland
Andrew Tudor

COMPANY SECRETARY
Stephen Hewitt-Dutton

REGISTERED AND PRINCIPAL OFFICE
42 Hannan Street
Kalgoorlie WA 6430
Telephone: (08) 9093 0039
Website: www.ozaurumresources.com

AUDITORS
Ernst & Young
The EY Centre
Level 34, 200 George Street
Sydney NSW 2000

SHARE REGISTRAR
Automic Registry Services
Level 2, 267 St George's Terrace
Perth, Western Australia 6000
Telephone: 1300 288 664

STOCK EXCHANGE LISTING
Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
Code: OZM

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated group for the six month interim period from the date of incorporation to 5 February 2021 ("half-year").

DIRECTORS

The names of directors who held office during or since the end of the half-year:

Jeffrey Williams (Chairman)
Andrew Pumphrey (Managing Director)
Martin Holland (Non-executive Director)
Andrew Tudor (Non-executive Director)

RESULTS OF OPERATIONS

The Company realised a net loss of $1,226,708 for the half-year ended 5 February 2021.

REVIEW OF OPERATIONS

The Company was incorporated on 5 August 2020 as a proprietary company limited by shares, for the purpose of pursuing gold exploration opportunities and to ultimately list on ASX. The Company converted from a proprietary company to an unlisted public company on 22 October 2020, in anticipation of its proposed listing on ASX.

The Company's wholly-owned subsidiary, OzAurum Mines Pty Ltd ACN 645 117 111 (OzAurum Mines), was incorporated on 14 October 2020.

On 19 October 2020, the OzAurum Group entered into Option Agreements, pursuant to which the OzAurum Group was granted the option to acquire 100% ownership of the Mulgabbie Tenements and the Patricia Tenements (together, "the Tenements").

OzAurum Mines has acquired a 100% interest in all of the Tenements and Tenement Applications pursuant to completion of the Option Agreements that occurred on 27 October 2020. The OzAurum Group's two projects, the Mulgabbie Project and Patricia Project, together cover an area of approximately 70.6km2.

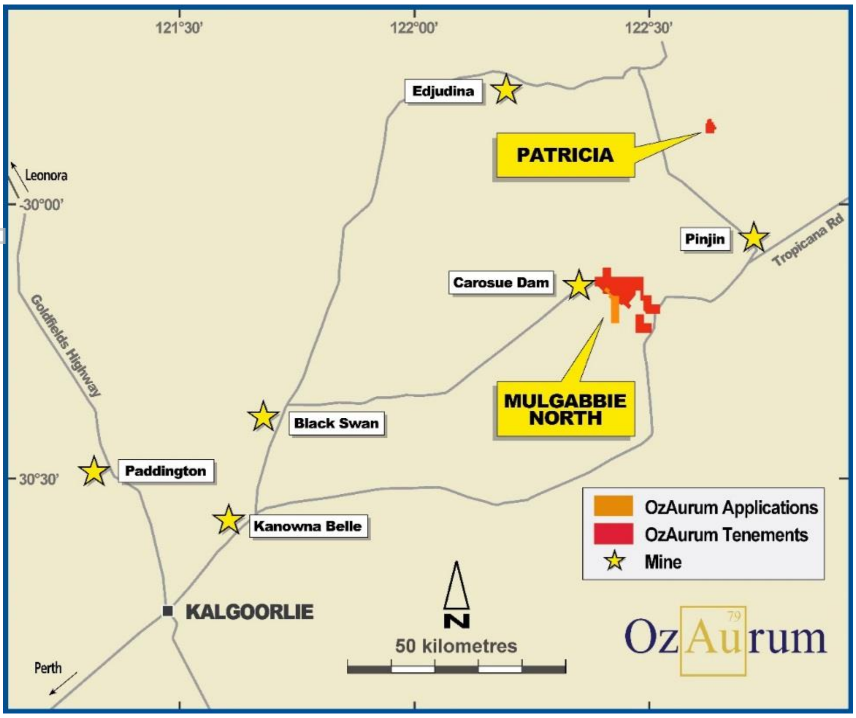

Figure 1: Location of projects.

DIRECTORS' REPORT (Continued)

In October 2020, drilling at Mulgabbie North was conducted which comprised 8 reverse circulation (RC) drill holes and one diamond drill hole. All drill holes intercepted significant gold Mineralisation and associated alteration. Selected results were set out in Table 3.2 of the Company's prospectus dated 10 December 2020.

Corporate

During the period the Company successfully conducted a seed capital raising of $1,000,000 through the issue of 10,000,000 shares at $0.10 each. The money from seed capital raising was used to fund the Company's operations through until completion of the Initial public Offering (IPO) and listing on the ASX.

On 10 December 2020 the Company issued a prospectus to raise up to $12,000,000 through the issue of up to 48,000,000 shares at an issue price of $0.25 per share. Following a successful capital raising the Company issued 48,000,000 shares on 27 January 2021 and satisfied the listing requirements of the ASX. The Company was admitted to the official list of ASX Limited on 4 February 2021 and quotation of the Company's securities commenced on 8 February 2021.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than as outlined in the review of operations, there were no significant changes in the state of affairs of the Group during the half year.

SUBSEQUENT EVENTS

There has been no matters or circumstances that has arisen after reporting date that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial periods.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* for the half-year ended 5 February 2021 is set out on page 6.

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

Jeffrey Williams
Chairman

Dated this 21st day of April 2021

Competent Persons Statement
The information is this report that relates to exploration results is based on information compiled by Andrew Pumphrey who is a Member of the Australian Institute of Geoscientists and is a Member of the Australasian Institute of Mining and Metallurgy. Andrew Pumphrey is a full-time employee of OzAurum Resources Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Pumphrey has given his consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's independence declaration to the directors of OzAurum Resources Limited

As lead auditor for the review of half-year financial report of OzAurum Resources Limited for the half-year ended 5 February 2021, 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 Aurelia Metals Limited and the entities it controlled during the financial period.

Ernst & Young

Ryan Fisk
Partner
21 April 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 5 FEBRUARY 2021

	Note	Half-Year 5 February 2021 $
Other income		-
Exploration costs		(403,791)
Director fees		(41,425)
Compliance and professional fees		(446,701)
Depreciation		-
Administration expenses		(49,287)
Occupancy costs		(2,500)
Share Based Payments	10	(283,004)
(Loss) before income tax		**(1,226,708)**
Income tax expense		-
(Loss) from continuing operations after related income tax expense for the half year attributable to members of OzAurum Resources Limited		**(1,226,708)**
Other comprehensive income		**-**
Total comprehensive loss attributable to the members of OzAurum Resources Limited		**(1,226,708)**
(Loss) per share for the half year attributable to members of OzAurum Resources Limited		
Basic and diluted loss per share (cents)		(1.92) cents

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 5 FEBRUARY 2021

	Note	As At 5 February 2021 $
ASSETS		
Current Assets		
Cash and cash equivalents		12,059,796
Other receivables	5	216,389
Total Current Assets		**12,276,185**
Non-Current Assets		
Property, plant and equipment		-
Exploration assets	6	936,918
Total Non-Current Assets		**936,918**
TOTAL ASSETS		**13,213,103**
LIABILITIES		
Current Liabilities		
Trade and other payables	7	1,425,401
Total Current Liabilities		**1,425,401**
TOTAL LIABILITIES		**1,425,401**
NET ASSETS		**11,787,702**
EQUITY		
Contributed equity	8	12,629,096
Reserves	9	385,314
Accumulated losses		(1,226,708)
TOTAL EQUITY		**11,787,702**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 5 FEBRUARY 2021

	Note	Ordinary Shares $	Reserves	Accumulated Losses $	Total Equity $
Balance at incorporation		**-**	**-**	**-**	**-**
Total comprehensive loss for the half-year		-	-	(1,226,708)	(1,226,708)
Shares issued on incorporation of Company	8	5,000	-	-	5,000
Shares issued – Seed capital raising	8	1,000,000	-	-	1,000,000
Shares issued - on acquisition of tenements	8	650,000	-	-	650,000
Shares issued – Initial Public Offering	8	12,000,000	-	-	12,000,000
Share Issue costs		(1,025,904)	-	-	(1,025,904)
Options issued to Directors	10	-	283,004	-	283,004
Options issued to Lead Manager of IPO	10	-	102,310	-	102,310
Balance at 5 February 2021		**12,629,096**	**385,314**	**(1,226,708)**	**11,787,702**

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

CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE HALF-YEAR ENDED 5 FEBRUARY 2021

	Half-Year 5 February 2021 $
Cash flows from operating activities	
Payments to suppliers and employees	(284,695)
Payment for exploration expenditure	(286,320)
Net cash flows used in operating activities	**(571,015)**
Cash flows from investing activities	
Acquisition of tenements	(250,000)
Net cash flows used in investing activities	**(250,000)**
Cash flows from financing activities	
Proceeds from issue of ordinary shares	13,005,000
Share issue costs	(124,189)
Net cash inflows from financing activities	**12,880,811**
Net (decrease)/increase in cash held	12,059,796
Cash and cash equivalents at the beginning of the half-year	-
Cash and cash equivalents at the end of the half-year	**12,059,796**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 5 FEBRUARY 2021

1. STATEMENT OF SIGNIFICANT ACCOUNT POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied, unless otherwise stated. The financial report includes financial statements the consolidated entity consisting of OzAurum Resources Limited and its subsidiary.

(a) Basis of Preparation

The half-year consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

The half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide a full understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

Historical cost convention
These financial statements have been prepared under the historical cost convention, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Critical accounting estimates
The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

(b) Basis of Consolidation

Subsidiaries
The consolidated financial statements comprise the financial statements of OzAurum Resources Limited and its subsidiary ("the Group"). Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The financial statements of subsidiaries are prepared for the same reporting period as the parent, using consistent accounting policies.

All intercompany balances and transactions, including unrealised profits arising from intragroup transactions have been eliminated. Unrealised losses are also eliminated unless costs cannot be recovered.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

Subsidiaries are accounted for in the parent entity's financial statements at cost.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 5 FEBRUARY 2021**

(c) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board.

(d) Revenue Recognition

The consolidated entity recognises revenue as follows:

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(e) Income Tax

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

(f) Impairment of Assets

At each reporting date the Group assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in the statement of profit or loss and other comprehensive income where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where it is not possible to estimate recoverable amount for an individual asset, recoverable amount is determined for the cash-generating unit to which the asset belongs.

(g) Cash and Cash Equivalents

For consolidated statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the consolidated statement of financial position.

(h) Trade and Other Receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(i) Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)
- debt instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:

- The entity business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets
- All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

Subsequent measurement financial assets

Financial assets at amortised cost
Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding
- After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVPL)
Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at

FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

Equity instruments at fair value through other comprehensive income (Equity FVOCI)
Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital.

Debt instruments at fair value through other comprehensive income (Debt FVOCI)
Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of collecting the contractual cash flows and selling the assets are accounted for at debt FVOCI.

Impairment of financial assets
AASB 9's impairment requirements use more forward looking information to recognize expected credit losses – the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets
The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due. The Group has nil trade receivables as at 5 February 2021.

The Group's financial liabilities include trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

(j) Exploration, Evaluation and Development Expenditure

Exploration and evaluation costs including costs of studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities along with those for general and administrative costs are expensed in the period they are incurred. Acquisition costs of acquiring are capitalised until the viability of the area of interest is determined. Those acquisition costs are carried forward when the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or

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

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

(k) Property, Plant and Equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the reporting period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated on a straight-line basis over the estimated useful life of the asset as follows:

- Vehicles	3 – 10 years
- Furniture, fittings and equipment	3 – 8 years
- Plant and equipment	10 – 15 years

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1(f)).

Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the asset's carrying amount and are included in the statement of profit or loss and other comprehensive income in the year that the item is derecognised.

(l) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the year end and which are unpaid. These amounts are unsecured and have 30-60 day payment terms.

(m) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(n) Employee Benefit Provisions

Short term obligations
Liabilities for wages and salaries, including non-monetary benefits and annual leave are recognised in respect of employees' services rendered up to reporting date and measured at amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when leave is taken and measured at the actual rates paid or payable. Liabilities for wages and salaries are included as part of Other Payables and liabilities for annual leave are included as part of Employee Benefit Provisions.

Other Long term employee benefit obligations
Liabilities for long service leave are recognised as part of the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees to the reporting date using the projected unit credit method. Consideration is given to expected future salaries and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using the corporate bond rate bond rates at reporting date with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(o) Contributed Equity

Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit.

(p) Earnings Per Share

Basic earnings per share
Basic earnings per share is calculated by dividing the net loss attributable to equity holders of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share
Earnings used to calculate diluted earnings per share are calculated by adjusting the basic earnings by the after-tax effect of dividends and interest associated with dilutive potential ordinary shares. The weighted average number of shares used is adjusted for the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(q) Goods and Services Tax (GST)

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

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

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

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

2. ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. There are no estimates, assumptions or judgments that are expected to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, except for the following:

Exploration and Evaluation Assets

Acquisition costs in respect of each identifiable area of interest are carried forward in respect of an area that has not, at reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. The future recoverability of exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related tenement itself, or if not, whether it successfully recovers the related exploration and evaluation assets through sale. Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining and changes to commodity prices.

The fair value of the Tenements acquired has been determined by reference to the fair value of the equity instruments granted at the date of acquisition (Note 6). The consideration has been allocated in full to Exploration and Evaluation Assets.

Share Based Payments

The Group measures the cost of equity-settled transactions with other parties by reference to the fair value of the goods or services received. Where the fair value of the goods or services cannot be reliably determined, or where the goods or services cannot be identified, the Group measures the cost of the transaction by reference to the fair value of the equity instruments granted.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 5 FEBRUARY 2021**

3. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

OzAurum Resources Limited operates in the mineral exploration industry in Australia.

Given the nature of the Group, its size and current operations, management does not treat any part of the Group as a separate operating segment. Internal financial information used by the Group's decision makers is presented on a "whole of entity" manner without dissemination to any separately identifiable segments.

The Group's management operate the business as a whole without any special responsibilities for any separately identifiable segments of the business.

Accordingly, the financial information reported elsewhere in this financial report is representative of the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.

4. LOSS BEFORE INCOME TAX

Expenses	**Half-Year 5 February 2021 $**
Exploration costs	(403,791)
Compliance and professional fees	(446,701)
Share based payments	(283,004)

5. TRADE AND OTHER RECEIVABLES

	Half-Year 5 February 2021 $
Prepayments	57,797
GST receivable	158,592
	216,389

As of 5 February 2021, there were no trade or other receivables which were past due but not impaired.

6. EXPLORATION ASSETS

A reconciliation of the movements in the capitalised exploration assets is detailed below:

	5 February 2021 $
Opening balance	
Acquisition Mulgabbie and Patricia projects	936,918
Closing Balance	936,918

On 19 October 2020, the OzAurum Group entered into Option to acquire 100% ownership of the Mulgabbie Tenements and the Patricia Tenements.

OzAurum Mines has acquired a 100% interest in all of the Tenements and Tenement Applications pursuant to completion of the Option Agreements that occurred on 27 October 2020.

The OzAurum Group's two projects, the Mulgabbie Project and Patricia Project, together cover an area of approximately 70.6km2.

The total acquisition cost of the Tenements is comprised as follows:

	$
Cash	250,000
Shares issued (6,500,000 Shares issued at $0.10 per share)	650,000
Stamp duty on acquisition (estimate)	36,918
Closing Balance	936,918

Exploration costs are only carried forward to the extent that they are expected to be recouped through the successful development or sale of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Under the terms of acquisition of the Tenements, the Company has must pay a 2% net smelter royalty to Excelsior Resources Ltd on gold production over 100,000 ounces from the Mulgabbie project. The fair value of the royalty is not currently considered material and no liability has been recognised at balance date. The Company will assess the fair value of the royalty each reporting period with any movement in the liability recognised through profit and loss.

7. TRADE AND OTHER PAYABLES

	5 February 2021 $
Trade payables	1,136,058
Accruals	289,343
	1,425,401

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 5 FEBRUARY 2021**

8. ISSUED CAPITAL

	As At 5 February 2021 $
Ordinary shares	12,629,096

	5 February 2021 No.	5 February 2021 $
Movements in ordinary shares on issue		
- Shares issued – Incorporation	50,000,000	5,000
- Shares issued – Seed raising	10,000,000	1,000,000
- Shares issued – Consideration shares[1]	6,500,000	650,000
- Shares issued – IPO	48,000,000	12,000,000
- Issue costs	-	(1,025,904)
At 31 December	114,500,000	12,629,096

Note 1: During the period, the Company acquired the Mulgabbie and Patricia projects. The Projects were acquired by the Company's subsidiary OzAurum Mines Pty Ltd. The Consideration for the purchase included 6,500,000 ordinary Shares issued at a price of $0.10 (Note 6).

Options

	5 February 2021 No.	5 February 2021 Weighted average exercise price ($)
Outstanding at beginning of period	-	-
Issued during the period – Director Options	8,000,000	0.375
Issued during the period – Broker Options [1]	5,725,000	0.375
Outstanding at the end of the period	13,725,000	0.375
Exercisable at the end of the period	13,725,000	0.375

Note 1: Under the terms of their appointment as Lead Manager, Canaccord received Broker Options equating to 5% of the total share capital of the Company as at Admission to ASX.

9. RESERVES

	As At 5 February 2021 $
Issued during the period – Director Options	283,004
Issued during the period – Broker Options	102,310
	385,314

Further details shown in note 10.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 5 FEBRUARY 2021**

10. SHARE BASED PAYMENTS

Ordinary Shares

	As At 5 February 2021 $
Shares issued as consideration for tenement acquisition (Note 6)	650,000
	650,000

Options

As mentioned above the Company issued options during the interim period; 8m options issued to Directors and 5,725,000 Broker Options issued under the terms of the appointment of Canaccord as Lead Manager of the Company's IPO. The fair value of the options was determined using the Black-Scholes option valuation methodology and applying the following inputs:

	Director options	Broker options
Exercise Price	37.5c	37.5c
Expiry Date	4 February2026	4 February 2024
Risk Free Rate	0.38%	0.25%
Volatility	75%	75%
Value per Option	$0.035	$0.018
Total Value of Options	$283,004	$102,310
Amount Expensed in Current Year	$283,004	$102,310
Amount to be Expensed in Future Years	$-	$-

11. CONTINGENT LIABILITIES

As at the date of the report, the Directors are not aware of any material contingent liabilities that would require disclosure.

12. COMMITMENTS

Exploration commitments	5 February 2021 $
Payable:	
Within one year	158,800
Later than one year but not later than 5 years	275,907
Later than 5 years	314,757
	749,464

13. RELATED PARTY TRANSACTIONS

Parent entity
OzAurum Resources Ltd is the ultimate parent entity of the Group.

Subsidiaries
Interests in subsidiaries are disclosed in Note 16.

Transactions with related parties

The following related party transactions were recorded during the year:

	5 February 2021 $
Payments to Holland International Pty Ltd, an entity in which Martin Holland is a Director and shareholder, for consulting services provided.	120,000
Payments to North Eastern Goldfields Exploration Pty Ltd, an entity in which Andrew Pumphrey is a Director and shareholder, for consulting services provided.	120,000
Payments to Mining Gurus Pty Ltd, an entity in which Andrew Tudor is a Director and shareholder, for provision of contract staff.	46,200
	286,200

Acquisition of tenements
During the period the Company acquired the Mulgabbie and Patricia projects which were partially held by Andrew Pumphrey. Andrew Pumphrey received the following portion of the consideration for the acquisition of the projects:

	$
Cash	231,916
Shares issued (6,029,833 Shares issued at $0.10 per share)	602,983
Total Consideration	834,900

Outstanding balances
Aggregate amounts of liabilities at reporting date relating to consulting services with directors of the group and director fees are as follows:

	5 February 2021 $
Current liabilities	
Holland International Pty Ltd	132,000
North Eastern Goldfields Exploration Pty Ltd	88,000
Mining Gurus Pty Ltd	46,200
	266,200

14. SUBSEQUENT EVENTS

There has been no other matters or circumstances that has arisen after reporting date that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial periods.

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

Due to their short term nature, the carrying amounts of the current receivables and current payables are assumed to approximate their fair value.

16. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1(b).

	Country of incorporation	**Class of shares**	**Equity Holding**
OzAurum Mines Pty Ltd	Australia	Ordinary	100%

* the proportion of ownership interest is equal to the proportion of voting power held.

DIRECTORS' DECLARATION
FOR THE HALF-YEAR ENDED 5 FEBRUARY 2021

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 23:

   (a) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   (b) give a true and fair view of the economic entity's financial position as at 5 February 2021 and of its performance for the half-year ended on that date.

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.

J Williams

Jeffrey Williams
Chairman

Dated this 21st day of April 2021

200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Independent auditor's review report to the members of OzAurum Resources Limited

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of OzAurum Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the statement of financial position as at 5 February 2021, the statement of comprehensive income, statement of changes in equity and cash flow statement 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 5 February 2021 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 5 February 2021 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.

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.

EY Building a better working world

Independence

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

Ernst & Young

Ryan Fisk
Partner
Sydney
21 April 2021