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ANNUAL REPORT

For the year ended 30 June 2021

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DIRECTORS

Mr Shannon Green	Managing Director
Mr Sufian Ahmad	Non-Executive Chairman
Mr Hugh Callaghan	Non-Executive Director

COMPANY SECRETARY

Ms Ailsa Osborne

REGISTERED AND PRINCIPAL OFFICE

Suite 4.01, Level 4, 105 St Georges Terrace
Perth WA 6000

Telephone (08) 6102 8072
Website www.pathfinderresources.com.au

POSTAL ADDRESS

Suite 4.01, Level 4, 105 St Georges Terrace
Perth WA 6000

AUDITORS

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

SHARE REGISTRY

Computershare
GPO Box 2975, Melbourne Vic 3001

ASX Code PF1
ACN 085 905 997
ABN 80 085 905 997
In this report, the following definitions apply:
"**Board**" means the Board of Directors of Pathfinder Resources Limited
"**Pathfinder**" or the "Company" means Pathfinder Resources Ltd ABN 80 085 905 997

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Your directors submit the financial report of the Company and its controlled entities (the Group) for the year ended 30 June 2021. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows.

Directors

The names and particulars of the directors of the Company in office during or since the end of the year to the date of this report are:

Director	Position	Appointed	Resigned
Shannon Green[1]	Managing Director Executive Chairman	1 December 2020 30 March 2020	 1 December 2020
Sufian Ahmad	Non-Executive Chairman Non-Executive Director	1 December 2020 17 March 2020	 1 December 2020
James Myers	Non-Executive Director	30 April 2020	4 June 2021
Hugh Callaghan	Non-Executive Director	4 June 2021	

1. On 23 September 2021, Mr Green resigned his position as Managing Director effective 16 November 2021.

Mr Shannon Green | Managing Director

Appointed 17 March 2020
Direct interest in shares: nil
Indirect interest in shares: 500,000
Interest in options: nil

Mr. Green has over 20 years corporate, resource development and mining operations experience, with extensive experience working in Africa and Australia having managed several significant projects from feasibility through construction and into operation and held senior leadership roles with several Australian iron ore and gold mining operations. Shannon was the Managing Director of Lindian Resources Ltd, an African focussed resource company with projects in three African countries, from 14 June 2019 to 30 June 2020. Prior to joining Lindian Resources Ltd, Shannon held the position of General Manager Project Implementation for ASX-listed bauxite developer Canyon Resources (ASX: CAY) where he played an instrumental role in the development of the Minim Martap Bauxite Project in Cameroon, Central Africa.

Mr. Green's professional qualifications include, Qld SSE Mine Managers Certificate, Graduate Diploma Mining Engineering, Diploma of Mining (Surface & underground) and a Diploma of (Finance) and is currently completing an MBA.

Mr Green is currently the Executive Chairman of Resource Base Limited (ASX:RBX).

Mr Sufian Ahmad | Non-Executive Chairman

Appointed on 17 March 2020
Direct interest in shares: 3,321,974
Indirect interest in shares: 745,372
Interest in options: nil

Mr Ahmad is the founder of Sixty Two Capital Pty Ltd, which specialises in providing corporate advice and capital raising services to emerging Australian companies across a diverse range of industries. Sufian brings significant legal, business and marketing experience to the Board with over 10 years' experience in trading, investing and the provision of corporate advisory services.

Mr Ahmad holds a Masters of Business Administration, a Post-Graduate Diploma in Commercial and Resources Law, Bachelor of Law (Hons) and Diploma in Financial Planning.

Mr Ahmad has not held any other listed directorships in the past three years.

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Mr Hugh Callaghan | Non-Executive Director

Appointed 4 June 2021
Direct interest in shares: nil
Indirect interest in shares: nil
Interest in options: nil

Mr Callaghan has a significant base of global resources experience from corporate roles with Rio Tinto and Xstrata that included roles in the UK, USA, Canada, Chile, Brazil, and Australia. Mr Callaghan was the founding Managing Director of ASX listed Riversdale Mining Limited which acquired and built metallurgical coal projects in Africa and has subsequently invested in and developed copper projects in Chile, potash projects in West Africa and the USA, and a zinc, lead and silver mine in Mexico. Hugh currently advises mining projects across base, precious metals and bulk minerals in the Americas.

Mr Callaghan has significant ASX experience including being a Director of Acacia Coal Limited (March 2017 to December 2017), GSF Corporation (February 2009 to June 2009), Tamaya Resources Limited (May 2006 to October 2008) and Riversdale Mining Limited (April 2004 to August 2006). He is currently a Director of Equinox Resources Limited (June 2021 to present).

Mr Callaghan's qualifications include a Bachelor of Commerce and a Bachelor of Laws.

Mr James Myers | Non-Executive Director

Appointed 30 April 2020, Resigned 4 June 2021
Direct interest in shares: nil
Indirect interest in shares: nil
Interest in options: nil

Mr Myers has over 15 years' in equities dealing and corporate advisory experience. Previously the co-founder and Executive Director of iiZen Equites before a corporate exit to Patersons Securities, Mr Myers has held equity advisory roles at Patersons Securities and Ord Minnett Limited and is currently an Associate Director of Corporate at Adelaide based Baker Young Stockbrokers. Mr Myers has extensive small cap experience, most recently working side-by-side with Pathfinder's Executive Chairman, Mr Shannon Green, in the re-organisation, recapitalisation and marketing of Lindian Resources (ASX:LIN).

Mr Myers is currently a Non-Executive Director of Canadian based AgTech company, RotoGro International.

Company Secretary

Ms Ailsa Osborne

Appointed 28 May 2021

Ms Osborne has had more than 17 years of professional experience in the mineral resources industry with expertise in finance, operations and development. Ailsa has held senior finance roles in several listed companies operating in Australia and Internationally in South America, Indonesia and Africa.

Ms Osborne's qualifications include, CPA, BComm. Accounting and Business Law and has completed a Graduate Diploma of Applied Corporate Governance and Risk Management with the Governance Institute of Australia.

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Ms Shannon Coates

Appointed 2 April 2020, Resigned 28 May 2021

Ms Coates holds a Bachelor of Laws and has over 20 years' experience in corporate law and compliance. Ms Coates is an experienced Chartered Secretary and is Managing Director of Perth based corporate advisory firm Evolution Corporate Services, which specialises in the provision of company secretarial and corporate advisory services to ASX listed companies.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the year ended 30 June 2021 consisted of:

- exploration activities in respect of the King Tut Project in Argentina;
- divestment of the Hamersley Iron Ore Project in Western Australia; and
- maintenance of the Bloom Lake Cobalt Project in Gowganda, in north-eastern Ontario

REVIEW OF OPERATIONS

During the year ended 30 June 2021 the Group's primary focus was to complete the acquisition of the King Tut Project in Argentina and achieve re-admission to the Official List of the ASX. Following successful re-admission to the ASX, the Group turned its attention to advancing development of the newly acquired King Tut Project in Argentina.

King Tut Project

Project Acquisition

During the first half of the year, the Group finalised an agreement to acquire 100% of the King Tut Project, a historic gold and cobalt mining operation located in the La Rioja province in the North west of Argentina (**King Tut Project Acquisition Agreement**).

For more information on the acquisition please refer to the Prospectus dated 31 August 2020, (to be read together with the supplementary prospectus lodged with ASIC on 16 September 2020).

Exploration Activities

On 3 December 2020, the Group announced the appointment of Condor Prospecting (Condor) to undertake an initial on-ground geological and exploration program at the King Tut Project. The Condor team is based in Mendoza, Argentina, and comprises highly experienced local geologists and support staff.

The first stage of the exploration program focussed on accurately geologically mapping the surface extent of the mineralisation and surrounding geological units at the King Tut Project.

On 25 January 2021, the Group announced high-grade gold and cobalt assays had been returned from the Group's maiden geological mapping and rock chip sampling program at King Tut, with best results including:

Sample 113	37.0g/t Au 1.40% Co
Sample 161	27.8g/t Au 0.89% Co
Sample 036	23.4g/t Au 0.57% Co
Sample 043	9.5g/t Au 2.57% Co
Sample 042	9.0g/t Au 2.41% Co

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Gold mineralisation appears to be consistent along strike and to the west of the King Tut mine, with several 20+g/t Au samples. Sampling at the series of stacked veins to the south of the King Tut mine also returned a number of samples in excess of 6g/t Au.

The sampling has extended the known area of mineralisation to a stack of quartz veins ~120m wide and currently 200m in length. Mineralisation remains open along strike. The results have significantly improved the understanding of the King Tut geology and confirmed extensions to the known mineralisation, providing a solid base for the planned Maiden Diamond Drill program.

During the second half of FY2021 the Group progressed the Maiden Drill Program, and on 18 March 2021 announced the appointment of ConoSur Drilling S.A. ("ConoSur Drilling") (formerly Energold Argentina S.A), to complete the maiden diamond drilling program at the King Tut high grade gold and cobalt project in Argentina.

The maiden diamond drilling program will consist of six diamond drill holes, totalling approximately 1,000m, and is expected to required approximately 8 weeks for completion.

As shown in Figure 1, at the base, drill hole locations 2 / 2a are placed to target the main King Tut vein at depth. As the drill holes progress up the hill, there is increased potential of encountering multiple mineralised veins. Dips and strikes of these adjacent veins are similar to those described in the main King Tut vein, with the rock chip sampling suggesting Au/Co grades similar in nature.

Drill hole 3 is intended to intercept directly the historical King Tut mine workings and adjacent mapped mineralised veins.

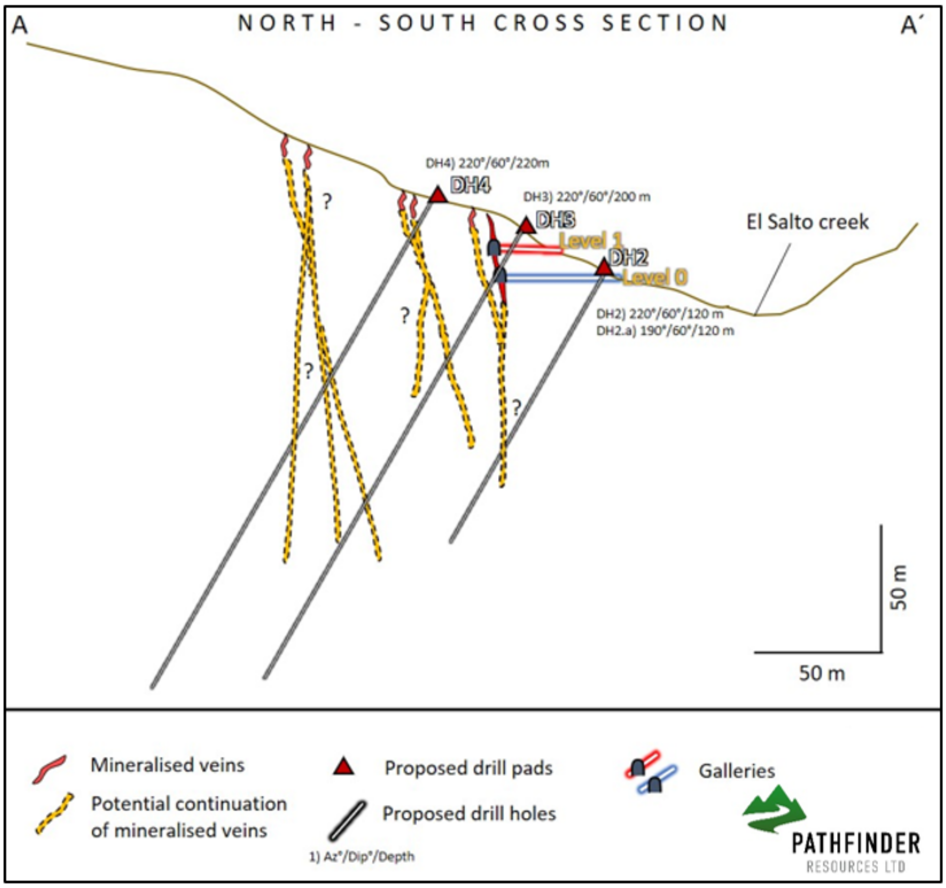

Figure 1: Cross Section A-A' of proposed drill holes, King Tut Mine location

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Permitting for the Group's maiden drilling program is now at an advanced stage. During May and early June, the Group has continued to provide additional information requested by the authorities in support of the application. Considerable work has been undertaken to satisfy all regulatory requirements including:

- The establishment of an Environmental Impact Assessment (ESIA)
- The establishment of a water management plan
- The establishment of a waste management plan
- A comprehensive community engagement program utilising highly respected independent experts to ensure that the Group could demonstrate that it had the communities support (social license) to undertake its planned activities.

Covid-19 has impacted progress due to restrictions of movements, lockdowns and closures of some administrative offices and functions. The Group's people on the ground have worked tirelessly to minimise the impacts that Covid-19 have had.

Environmental Social and Governance Commitment

As part of the permitting process for the maiden Diamond Drill Program, the team have continued engagements with key stakeholder and community groups in the province. To assist with the development of a comprehensive Social Management and Communication Plan (**SMCP**) the Group has contracted a local consulting group, Papi Group Latam Consulting, who have extensive experience with mining operations in Argentina.

The Group has established an environmental baseline water monitoring program. Monitoring activities throughout the program will provide confirmation to regulators and stakeholders of the Group's compliance to environmental standards of work.

In addition, the Group is partnering with a local University on environmental controls and contributing to the academic formation of students by allowing access to the planned drilling activities.

Where possible the activities are centred around identifying opportunities within the local communities and contribute to development.

Memorandum of Understanding – Western Australia and Argentina

On 17 May 2018, the Western Australian Minster for Mines and Petroleum, Mr Bill Johnston, signed a Memorandum of Understanding (**MoU**) to build a stronger mining and resources relationship between Western Australia and Argentina.

The MoU is intended to help develop a mutually rewarding partnership by sharing specialist knowledge, technical skills and regulatory expertise and to facilitate collaboration in a range of areas including geoscience systems, information technology, mining rehabilitation, occupational health and safety, royalties and taxation.

During the year under review, the Group engaged with representatives from the Western Australian Government Department of Mines, Industry Regulation and Safety and a representative of the Argentine Chamber of Commerce in Australia, Mr Diego Berazategu, to identify how Pathfinder can assist in the facilitation collaboration and sharing of information with La Rioja Province in which the King Tut Project is located.

Bloom Lake Project

The Bloom Lake Project is located peripheral to a cluster of former high-grade silver-cobalt mines which operated from 1910 to 1989 and where historic production from this region in the period up to 1969 is reported as having been 60.2 million ounces of silver and 1.3 million pounds of cobalt.

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The claims that comprise the Bloom Lake Project are valid to 23 March 2022. During the year the Group renewed the tenements at Bloom Lake. A list of the current claims is shown at pages 13 and 63 of this annual report.

The project is categorised as an early-stage exploration project and contains no reportable resource at this stage.

During the year the Group sought advice from a local expert with historical knowledge of the Bloom Lake Project who has developed an initial surface mapping program. The program is scheduled to commence in Q1 of FY2022.

Hamersley Iron Ore Project

The Hamersley Iron Ore Project comprises Mining Lease M47/1450 (**Tenement**) and is located approximately 50 km north-east of Tom Price in the Pilbara region of Western Australia, immediately south of the Solomon project held by Fortescue Metals Group Ltd (ASX: FMG) and north of Rio Tinto's Rail network.

The Hamersley Iron Ore Project is a Joint Operation (JO) between Pathfinder Resources (70%) and Lockett Fe Pty Ltd a wholly owned subsidiary of Cazaly Resources (30%) (**Cazaly**). The JO was formed in October 2010 following Cazaly's discovery of the Winmar Deposit in late 2008.

The current Mineral Resource estimate for the Hamersley Iron Ore Project is set out below.

Table 1: JORC Code 2012 Mineral Resource Estimate for the Hamersley Iron Ore Project

INDICATED MINERAL RESOURCE (JORC 2012)							
Mineralisation Type	Tonnes Mt	Fe %	SiO2 %	Al2O3 %	P %	LOI %	CaFe[1] %
Channel (CID)[2]	42.6	55.2	10.9	5.5	0.04	3.6	57.3
Total	42.6	55.2	10.9	5.5	0.04	3.6	57.3

INFERRED MINERAL RESOURCE (JORC 2012)							
Mineralisation Type	Tonnes Mt	Fe %	SiO2 %	Al2O3 %	P %	LOI %	CaFe[1] %
Detrital (DID)[3]	24.3	46.4	24.8	5.2	0.03	2.5	47.6
Channel (CID) [2]	276.3	55.2	9.7	4.4	0.04	6.3	58.9
Total	300.6	54.5	10.9	4.4	0.04	6.0	58.0

TOTAL MINERAL RESOURCE (JORC 2012)							
Mineralisation Type	Tonnes Mt	Fe %	SiO2 %	Al2O3 %	P %	LOI %	CaFe[1] %
Detrital (DID)	24.3	46.4	24.8	5.2	0.04	2.5	47.6
Channel (CID)	318.9	55.2	9.8	4.5	0.04	5.9	58.7
Total	343.2	54.5	10.9	4.6	0.04	5.7	57.9

Notes: *1: Calcined Fe (CaFe) calculated by the formula CaFe % = [(Fe%)/100-LOI 1000)]*100*
2: Channel Iron Deposit mineralisation reported at a 52% Fe cut=off grade.
3: Detrital Iron Deposit Mineralisation reported at a 40% Fe cut-off grade.

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Divestment of the Hamersley Iron Ore Project

Post financial year end on 9 July 2021 the Group announced the execution of a binding heads of agreement with Lockett Fe Pty Ltd and Equinox Resources Limited (ACN 650 503 325) (**Equinox**) (proposed ASX code EQN), whereby each of Pathfinder and Lockett (together, the **Vendors**) have agreed to conditionally sell their respective interests in the Hamersley Iron Ore Project to Equinox. The sale of the Project is conditional upon shareholder approval in accordance with ASX Listing Rule 11.4.1(b), amongst other things.

It is intended that Equinox will undertake an initial public offer ("IPO") and seek a listing on the official list of the Australian Securities Exchange ("ASX") with the prospectus lodged with the Australian Securities and Investment Commission (ASIC) on 31 August 2021. The IPO will raise between $7 million and $9 million (before costs) through the offer of between 35 million and 45 million shares, at an issue price of $0.20 per share.

Under the proposed transaction, Pathfinder will receive 35,000,000 shares in Equinox, representing an interest of approximately 36.65% in Equinox post IPO (assuming maximum subscription), allowing Pathfinder and its shareholders to maintain exposure to the Hamersley Iron Ore Project via the Group's equity interest in Equinox.

In conjunction with the sale of the Hamersley Iron Ore Project, Pathfinder has agreed to advance Equinox an amount of up to $320,000 by way of an interest free loan to be used by Equinox to pay the expenses in respect of the Equinox IPO, to be repaid out of the proceeds of the Equinox IPO.

FINANCIAL POSITION

The Group made a loss for the year of $1,228,111 (2020: loss $1,220,549). At balance date, capitalised exploration costs totalled $1,814,678 (2020: $116,524). Cash reserves were $3,412,277 (2020: $936); an increase of $3,411,341.

CORPORATE ACTIVITIES

On 25 August 2020, the Group completed a Pre-IPO fundraising to sophisticated and professional investors.

On 27 August 2020, an amendment to the Convertible Note Deed with Sixty Two Capital Pty Ltd and Markovic Family Pty Ltd each for $125,000, was executed to allow for conversion of the Notes at a 10% discount to the price on admission to the ASX. Post admission to the ASX conversion is at a price per Share equal to 85% of the VWAP of Shares on ASX calculated over the ten (10) trading days immediately preceding the date of issue of the Conversion Notice by the Noteholder.

On 28 August 2020, the Group announced that it had entered into a Binding Share Sale agreement with Australian private companies Blue Gold Mining Pty Ltd (BGM), Sandrino Gold Pty Ltd (SG) and the vendor shareholders of BGM and SG (together, the Vendors) pursuant to which the Group has been granted a conditional right to acquire 100% of the issued capital of BGM and SG (Acquisition). BGM and SG, via Argentinian subsidiaries, are the holders of the King Tut Project in Argentina, which is prospective for gold and cobalt (Project).

On 31 August 2020, the Group lodged its Prospectus with the ASIC for an offer of 25,000,000 Shares (on a post consolidation basis) at an issue price of $0.20 per Share to raise $5,000,000 (before costs), with the ability to accept oversubscriptions of up to 5,000,000 Shares (on a post consolidation basis) at an issue price of $0.20 per Share in order to raise up to an additional $1,000,000 (for a total of up to $6,000,000) (Public Offer).

On 3 September 2020, following shareholder approval, the Group consolidated it share capital on the basis of 200:1.

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On 16 September 2020, a Supplementary Prospectus was issued to provide investors with a revised statement of financial position for the Winmar Resources Group required to correct a typographical error, and a revised Independent Geologist's Report.

On 8 October 2020, the Group, together with Cazaly executed a Deed of Settlement with Cape Lambert Resources Limited (Cape Lambert) over a forfeiture claim made against the mining lease comprising the Hamersley Iron Ore Project.

On 30 October 2020, Pathfinder Resources Limited was admitted to the Official List of ASX Limited (ASX). Official quotation of ordinary fully paid shares commenced on 4 November 2020.

On 16 November 2020, the Group announced that it had received a letter from the solicitors of Airguide International Pte Ltd, a Singapore company with whom Pathfinder had contracted for advisory services in 2018-2019. Airguide issued a demand for payment of fees allegedly outstanding, amounting to approximately USD$693,000 in total, and asserting that payment of such fees was owing as a result of the completion of the Group's IPO capital raising.

On 18 December 2020, the Group was served with a Notice of Arbitration by Airguide's solicitors in Singapore, referring the dispute to arbitration by the Singapore International Arbitration Centre (SIAC). The Group intends to defend the claim by filing a Response to the Notice of Arbitration with SAIC. On 15 January 2021, the Group filed its Response to Notice of Arbitration with SIAC in relation to the claim by Airguide, as noted above. The Group continues to file the documentation as per the timetable provided by SIAC, the matter has not yet been heard before the Arbitrator.

On 2 February 2021, the Group was placed in a trading halt and on 4 February 2021, the Group was suspended from Official Quotation pending the release of an announcement regarding a response to an ASX Aware Query in relation to the Group's Hamersley Iron Ore Project.

On 8 February 2021, the Group lodged the response to the ASX Aware Query, the Group remained suspended until 23 February 2021.

On 23 February 2021, the suspension was lifted post announcement of an update to the Hamersley Iron Ore Project work program and release in relation to the Hamersley Iron Ore Project resource which addressed the requirements of ASX Listing Rule 5.8

On 28 May 2021, Ms Shannon Coates resigned as Company Secretary, On the same date Ms Ailsa Osborne was appointed Company Secretary.

On 4 June 2021, Mr James Myers resigned as Non-Executive Director. On the same date Mr Hugh Callaghan was appointed Non-Executive Director.

Key Management Appointment and Board Changes

On 5 November 2020, the Group announced the appointment of Ms Ailsa Osborne to the position of Chief Financial Officer. Ms Osborne has had more than 17 years' of professional experience in the mineral resources industry with expertise in finance, operations and development. Ms Osborne has held senior finance roles in a number of listed companies operating in both Australia and internationally, including, South America, Indonesia and Africa. Ms Osborne's qualifications include, CPA, BComm. Accounting and Business Law and she is currently completing a Graduate Diploma of Applied Corporate Governance and Risk Management.

On 1 December 2020, the Group also announced that Mr Shannon Green transitioned from his role as Executive Chairman and was appointed as Managing Director of the Group and Non-

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Executive Director, Mr Sufian Ahmad had been appointed as Non-Executive Chairman, effective immediately.

Annual General Meetings

During the year ended 30 June 2021, the Group held its 2019 and 2020 Annual General Meetings.

On 3 September 2020, the Group held its Annual General Meeting for the year ended 30 June 2019 with the following approved by the Group's shareholders:

- The Group name change from Winmar Resources Limited to Pathfinder Resources Ltd.
- A 200:1 share consolidation.
- Increased aggregate Non-Executive Directors remuneration to $300,000 per annum in total.
- Adoption of a new Constitution.
- Election of Shannon Green, Sufian Ahmad and James Myers as Directors of the Group.

On 24 November 2020, the Group held its Annual General Meeting for the year ended 30 June 2020. With the following approved by the Group's shareholders:

- Non-Binding Resolution to adopt Remuneration Report; and
- Re-election of Sufian Ahmad as Director of the Group.

Issue of Securities

During the year ended 30 June 2021, the Group issued 20 million shares (on a pre-consolidation basis) on conversion of performance rights, 375 million shares (on a pre-consolidation basis) to sophisticated investors as part of a Pre-IPO capital raising of $300,000 (before costs) and 100 million shares (on a pre-consolidation basis) as initial consideration to the vendor of the King Tut Project.

Post consolidation, the Group raised $6.0 million (before costs), pursuant to the offer under its Prospectus, through the issue of 30,000,000 shares at an issue price of $0.20 per share. Pursuant to the Prospectus and the King Tut Project Acquisition Agreement, the Group issued an additional 12,277,474 shares and 7,000,000 performance rights through various secondary and other offers.

COVID 19

The Group has undertaken a review of the risk assessment in respect of COVID 19 and has determined that since 30 June 2021 the restrictions imposed have seen some delays to the exploration operations, in respect of progressing the Group's maiden diamond drill program in Argentina. The Group is continuing to work with representatives in Argentina and continues to monitor the situation and will update as required.

EVENTS SUBSEQUENT TO REPORTING DATE

On 9 July 2021, the Group together with Lockett executed a Binding Terms Sheet with Equinox Resources Limited (ACN 650 503 325) (Equinox) for the sale of their respective interests in the Hamersley Iron Ore Project. The sale of the Project is conditional upon Pathfinder shareholder approval in accordance with ASX Listing Rule 11.4.1(b), amongst other things.

It is intended that Equinox will undertake an initial public offer (IPO) and seek a listing on the official list of the Australian Securities Exchange with the prospectus lodged on 31 August 2021. The IPO will raise between $7 million and $9 million (before costs) through the offer of between 35 million and 45 million shares, at an issue price of $0.20 per share.

Under the proposed transaction, Pathfinder will receive 35,000,000 shares and between 5,950,000 and 6,650,000 performance shares (based on Equinox IPO subscription value) and Lockett will receive 15,000,000 shares and between 2,550,000 and 2,850,000 performance shares (based on Equinox IPO subscription value).

In conjunction with the sale of the Hamersley Iron Ore Project, Pathfinder has agreed to advance Equinox an amount of up to $320,000 by way of an interest free loan to be used by Equinox to pay the expenses in respect of the Equinox IPO, to be repaid out of the proceeds of the Equinox IPO.

On 26 July 2021, the Group issued a Notice of Meeting in respect of the Divestment of the Hamersley Iron Ore Project. The resolution was carried on poll at the meeting held on 27 August 2021.

On 23 September 2021, the Group announced the resignation of Managing Director Shannon Green effective 16 November 2021. The Company has commenced the process to appoint a new Director and Mr Green will be working with the Board over the coming period to achieve an orderly transition.

There have been no other transactions or events of a material and unusual nature, in the opinion of the directors of the Company, to significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

INTEREST IN MINING TENEMENTS AS AT 30 JUNE 2021

Location	Tenement Reference	Nature of Interest	% Held
Western Australia[1]	M47/1450	Granted	70%
Canada, Bloom Lake	221266, 221267, 229223 243759, 251792, 251793 251794, 287807, 308044 325202, 336173, 582713 582714	Granted	100%
Argentina[2]	168-L-1939	Granted	100%
	66-C-2005	Granted	100%
	28-L-2011	Pending approval	100%

1. Pathfinder's interest in the Hamersley Iron Ore Project is by way of an unincorporated joint venture with Lockett Fe Pty Ltd, a subsidiary of Cazaly Resources Ltd.
2. Pathfinder's interest in the Tenements located in the La Rioja Province in Argentina are held through its wholly owned subsidiaries Blue Gold Mining Pty Ltd (BGM) and Sandrino Gold Pty Ltd (SG) which, through their respective Argentine subsidiaries Tres Elementos SA (TESA) and Tecno Minera SA (TMSA), collectively own the Tenements the subject of the King Tut Project.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than those items outlined in the Review of Operations, there were no other significant changes in the Group's state of affairs.

LIKELY DEVELOPMENTS AND ANNOUNCEMENTS

Any other information on the Group's business strategies and its prospects for future years have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

DIVIDENDS

No dividends were paid or declared by the Group to members since the end of the previous financial year and the directors do not recommend the payment of a dividend at this time.

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SHARES UNDER OPTION

There are no unissued ordinary shares under option at the date of this report.

MEETINGS OF DIRECTORS

Due to the size of the Group, the Group does not have separate nomination, remuneration, audit or risk committees and the Board of Directors performs the role of these committees, in accordance with committee charters.

The number of meetings held during the year and the number of meetings attended by each Director whilst in office are:

Director	Directors' meetings		Audit & Risk committee meetings	
	Held while in office	Attended	Held while in office	Attended
Shannon Green	3	3	1	1
Sufian Ahmad	3	3	1	1
James Myers	3	3	1	1
Hugh Callaghan	0	0	0	0

INDEMNIFICATION AND INSURANCE OF OFFICERS

During the year, the Group paid premiums in respect of a contract insuring all the directors and officers of the Group against liabilities incurred by the directors and officers that may arise from their position as directors or officers of the Group.

In accordance with normal commercial practice, the disclosure of the total amount of premiums under and the nature of the liabilities covered by the insurance contract is prohibited by a confidentiality clause in the contract.

Except for the above, the Group has not indemnified or made an agreement to indemnify any person who is or has been an officer or auditor of the Group against liabilities incurred as an officer or auditor of the Group.

AUDITOR'S INDEPENDENCE AND NON-AUDIT SERVICES

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 forms part of the Directors' Report and is included on page 20.

Details of amounts paid or payable to the auditor for non-audit services provided during the year are outlined in Note 18 to the financial statements. The directors are satisfied that the provision of non-audit services during the year is compatible with the general standard of independence imposed by the Corporations Act 2001.

ENVIRONMENTAL REGULATION

The Group's operations are subject to environmental regulation in relation to the discharge of hazardous waste and materials arising from any exploration activities. The Directors are of the opinion that sufficient procedures and reporting processes have been established to enable the Group to meet any environmental responsibilities in the year ended 30 June 2021.

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CORPORATE GOVERNANCE

Pathfinder and its Board are committed to achieving and maintaining best practice in corporate governance, consistent with our sectors of operations and the size and maturity of the Group. Throughout the year, Pathfinder's corporate governance arrangements were consistent with the 4th Edition of the Corporate Governance Principles and Recommendations published by the ASX Corporate Governance Council (ASX Principles).

Pathfinder's 2021 Corporate Governance Statement and Policies are available at: https://www.Pathfinderresources.com.au/corporate-governance.

The Corporate Governance Statement outlines details in relation to Pathfinder's values, its Board, risk management framework and financial reporting, diversity and inclusion, key corporate governance policies and shareholder engagement. Pathfinder's website also contains copies of Pathfinder's Board and Committee Charters and key policies and documents referred to in the Corporate Governance Statement.

REMUNERATION REPORT

This report sets out remuneration information for the Group's non-executive and executive directors and other key management personnel of the Group. The non-executive and executive directors disclosed in this report are those previously identified in the Directors' Report.

Directors' Fees

The Board determines the remuneration of non-executive directors from time to time.

Non-executive directors' fees are determined within an aggregate fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at $300,000 per annum (including superannuation but excluding share-based payments) and was approved by shareholders at the general meeting held on 4 September 2020.

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors do not receive performance-based pay. Independent advice on the appropriateness of remuneration packages is obtained should the Board consider it necessary.

Performance on Shareholder Wealth

In considering the Group's performance and benefits for shareholder wealth, the Board have regarded the following indices in respect of the current and previous four financial years:

	2021	2020	2019	2018	2017
Loss per share (cents)	(2.83)	(9.24)	(72.19)	(16.71)	(35.96)
Dividends (cents per share)	-	-	-	-	-
Net profit / loss ($)	(1,228,111)	(1,220,549)	(9,391,365)	(1,599,316)	(2,016,510)
Share price ($)	0.33	0.024	0.024	0.024	0.001

- The Group was suspended from trading on 7 June 2018.
- The Group was re-admitted to the official list of ASX and commenced trading on 4 November 2020.

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Employment Contracts

Remuneration and other terms of employment of Directors and Other Key Management Personnel are formalised in an employment contract. The major provision of the agreements related to the remuneration are set out below.

Director	Position	Base salary	Notice period
Shannon Green	Managing Director	$300,000	3 months
Sufian Ahmad	Non-Executive Chairman	$48,000	Nil
Hugh Callaghan	Non-Executive Director	$48,000	Nil

Executive Director Services Agreement – Shannon Green

On 1 December 2020, the Group announced that Mr Shannon Green had transitioned from his role as Executive Chairman was appointed as to Managing Director of the Group, the material terms of Mr Green's Executive Services Agreement, including remuneration, are set out below:

The material terms of the ESA are as follows:

(a) **(Remuneration)**: Mr Green's current salary is $300,000 (exclusive of superannuation).

(b) **(Term)**: Mr Green's employment commenced on the Commencement Date and will continue until validly terminated;

(c) **(Termination by the Company)**: the Company may terminate Mr Green's employment without reason, by giving three (3) months' written notice to Mr Green and making a payment to Mr Green equal to three months of his salary, or immediately if Mr Green is convicted of any major criminal offence which brings the Company or its related body corporate into disrepute. The Company may otherwise terminate Mr Green's employment by giving one (1) month's written notice if Mr Green:

  (i) is or becomes incapacitated by illness or injury for a period of two consecutive months (or any periods aggregating two months in 12 months);

  (ii) is or becomes of unsound mind;

  (iii) commits any serious or persistent breach of any of the provisions contained in the ESA that are not remedied within 14 days;

  (iv) is absent in, or demonstrates incompetence, regarding the performance of his duties, is neglectful, or otherwise does not perform all duties under the ESA in a satisfactory manner (provided he is provided a reasonable opportunity to remedy the specific matters complained of by the Board);

  (v) commits or becomes guilty of any gross misconduct; or

  (vi) refuses or neglects to comply with any lawful reasonable direction by the Company.

(d) **(Termination by Mr Green)**: Mr Green may at his discretion, terminate the ESA if:

  (i) the Company commits any serious or persistent breach of the provisions contained in the ESA and the breach is not remedied within 28 days; or

  (ii) by giving three (3) months' written notice to the Company.

(e) **(Expenses)**: The Company will reimburse Mr Green for all reasonable expenses incurred by him in the performance of all duties in connection with the business of the Company.

The ESA otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

Non-Executive Director Service Contracts

On appointment to the Board all non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The term of appointment of all non-executive directors is subject to re-nomination and re-election at Annual General Meetings and non-executive directors are expected to serve a minimum of one term of three years. There is no notice period required by non-executive directors and non-executive directors are not entitled to annual or long service leave benefits.

Details of Remuneration

Detail of remuneration of the directors and other key management personnel is set out below:

30 June 2021	Short Term Employment Benefits Salary & Fees $	Long Term Employment Benefits Entitlements $	Post Employment Benefits Super-annuation $	Termination Benefits Salary $	Share Based Payments Shares $	Total $	Performance Based Remuneration %
Directors							
Sufian Ahmad	48,000	-	-	-	-	48,000	-
James Myers[2]	44,000	-	-	-	-	44,000	-
Hugh Callaghan[3]	4,000	-	-	-	-	4,000	-
Total Remuneration	96,000	-	-	-	-	96,000	-
Shannon Green[1]	243,192	-	21,437	-	100,000	364,629	27
Ailsa Osborne[4]	125,397	-	11,264	-	-	136,661	-
	368,589	-	32,701	-	100,000	501,290	-
Total Remuneration	464,589	-	32,701	-	100,000	597,290	17

1. Shannon Green was appointed Managing Director on 1 December 2020.
2. James Myers resigned as Non-Executive Director 4 June 2021.
3. Hugh Callaghan was appointed Non-Executive Director 4 June 2021.
4. Ailsa Osborne was appointed Chief Financial Officer on 5 November 2020 and Company Secretary on 28 May 2021.

30 June 2020 KMP	Short Term Employment Benefits Salary & Fees $	Long Term Employment Benefits Entitlements $	Post Employment Benefits Super-annuation $	Termination Benefits Salary $	Share Based Payments Options $	Total $	Value of options as proportion of remuneration %
Shannon Green[3]	26,973	-	-	-	-	26,973	0%
Sufian Ahmad[3]	13,973	-	-	-	-	13,973	0%
James Myers[5]	8,000	-	-	-	-	8,000	0%
Jason Brewer[4]	47,045	-	-	-	-	47,045	0%
Richard Lloyd[6]	24,000	-	-	-	-	24,000	0%
Thomas Durr[2]	28,000	-	-	-	-	28,000	0%
Michael Fry [1]	16,000	-	-	-	-	16,000	0%
Total Remuneration	163,991	-	-	-	-	163,991	0%

1. Michael Fry resigned on 1 November 2019 as a Non-Executive Director.
2. Thomas Durr resigned on 12 February 2020 as a Non-Executive Director.
3. Shannon Green and Sufian Ahmad were appointed as Non-Executive Directors on 17 March 2020. Mr Green was appointed Executive Chairman 30 March 2020.
4. Jason Brewer resigned on 30 March 2020 as Chairman.
5. James Myers was appointed on 30 April 2020 as Non-Executive Director.
6. Richard Lloyd was appointed on 1 November 2019 as Non-Executive Director and resigned on 30 April 2020.

Remuneration

Includes payment for their services as directors directly or through director related entities.

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Equity Instruments Held

The movement during the reporting period in the number of ordinary shares in Pathfinder Resources Limited held directly, indirectly or beneficially, by each key management personnel, including their related parties, is as follows:

Shares	Held at start of the year or date of appointment	Consolidation	Granted as compensation	Granted on conversion of loans	Purchases	Held at end of the year or date of resignation
	No.	No.	No.	No.	No.	No.
KMP						
Shannon Green[1]	-	-	500,000	-	-	500,000
Sufian Ahmad	217,269,922	(216,183,571)	-	624,995	2,356,000	4,067,346
James Myers[2]	-	-	-	-	100,000	100,000
Hugh Callaghan	-	-	-	-	-	-
Ailsa Osborne	-	-	-	-	-	-

1. Shares granted pursuant to Prospectus dated 31 August 2020.
2. James Myers resigned as Non-Executive Director 4 June 2021.

Share Based Compensation

On 6 August 2020, the Group entered into a consulting agreement (Consulting Agreement) with Mr Shannon Green (a Director) pursuant to which Mr Green agreed to provide certain consulting services to the Group outside the scope of his duties of Executive Chairman, in connection with the Group's objective of being reinstated to trading on the ASX.

Consideration for the provision of the Additional Services is $100,000, issued at IPO at IPO price of $0.20 per Share, there are no outstanding amounts under this agreement.

No options over ordinary shares were held by directors or other key management personnel at any time during the financial year.

Loans from Directors

On 18 October 2018, Pathfinder entered into loan facility agreements arranged by Sixty Two Capital Pty Ltd with four investors for an aggregate amount of $750,000 of which Mr Sufian Ahmad contributed $50,000. The loan bears interest at a rate of 10% p.a. and a facility fee of 20% from the total loan payable directly to the investors. The loan was to be repaid in shares at a 10% discount to the price at which the shares resumed trading on the ASX. The total liability owing in relation to Mr Sufian Ahmad's loan at 30 June 2020 was $69,232, which includes capitalised interest and fees of $19,232 was repaid by issue of 384,623 post consolidation shares.

Interest of $1,977 was paid at 10% for the period 1 June 2020 to 28 October 2020.

On 31 January 2020, the Group entered into a Convertible Note Deed with Sixty Two Capital Pty Ltd a company controlled by Mr Sufian Ahmad for $125,000, the purpose of which is to drawdown on the loan to pay existing creditors and general working capital requirements. The principal sum is repayable in 12 months plus accrued interest at the rate of 10% per annum. The loan was to be repaid in shares at a price equivalent to a 10% discount to the price that the shares resumed trading on the ASX. The aggregate amount owing at 30 June 2020 was $43,267 and was repaid by the issue of 240,372 post consolidation shares.

Interest of $1,507 was paid at 10% for the period 1 June 2020 to 28 October 2020.

At 30 June 2021 there were no loans from or to Directors.

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Trading Policy

The Group has a trading policy which prohibits its personnel and associates of personnel to deal in the Group's securities during closed periods. These closed periods are:

(a) within the period of 5 days prior to the release of annual, half yearly or quarterly results;
(b) within the period of 5 days prior to the Annual General Meeting; and
(c) if there is in existence price sensitive information that has not been disclosed because of an ASX Listing Rule exception.

Personnel can deal in the Group's securities outside of any closed period in the following circumstances:

(a) they have satisfied themselves that they are not in possession of any Price Sensitive information that is not generally available to the public; and
(b) they have contacted the Chairman or in his absence, the Managing/Executive Director and notified them of their intention to do so and the Chairman or Managing/Executive Director indicates that there is no impediment to them doing so.

Where the Chairman wishes to deal in securities, he must contact the Managing/Executive Director, or in his absence, the Company Secretary and notify them of their intention to do so and the Managing/Executive Director or Company Secretary must indicate whether there is no impediment to them doing so.

The requirement to provide notice of an intention to trade in the Group's Securities does not apply to the acquisition of securities through Director, officer or employee share or option plans.

However, the requirement does apply to the trading of the securities once they have been acquired or issued under the plans.

At the 2020 Annual General Meeting (AGM) held on 24 November 2020, the adoption of the remuneration report for the year ended 30 June 2020 was carried on poll with 99.65% voting for votes. votes. There were no comments made on the remuneration report at the Company's last AGM

- End of Remuneration Report -

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

Managing Director | Shannon Green
29 September 2021

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Australia

DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF PATHFINDER RESOURCES LIMITED

As lead auditor of Pathfinder Resources Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

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

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

Ashleigh Woodley

Director

BDO Audit (WA) Pty Ltd

Perth, 29 September 2021

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

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	2021 $	2020 $
Continuing Operations			
Other income	3	15,613	5,466
Compliance and regulatory expenses		(211,211)	(95,991)
Consulting and professional fees	3	(454,968)	(86,808)
Employee benefits expense	3	(262,787)	(163,991)
Exploration expenditure		(232,859)	-
Impairment of exploration assets	8	-	(102,026)
Impairment of investments	7	-	(31,127)
Share based payments	12	-	(422,807)
Other gains		243,457	-
Other expenses		(175,261)	(150,683)
Results from operating activities		(1,078,016)	(1,047,967)
Finance income		8,286	65
Finance expense		(158,381)	(172,647)
Net finance expense		(150,095)	(172,582)
Loss for the year before income tax		(1,228,111)	(1,220,549)
Income tax expense	4	-	-
Loss for the year from continuing operations		(1,228,111)	(1,220,549)
Other comprehensive income		(84,798)	-
Total comprehensive loss for the year		(1,312,909)	(1,220,549)
Cents per share			
Basic and diluted loss		(2.83)	(9.24)
Basic and diluted comprehensive loss per share		(3.03)	(9.24)

The above consolidated statement of comprehensive income is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	2021 $	2020 $
Assets			
Current assets			
Cash and cash equivalents	5	3,412,277	936
Trade and other receivables	6	47,093	68,157
Prepayments	7	50,062	12,433
Other current assets		29,978	-
Total current assets		3,539,410	81,526
Non-current assets			
Exploration and evaluation	8	1,814,678	116,524
Property, plant and equipment		9,759	-
Total non-current assets		1,824,437	116,524
Total assets		5,363,847	198,050
Liabilities			
Current liabilities			
Trade and other payables	9	146,768	736,901
Borrowings	10	46,370	1,131,633
Provisions		35,672	-
Total current liabilities		228,810	1,868,534
Net assets / (liabilities)		5,135,037	(1,670,484)
Equity			
Issued capital	11	54,370,957	45,772,527
Reserves		(84,798)	564,000
Accumulated losses		(49,151,122)	(48,007,011)
Total surplus / (deficiency)		5,135,037	(1,670,484)

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

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CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	2021 $	2020 $
Cash flows from operating activities			
Payments to suppliers and employees		(1,341,178)	(101,748)
Payments for exploration expenditure		(232,859)	-
GST received		38,515	47,745
Interest received		8,286	65
Interest paid		(33,908)	(2,484)
Net cash flows used in operating activities	22	(1,561,144)	(56,422)
Cash flows from investing activities			
Payment for exploration and evaluation		(535,647)	(133,152)
Payment for property, plant and equipment		(15,619)	-
Costs attributable to the acquisition of subsidiaries		(90,645)	-
Net cash acquired		5,621	-
Net cash flows used in investing activities		(636,290)	(133,152)
Cash flows from financing activities			
Proceeds from issue of shares		6,300,000	-
Proceeds from borrowings	10	-	110,327
Repayment of borrowings	10	(31,189)	(20,403)
Share issue costs		(660,036)	-
Net cash flows from financing activities		5,608,775	89,924
Net increase / (decrease) in cash and cash equivalents		3,411,341	(99,650)
Cash and cash equivalents at beginning of period		936	100,586
Cash and cash equivalents at end of period	5	3,412,277	936

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued Capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2020	45,772,527	564,000	(48,007,011)	(1,670,484)
Loss for the year	-	-	(1,228,111)	(1,228,111)
Other comprehensive loss for the year				
Exchange differences on translation of foreign operations	-	(84,798)	-	(84,798)
Total comprehensive loss for the year	-	(84,798)	(1,228,111)	(1,312,909)
Transactions with owners in their capacity as owners				
Shares issued	9,335,495	-	-	9,335,495
Capital Raising Costs	(737,065)	-	-	(737,065)
Performance rights issued	-	(480,000)	-	(480,000)
Performance rights expired during the period	-	(84,000)	84,000	-
Balance at 30 June 2021	54,370,957	(84,798)	(49,151,122)	5,135,037
Balance at 1 July 2019	45,899,027	267,193	(47,038,962)	(872,742)
Loss for the year	-	-	(1,220,549)	(1,220,549)
Other comprehensive loss for the year				
Exchange differences on translation of foreign operations	-	-	-	-
Total comprehensive loss for the year	-	-	(1,220,549)	(1,220,549)
Transactions with owners in their capacity as owners				
Performance rights	-	422,807	-	422,807
Options expired during the period	-	(252,500)	252,500	-
Capital Raising Costs	(126,500)	126,500	-	-
Balance at 30 June 2020	45,772,527	564,000	(48,007,011)	(1,670,484)

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

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1. CORPORATE INFORMATION

Pathfinder Resources Limited ("Pathfinder" or the "Company") is a company domiciled in Australia. The address of the Company's registered office is Suite 4.01, Level 4, 105 St Georges Terrace, Perth, Western Australia.

The Group is a for-profit entity and is primarily involved in identifying and investing in mineral exploration assets and conducting exploration activities on those assets.

The financial statements were authorised for issue by the directors on 29 September 2021.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The financial statements are general-purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards adopted by the Australian Accounting Standards Board ("AASB").

The financial statements comply with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

2.1. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement in with the investee; and
- has the ability to use its power over the investee to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

2.2. Basis of Preparation

The financial report has been prepared on a historical cost basis.

The financial report is presented in Australian dollars. The Group's functional currency is Australian dollars.

The principal accounting policies and methods of computation adopted in the preparation of this financial report are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.3. Going Concern Basis

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

2.4. Changes in Accounting Policies

The Group has consistently applied the accounting policies set out in Note 2 to all periods presented in these financial statements. No new policies have been adopted during the financial year.

2.5. Financial Instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Consolidated Entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Consolidated Entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- the amount at which the financial asset or financial liability is measured at initial recognition;
- less principal repayments;
- plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Consolidated Entity does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

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The Consolidated Entity has the following financial instruments:

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Impairment of financial assets

The Consolidated Entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Consolidated Entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Consolidated Entity neither transfers nor retains substantially all the risks or rewards of ownership and continues to control the transferred asset, the Consolidated Entity recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Consolidated Entity retains substantially all the risk and rewards to ownership of a transferred financial asset, the Consolidated Entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

2.6. Finance Income and Expense

Finance income consists of interest income on funds invested (including financial assets carried at fair value through profit or loss). Interest income is recognised as it accrues in profit or loss. Finance costs comprise interest expense on borrowings and impairment losses recognised on financial assets.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest rate method.

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2.7. Trade and other Receivables

Trade and other receivables are recognised for the major business activities as follows:

- All trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Trade debtors are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.
- Income receivable on financing and investment activities is accrued in accordance with the terms and conditions of the underlying financial instrument.
- Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised where there is some doubt over collection.

The Consolidated Entity measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit loss. The expected credit losses on trade and other receivables are estimated with reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtor, general economic conditions of the industry in which the debtor operates and an assessment of both the current and the forecast direction of conditions at the reporting date.

The Consolidated Entity writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery; for example, when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier.

2.8. Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The following specific recognition criteria must also be met before revenue is recognised:

- Management fee revenue is recognised at the fair value of fees received or receivable and are calculated based on actual costs incurred net of duties and taxes paid.

2.9. Income Taxes

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.
Deferred tax assets are recognised for all differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction.
Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

2.10. Exploration and Evaluation Expenditure

Expenditure on acquisition, exploration and evaluation relating to an area of interest is carried forward where rights to tenure of the area of interest are current and;

- It is expected that expenditure will be recouped through successful development and exploitation of the area of interest or alternatively by its sale; and/or
- Exploration and evaluation activities are continuing in an area of interest but at balance date have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

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Where the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated then any capitalised exploration and evaluation expenditure is reclassified as capitalised "mine properties in development". Prior to reclassification, capitalised exploration and evaluation expenditure is assessed for impairment.

Exploration and evaluation assets are reviewed at each reporting date for indicators of impairment and are tested for impairment where such indicators exist. If testing performed indicates that the carrying value might not be recoverable the asset is written down to its recoverable amount. Any such impairment is recognised in profit or loss for the year.

Accumulated costs in relation to an abandoned area are written off to profit or loss in the period in which the decision to abandon the area in made.

An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the 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.

On 23 February 2021, the Group announced its intent to divest of the Hamersley Iron Ore Project, in line with this strategy the Group has reviewed the accounting treatment of expenditure on the Hamersley Iron Ore Project and determined that expenditure incurred on the asset is to be recorded as an expense in the profit or loss.

2.11. Cash and Cash Equivalents

For presentation purposes of the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and 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.

2.12. Foreign Currency

Transactions in foreign currencies are translated into the functional currency of the Consolidated Entity at the exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical costs in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

2.13. Earnings per Share

The Consolidated Entity presents basic and diluted earnings per share (EPS) data for its ordinary shares.

Basic Earnings per Share

Basic earnings per share is determined by dividing the net result attributable to ordinary shareholders of the Consolidated Entity by the weighted average number of ordinary shares outstanding during the financial year.

Diluted Earnings per Share

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

2.14. Employee Benefits

Accumulation Superannuation Funds
Obligations for contributions to accumulation superannuation funds are recognised as an expense in profit or loss when they are due.

Short-Term Benefits
Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be wholly settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long-Term Benefits
Liabilities for long service leave not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in 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 up to the end of the reporting date.

2.15. Trade and Other Payables

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

2.16. Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

2.17. Interests in Joint Operations

A joint arrangement in which the Consolidated Entity has direct rights to underlying assets and obligations for underlying liabilities is classified as a joint operation.

The Consolidated Entity's share of the assets, liabilities, revenue and expenses of jointly controlled operations has been included in the appropriate line items of the financial statements. Details of the Consolidated Entity's interests are provided in Note 15.

Where the Consolidated Entity contributes assets to the joint operation or if the Consolidated Entity purchases assets from the joint operation, only the portion of the gain or loss that is not attributable to the Consolidated Entity's share of the joint operation shall be recognised. The Consolidated Entity recognises the full amount of any loss when the contribution results in a reduction in the net realisable value of current assets or an impairment loss.

2.18. Contributed Equity

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

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or options associated with the acquisition of a business are included as part of the purchase consideration.

2.19. Fair Value

Fair values may be used for financial asset and liability measurement as well as for disclosures.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Consolidated Entity for similar financial instruments.

2.20. Adoption of New and Revised Accounting Standards

A number of new or amended standards became applicable for the current reporting period and The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

- *Conceptual Framework for Financial Reporting (Conceptual Framework)*

The consolidated entity has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

Standards and Interpretations in issue not yet adopted
The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2021 and determined they will not have a material impact on the Consolidated Entity.

2.21. Use of Estimates and Judgements

The preparation of financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The key estimates and assumption that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 8 – Exploration and evaluation
The Consolidated Entity's policy for exploration and evaluation is discussed in Note 2.10. The application of this policy requires management to make certain assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised exploration and evaluation expenditure, management concludes that the capitalised expenditure is unlikely to be recovered by future

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sale or exploration, then the relevant capitalised amount will be written off through the profit or loss. The carrying amount of exploration and evaluation is disclosed in the note.

Note 12 – Share based payments
The Consolidated Entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Hybrid ESO model, using the assumptions detailed in the note 12.

For asset acquisitions settled via share based payment arrangements, the Consolidated Entity measures the cost of the asset at the fair value of the asset acquired, or if this cannot be determined, at the fair value of the equity instruments. During the year the Consolidated Entity acquired the King Tut Project via the issue of equity and as such the transaction is a share-based payment arrangement under AASB 2. Given the nature of the assets acquired, the fair value of the assets was unable to be determined and the transaction was recorded at the fair value of the equity instruments granted. The fair value of the Performance Shares that may be issued under the arrangement was deemed to be nil as the probability of conditions being met was assessed at 0% on acquisition date.

3. REVENUE AND EXPENSES

	2021 $	2020 $
Other income		
Management fees	15,613	5,466
Total other income	15,613	5,466
Loss before income tax includes the following specific expenses:		
Consulting and professional fees		
Company secretarial fees	60,000	18,833
Legal fees	320,362	36,724
Other	74,606	31,251
Total consulting and professional fees	454,968	86,808
Employee benefits expense		
Directors' salaries and fees	129,334	163,991
Salary and wages	374,977	-
Contributions to superannuation funds	36,798	-
Wages allocation to projects	(278,321)	-
Total employee benefits expense	262,787	163,991

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4. INCOME TAX

	2021 $	2020 $
Numerical reconciliation between aggregate tax expense recognised in the income statement and the tax expense calculated in the statutory income tax return		
Accounting loss before tax	(1,228,111)	(1,220,549)
Total accounting loss before tax	(1,228,111)	(1,220,549)
Prima facie income tax expense @ 26% (2020: 27.5%)	(319,309)	(335,651)
Tax effect of:		
Deductible capitalised exploration costs	-	(28,057)
Section 40-880 deduction	(77,320)	(51,268)
Foreign entity gains	(3,239)	-
Losses and other deferred tax balances not recognised during the period	399,868	414,976
Aggregate income tax expense	-	-
Tax Losses		
Unused revenue losses for which no deferred tax asset has been recognised	22,772,453	21,230,675
Unused capital losses for which no deferred tax asset has been recognised	96,153	96,153
Total carried forward tax losses	22,868,606	21,326,828
Prima facie income tax benefit @ 26% (2020: 26.0%)	5,920,838	5,544,975
Dividend Franking Account		
30% franking credits available to members of the Group for dividends in subsequent financial years	8,117,604	8,117,604

5. CASH AND CASH EQUIVALENTS

	2021 $	2020 $
Cash at bank and in hand	3,412,277	936
Cash and cash equivalents	3,412,277	936

	2021	2020
	$	$
Reconciliation to cash flow statement		
For the purposes of the cash flow statement, cash and cash equivalents comprise the following at 30 June:		
Cash at bank and in hand	3,412,277	936
Cash for reconciliation of cash flow statement	3,412,277	936

6. TRADE AND OTHER RECEIVABLES

	2021	2020
	$	$
Current		
Other receivables	828,467	1,462,765
Vendor loan receivable	25,867	-
GST receivables	19,408	-
Impairment of trade and other receivables (1)	(826,649)	(1,394,608)
Total current trade and other receivables	47,093	68,157
Allowance for impairment loss		
Balance at 1 July	1,394,608	1,394,608
Charge for the year	-	-
Utilised	(567,959)	-
Balance at 30 June	826,649	1,394,608

1. In 2018, an amount of US$500,000 (equivalent AUD$677,425) was transferred to the Group's DRC lawyer - Pelesa & Associates Law Firm, to be held in trust for the future acquisition of mining licenses located in the DRC Copperbelt. In addition, the Group transferred $USD505,660 (equivalent AUD$714,146) to its Pathfinder Resources Congo SAU bank account in October of 2018.

   On 22 January 2020 the Group announced that the Group will not be proceeding with the Heads of Agreement to establish a joint venture to manage and operate the Luapula Processing Facility.

   While the Group continues to pursue repayment of the advanced funds there is uncertainty around the recoverability of the advance, as such during the financial year ended 30 June 2019 the Group fully impaired the total amounts advanced to the DRC of USD$1,005,660 (AUD$1,391,571). Of the $1,005,660 paid by the Group, USD$400,000 was paid pursuant to the terms of acquisition (Luapula Acquisition) by way of a non-refundable extension fee.

   During the year ended 30 June 2021 the Group wrote-off the Cobalt Project DRC extension fee.

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7. PREPAYMENTS

	2021 $	2020 $
Cobalt Project DRC - Acquisition costs	-	725,642
Impairment of Cobalt Project DRC - Acquisition costs	-	(725,642)
Insurance	46,999	12,433
Other	3,063	-
Total prepayments	50,062	12,433

Cobalt Project DRC
Pursuant to a Heads of Agreement with African Holding Investment Group Limited (AHIC), to establish a new 50/50 joint venture to operate the existing Luapula Processing Facility located near the town of Likasi in the Democratic Republic of Congo (DRC), Pathfinder paid an initial amount of US$500,000 (AUD$661,054) pursuant to the Luapula Acquisition and an additional AUD$ 31,127 was paid during the year.

On 22 January 2020 the Group announced that the Group will not be proceeding with the Heads of Agreement to establish a joint venture to manage and operate the Luapula Processing Facility.

During the year ended 30 June 2021 the Group wrote-off the Cobalt Project DRC - Acquisition costs.

8. EXPLORATION AND EVALUATION

	2021 $	2020 $
Hamersley Iron Ore Project		
Exploration and evaluation phases - at cost	9,875,474	9,875,474
Provision for impairment	(9,875,474)	(9,875,474)
Net carrying amount Hamersley Iron Ore Project	-	-
Bloom Lake Copper-Cobalt Project		
Exploration and evaluation phases - at cost	116,524	116,524
Net carrying amount Bloom Lake Project	116,524	116,524

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	2021	2020
	$	$
King Tut Project - Argentina		
Exploration and evaluation acquired	1,247,520	-
Exploration and evaluation phases - at cost	535,647	-
Unrealised FX movement	(85,013)	-
Net carrying amount King Tut Project	1,698,154	-
Net carrying amount exploration and evaluation phases	1,814,678	116,524

Reconciliation of carrying amounts		
Balance at 1 July	116,524	116,524
Exploration and evaluation acquired	1,247,520	-
Exploration expenditure capitalised during the period	535,647	102,026
Unrealised FX movement	(85,013)	-
Provision for impairment during the period	-	(102,026)
Balance at 30 June	1,814,678	116,524

The recoupment of cost carried forward in relation to areas of interest in the explanation and evaluation phase is dependent on the successful development and commercial exploitation or sale of the respective areas.

Hamersley Iron Ore Project
On 23 February 2021, the Group announced its intent to divest of the Hamersley Iron Ore Project, in line with this strategy the Group has reviewed the accounting treatment of expenditure on the Hamersley Iron Ore Project and determined that expenditure incurred on the asset is to be recorded as an expense in the Statement of Profit or Loss.

On 9 July 2021, the Group together with Lockett executed a Binding Terms Sheet with Equinox Resources Limited (ACN 650 503 325) (Equinox) for the sale of their respective interests in the Hamersley Iron Ore Project.

On 26 July 2021, the Group issued the Notice of Meeting in respect of the Divestment of the Hamersley Iron Ore Project. The resolution was carried on poll at the meeting held on 27 August 2021.

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9. TRADE AND OTHER PAYABLES

	2021 $	2020 $
Trade creditors and accruals	146,768	681,770
Restricted cash – future capital raising (1)	-	49,985
Other creditors	-	5,146
Total trade and other payables	146,768	736,901

10. BORROWINGS

	2021 $	2020 $
Shareholder loans		
Opening balance at 1 July	1,038,481	871,546
Conversion – non cash	(1,183,529)	-
Capitalised interest	115,386	84,435
Borrowing costs expensed	-	82,500
Interest paid	29,662	-
Closing balance	-	1,038,481
Working capital		
Opening balance at 1 July	81,790	-
New funding	-	78,562
Conversion – non cash	(93,678)	-
Capitalised interest	9,087	3,228
Interest paid	2,801	-
Closing balance	-	81,790
Insurance premium funding		
Opening balance at 1 July	11,362	-
New funding	66,197	31,765
Repayments	(32,634)	(20,403)
Interest expensed	1,445	-
Closing balance	46,370	11,362
Total current borrowings	46,370	1,131,633

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Reconciliation of changes in liabilities from financing activities

	2021	2020
	$	$
Opening balance at 1 July	1,131,633	871,546
Interest and borrowing costs expensed	124,473	170,163
Conversion – non cash	(1,244,744)	-
Insurance Premium funding – non cash	66,197	-
Changes in liabilities from financing activities		
Proceeds from borrowings	-	110,327
Repayment of borrowings	(31,189)	(20,403)
Closing balance	46,370	1,131,633

Shareholder loans
On 18 October 2018, Pathfinder entered into loan facility agreements arranged by SixtyTwo Capital Pty Ltd with four investors for an aggregate amount of $750,000 of which Mr Sufian Ahmad contributed $50,000 (refer below for details). The loans bear interest at a rate of 10% p.a. and a facility fee of 20% from the total loan payable directly to the investors. The loans were repaid by way of issue of 5,769,340 shares at a 10% discount to the price at which the shares resumed trading on the ASX.

Director Loans
The total liability owing at 30 June 2020 was $69,232, which includes capitalised interest and fees of $19,232 was repaid by issue of 384,623 post consolidation shares.

Funds advances under the loans were to be applied to meet due diligence costs associated with the acquisition of the Luapula Processing Facility and costs associated with obtaining permits, authorisations and approvals for the Group to operate and to secure contractual ore feed supply agreements.

Working capital
On 31 January 2020 the Group entered into a Convertible Note Deed with SixtyTwo Capital Pty Ltd and Markovic Family Pty Ltd each for $125,000, the purpose of which to pay existing creditors and general working capital requirements. The principal sum is repayable in 12 months plus accrued interest at the rate of 10% per annum. The notes may be converted into shares in whole or in part at the discretion of the Group, at a price per Share equivalent to 85% of the VWAP of Shares on ASX calculated over the ten (10) trading days immediately preceding the date of issue of the Conversion Notice by the Noteholder

On 27 August 2020, an amendment to the agreement was executed to allow for conversion of the Notes at a 10% discount to the price on admission to the ASX. The loans were repaid by way of issue of 454,384 shares.

11. CONTRIBUTED EQUITY

		2021 No. shares	2020 No. shares	2021 $	2020 $
Share capital					
Ordinary shares fully paid		57,968,163	2,642,951,276	54,370,957	45,772,527
Opening balance at 1 July		2,642,951,276	2,642,951,276	45,772,527	45,899,027
Airguide performance rights	06 Aug 2020	20,000,000	-	480,000	-
Pre IPO capital raise	25 Aug 2020	375,000,000	-	300,000	-
Initial consideration shares issued under the acquisition	27 Aug 2020	100,000,000	-	100,000	-
Share consolidation 200:1	03 Sep 2020	(3,122,260,587)	-	-	-
IPO shares issues	28 Oct 2020	30,000,000	-	6,000,000	-
Shares issued to the previous officer	28 Oct 2020	478,750	-	95,750	-
Shares issued on conversion of the convertible notes	28 Oct 2020	6,223,724	-	1,244,745	-
Shares issued under consulting agreement	28 Oct 2020	500,000	-	100,000	-
Shares issued under investor relations agreement	28 Oct 2020	75,000	-	15,000	-
Consideration shares issued under the acquisition	28 Oct 2020	5,000,000	-	1,000,000	-
Share issue costs		-	-	(737,065)	(126,500)
Closing balance at 30 June		57,968,163	2,642,951,276	54,370,957	45,772,527

Ordinary shares participate in dividends and the proceeds on winding up of the Group in proportion to the number of shares held and in proportion to the amount paid up on the shares held.

No dividends were paid or declared by the Group to members since the end of the previous financial year and the Directors do not recommend the payment of a dividend at this time.

At shareholders' meetings each ordinary share is entitled to one vote in proportion to the paid-up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands.

12. SHARE BASED PAYMENTS

On 6 August 2020, the Group entered into a consulting agreement (Consulting Agreement) with Mr Shannon Green (a Director) pursuant to which Mr Green agreed to provide certain consulting services to the Group outside the scope of his duties of Executive Chairman, in connection with the Group's objective of being reinstated to trading on the ASX.

Consideration for the provision of the Additional Services is $100,000, issued at IPO at IPO price of $0.20 per Share, there are no outstanding amounts under this agreement.

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Performance Rights

Fair Value of Performance Rights Issued

On 13 August 2018, 100,000,000 Performance Rights were issued to Airguide International Pte Ltd (Airguide) pursuant to an agreement for Airguide to act as Pathfinder's strategic adviser to facilitate and support Pathfinder with entering into commercial agreements, including resource agreements and capital raising. The arrangement was approved at the Group's General Meeting held on 20 June 2018.

The Performance Rights were issued at nil cost and are subject to a vesting condition, as follows:

(1) (Tranche 1) 20,000,000 Performance Rights to be issued in the event that the Fully Diluted Market Capitalisation (defined in the glossary below) of the Company is equal or higher than AUD$30,000,000 for a minimum of 10 consecutive trading days;

(2) (Tranche 2) 30,000,000 Performance Rights to be issued in the event that the Fully Diluted Market Capitalisation (defined in the glossary below) of the Company is equal or higher than AUD$60,000,000 for a minimum of 10 consecutive trading days;

(3) (Tranche 3) 50,000,000 Performance Rights to be issued in the event that the Fully Diluted Market Capitalisation (defined in the glossary below) of the Company is equal or higher than AUD$100,000,000 for a minimum of 10 consecutive trading days;

The assessed fair value of the Performance Rights was determined based on the probability of each of the vesting conditions being met, as follows:

Performance Rights	Tranche 1	Tranche 2	Tranche 3	Total
Number	20,000,000	30,000,000	50,000,000	100,000,000
Probability (%)	100%	10%	1%	
Value per Right	2.4 cents	2.4 cents	2.4 cents	
Total Value	$480,000	$72,000	$12,000	$564,000

During the period the Group issued shares on vesting of the Tranche 1 Performance Rights. On 13 August 2020, the Tranche 2 and Tranche 3 Performance Rights expired.

Pursuant to the King Tut Project Acquisition Agreement, as set out in section 9.1.1 of the Prospectus dated 31 August 2020, (to be read together with the supplementary prospectus lodged with ASIC on 16 September 2020), on completion of the Acquisition the Group issued 7,000,000 Performance Shares to the Vendors pro rata, each to convert into one (1) Share upon the satisfaction of the following milestones:

a) (Class A Performance Shares): 3,500,000 Performance Shares will each convert upon the Company announcing no less than five (5) drill holes each intersecting at least two (2) continuous metres of gold at no less than 5g/tonne on the Tenements, of which no less than two (2) drill holes are located on the following Tenements:
   - (i) Guille Exploration Permit; and/or
   - (ii) Diana II Exploitation Concession, (Milestone 1); and

b) (Class B Performance Shares): 3,500,000 Performance Shares will each convert upon the Company announcing a JORC compliant Inferred gold Resource of at least 500,000 Oz at no less than 5g/tonne on one or more of the Tenements (Milestone 2).

13. ACCUMULATED LOSSES

	2021 $	2020 $
Accumulated losses	(49,151,122)	(48,007,011)
Accumulated losses at 1 July	(48,007,011)	(47,038,962)
Net (loss) attributable to members	(1,228,111)	(1,220,549)
Transfer fair value of expired performance rights	84,000	-
Transfer fair value of expired options	-	252,500
Balance at 30 June	(49,151,122)	(48,007,011)

14. SEGMENT INFORMATION

The entity has four operating segments; Australia (Hamersley Iron Project), Argentina (King Tut Project), Canada (Bloom Lake Project) and Democratic Republic of Congo (Cobalt Project DRC). The entities are managed primarily on the basis of geographical area of interest. Each geographical area has different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis. The Board of Directors (the chief operating decision maker) reviews internal reports of each operating segment at least quarterly.

Information related to each operating segments is set out below.

	Australia $	Canada $	Argentina $	Total $
2021				
Results				
Exploration expenses	(232,859)	-	-	(232,859)
Segment results before tax	(232,859)	-	-	(232,859)
Reconciliation of segment results before tax to net loss after tax *Amounts not included in segment result:*				
Compliance and regulatory expenses				(211,211)
Consulting and professional fees				(454,968)
Employee benefits expense				(262,787)
Other gains				243,457
Other expenses				(175,261)
Finance income				8,286
Finance expense				(158,381)
Other income				15,613
Segment results before tax	(232,859)	-	-	(1,228,111)

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	Australia	Canada	Argentina	Total
	$	$	$	$
Total assets	-	116,524	1,698,154	5,363,847
Total liabilities	-	-	-	228,810
Other disclosures				
Exploration and evaluation	-	116,524	1,698,154	1,889,313

Segment assets and liabilities does not include the Group's corporate assets and liabilities.

	Australia	Canada	Total
	$	$	$
2020			
Revenue			
External revenue	-	-	-
Total segment revenue	-	-	-
Results			
Impairment	(133,153)	-	(133,153)
Segment results before tax	(133,153)	-	(133,153)
	Australia	Canada	Total
	$	$	$
Reconciliation of segment results before tax to net loss after tax			
Amounts not included in segment result:			
Compliance and regulatory expenses			(95,991)
Consulting and professional fees			(86,808)
Employee benefits expense			(163,991)
Share based payments			(422,807)
Other expenses			(150,683)
Finance income			65
Finance expense			(172,647)
Other income			5,466
Segment results before tax	(133,153)	-	(1,220,549)
Total assets	-	116,524	198,050
Total liabilities	-	-	1,868,534
Other disclosures			
Exploration and evaluation	-	116,524	116,524

Segment assets and liabilities does not include the Group's corporate assets and liabilities.

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15. JOINT OPERATIONS

Pathfinder Resources Ltd holds a 70% interest in the Winmar Exploration Joint Operation with Lockett Fe Pty Ltd, a wholly owned subsidiary of Cazaly Resources Limited (ASX:CAZ). The principal activity is the exploration for iron ore at the Hamersley Iron Project. Pathfinder has earned its 70% in the project through meeting prior exploration expenditure requirements and continues to act as Manager of the project.

On 23 February 2021, the Group announced its intent to divest of the Hamersley Iron Ore Project, in line with this strategy the Group has reviewed the accounting treatment of expenditure on the Hamersley Iron Ore Project and determined that expenditure incurred on the asset is to be recorded as an expense in the Statement of Profit or Loss.

The Group's interests in the joint operations are included in the statement of financial position, in accordance with the accounting policy described in Note 2.17, under the following classifications:

	2021 $	2020 $
Current assets		
Cash and cash equivalents	1,985	543
Trade and other receivables	-	17,185
Total current assets	1,985	17,728
Current liabilities		
Trade and other payables	-	126
Total current liabilities	-	126
Share of net assets of joint venture	1,985	17,602

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16. PARENT ENTITY INFORMATION

The following details information related to the parent entity, Pathfinder Resources Limited, as at 30 June 2021. The information presented here has been prepared using consistent accounting policies as presented in Note 2.

	2021 $	2020 $
Assets		
Current assets	3,532,350	8,679
Non-current assets	1,831,515	116,524
Total assets	5,363,8651	125,203
Liabilities		
Current liabilities	228,828	1,868,408
Total liabilities	228,828	1,868,408
Net assets / (liabilities)	5,135,037	(1,743,205)
Equity		
Issued Capital	54,370,957	45,772,527
Reserves	-	564,000
Accumulated losses	(49,235,920)	(48,079,732)
Net surplus / (deficiency)	5,135,037	(1,743,205)
Loss for the year	(1,240,188)	(1,220,199)

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17. ASSET ACQUISITION

On 28 October 2020 the Group finalised the Acquisition Agreement as set out in section 9.1.1 of the Prospectus.

The Group acquired 100% of the issued capital of Blue Gold Mining Pty Ltd (BGM) and Sandrino Gold Pty Ltd (SG) who, through their respective Argentine subsidiaries Tres Elementos SA (TESA) and Tecno Minera SA (TMSA), collectively own the Tenements the subject of the King Tut Project.

	28 Oct 2020 $
Consideration	
Consideration shares	1,100,000
Transaction costs	90,645
Share-based payment: contingent consideration[1]	-
	1,190,645
Current assets	
Cash and Cash equivalents	5,621
Trade and other receivables	12
Total current assets	5,633
Non-current assets	
Exploration and evaluation	1,247,520
Total non-current assets	1,247,520
Total assets	1,253,153
Current Liabilities	
Trade and other payables	62,508
Total current liabilities	62,508
Total liabilities	62,508
Net assets acquired	1,190,645
Exploration and evaluation	
Exploration and evaluation	1,247,520
Total exploration and evaluation acquired	1,247,520

1. Refer to note 8 for more details.

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The acquisitions of BGM and SG are not deemed to be business combinations as neither entity is considered to be a business under AASB 3 Business Combinations. Therefore, these transactions are asset acquisitions and the fair value of the underlying exploration assets held by BMG and SG is equal to the fair value of consideration paid.

Asset acquisition accounting policy
The transaction is not deemed a business combination as the assets acquired did not meet the definition of a business. When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill arose on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset.

18. REMUNERATION OF AUDITORS

	2021 $	2020 $
Amount received or receivable by auditor for:		
Audit and review of financial statements	34,440	35,415
Total auditor's remuneration	34,440	35,415

19. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Airguide

In late May 2020, a request for payment arising under a historical consulting contract was submitted by Airguide Corporate Advice and Consulting a company based in Singapore.

On 16 November 2020, the Group announced that it had received a letter from Airguide's solicitors in Singapore demanding payment of the allegedly outstanding fees to Airguide, amounting to approximately USD$693,000 in total, and asserting that payment of such fees was owing as a result of the completion of the Group's IPO capital raising.

On 18 December 2020, the Group was served with a Notice of Arbitration by Airguide's solicitors in Singapore, referring the dispute to arbitration by the Singapore International Arbitration Centre (SIAC).

On 15 January 2021, the Group filed its Response to Notice of Arbitration with SIAC in relation to the claim by Airguide, as noted above.

On 7 May 2021, Airguide filed with SIAC its statement of claim for approximately USD$1,042,000.

The Group continues to file the documentation as per the timetable provided by SIAC, at the date of this report the matter has not been heard before the Arbitrator.

The proceedings have some time to run with the parties yet to exchange lay or expert evidence, as such it is not yet possible to assess the merits of each party's position with any great certainty and it is not practical to estimate the potential effect of the claim. The Group maintains and is defending its position that no liability exists.

Contingent Consideration – King Tut Project Argentina
Pursuant to the King Tut Project Acquisition Agreement, as set out in section 9.1.1 of the Prospectus dated 31 August 2020, (to be read together with the supplementary prospectus lodged with ASIC on 16 September 2020), on completion of the Acquisition the Company issued 7,000,000 Performance Shares to the Vendors pro rata, each to convert into one (1) Share upon the satisfaction of the following milestones:

c) (Class A Performance Shares): 3,500,000 Performance Shares will each convert upon the Company announcing no less than five (5) drill holes each intersecting at least two (2) continuous metres of gold at no less than 5g/tonne on the Tenements, of which no less than two (2) drill holes are located on the following Tenements:
   (iii) Guille Exploration Permit; and/or
   (iv) Diana II Exploitation Concession, (Milestone 1); and
d) (Class B Performance Shares): 3,500,000 Performance Shares will each convert upon the Company announcing a JORC compliant Inferred gold Resource of at least 500,000 Oz at no less than 5g/tonne on one or more of the Tenements (Milestone 2); and

Granted the Vendors a total 2% net smelter return royalty on total saleable minerals (including gold and cobalt) from the Tenements (Royalty), with a call option granted to the Company to acquire 50% of the Royalty from the Vendors (resulting in the Vendors being then entitled to a 1% Royalty) for USD$2,000,000 and a maximum cap applicable to the Royalty of 500,000 ounces, both of which are set out in the Royalty Deed.

There are no contingent assets at the reporting date.

20. COMMITMENTS

	2021 $	2020 $
Exploration tenements - Hamersley		
Within one year	33,565	29,245
One year or later but no later than 5 years	-	-
More than 5 years	-	-
Total exploration tenements payable	33,565	29,245
Exploration tenements – King Tut		
Within one year	350,000	-
One year or later but no later than 5 years	-	-
More than 5 years	-	-
Total exploration tenements payable	350,000	-
Exploration tenements – Bloom Lake		
Within one year	4,400	4,400
One year or later but no later than 5 years	-	-
More than 5 years	-	-
Total exploration tenements payable	4,400	4,400

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At the date of this report there are no commitments for capital expenditure.

Exploration tenements - Hamersley
In order to maintain the Group's tenements in good standing with the Western Australian Department of Mines, Industry Regulation and Safety, the Group will be required to incur exploration expenditure under the terms of each licence. It is likely that the granting of new licences and changes in terms of each licence will change the expenditure commitment from time to time.

On 26 November 2019, Cape Lambert Resources Limited lodged an application for forfeiture against the M47/1450 alleging non-compliance with the minimum expenditure obligations imposed under the Mining Act 1978 (WA) (Mining Act) for the year ending 2019.

As at 30 June 2020 the tenement was under application for forfeiture, as such the exploration expenditure requirements under the terms of the licence are on hold, the above commitment at 30 June 2020 includes the Group's share of rates payable to the Shire of Ashburton.

On 9 July 2021, the Group announced the divestment of the Hamersley Iron Ore Project, approval for the divestment was carried on poll at the General Meeting held on 27 August 2021.

It is anticipated that the Group's obligations in relation to the Hamersley Iron Ore Asset will cease as of November. The above commitments reflect the amounts payable to this point.

Exploration tenements – Bloom Lake
In order to maintain the Group's tenements in good standing and available for renewal the Group is required to incur exploration expenditure under the terms of each licence.

Exploration tenements – King Tut Project
There are no minimum spend requirements in relation to the King Tut Project. Included are the estimated costs associated with the Group's maiden drill program.

21. RELATED PARTIES

	2021 $	2020 $
Key management personnel		
The key management personnel compensation comprised:		
Short term employment benefits	464,589	163,991
Superannuation	32,701	-
Share based payment	100,000	-
Total key management personnel remuneration	597,290	163,991

Transactions with Key Management Personnel
Managing Director
On 6 August 2020, the Group entered into a consulting agreement with Mr Shannon Green (a Director) pursuant to which Mr Green agreed to provide certain consulting services to the Group outside the scope of his duties of Executive Chairman, in connection with the Group's objective of being reinstated to trading on the ASX.

Consideration for the provision of the Additional Services is $100,000, payable in Shares at a deemed issue price of $0.20 per Share, there are no outstanding amounts under this agreement.

On 1 December 2020, the Group announced that Mr Shannon Green had transitioned from his role as Executive Chairman was appointed as to Managing Director of the Group, the material terms of Mr Green's Executive Services Agreement, including remuneration, are set out below:

Remuneration Package
Mr Green will receive a base salary of $250,000 per annum plus superannuation, which increases to $300,000 per annum plus superannuation on 1 March 2021.

In addition, the Group may pay Mr Green a performance-based bonus over and above the base salary. In determining the extent of any performance-based bonus, the Group shall take into consideration the key performance indicators of the Managing Director and the Group, as the Group may set from time to time, and any other matter that it deems appropriate.

Mr Green will also be eligible to participate in the Group's performance rights and options plan adopted on 5 August 2020, subject to applicable laws and regulations, including the ASX Listing Rules. A summary of the performance rights and options plan is contained in the Group's prospectus lodged with ASIC on 31 August 2020.

Salary Review Date
Annually during continuance of the Agreement.

Term
Mr Green's appointment as Managing Director commenced on 1 December 2020 (notwithstanding his existing employment with the Group commenced on 30 March 2020).

Termination
Either party may terminate Mr Green's appointment without reason on 3 months' notice, on 1 months' notice in certain circumstances of breach of contract or misconduct or immediately without notice if Mr Green is convicted of any major criminal offence which brings the Group or any of its related bodies corporate into lasting disrepute. The Group may terminate immediately on payment in lieu of required notice.

Chief Financial Officer

On 5 November 2020, the Group announced the appointment of Ms Ailsa Osborne to the position of Chief Financial Officer. The material terms of Ms Osborne's Executive Services Agreement, including remuneration, are set out below:

Remuneration Package
Ms Osborne will receive a base salary of $180,000 per annum plus superannuation.

In addition, the Group may pay Ms Osborne a performance-based bonus over and above the base salary. In determining the extent of any performance-based bonus, the Group shall take into consideration the key performance indicators of the Chief Financial Officer and the Group, as the Group may set from time to time, and any other matter that it deems appropriate.

Ms Osborne will also be eligible to participate in the Group's performance rights and options plan adopted on 5 August 2020, subject to applicable laws and regulations, including the ASX Listing Rules. A summary of the performance rights and options plan is contained in the Group's prospectus lodged with ASIC on 31 August 2020.

Salary Review Date
Annually during continuance of the Agreement.

Term
Ms Osborne's appointment as Chief Financial Officer commenced on 4 November 2020.

Termination
Either party may terminate Ms Osborne's employment without reason on 3 months' notice, on 1 months' notice in certain circumstances of breach of contract or misconduct or immediately

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without notice if Ms Osborne is convicted of any major criminal offence which brings the Group or any of its related bodies corporate into lasting disrepute. The Group may terminate immediately on payment in lieu of required notice.

Other transactions with Key Management Personnel
The terms and conditions of any transactions with Directors and their related parties were no more favourable than those available, or might reasonably be expected to be available, on similar transactions to non-related parties on an arms-length basis.

On 18 October 2018, Pathfinder entered into loan facility agreements arranged by Sixty Two Capital Pty Ltd with four investors for an aggregate amount of $750,000 of which Mr Sufian Ahmad contributed $50,000. The loans bear interest at a rate of 10% p.a. and a facility fee of 20% from the total loan payable directly to the investors. The loan was to be repaid in shares at a 10% discount to the price at which the shares resumed trading on the ASX. The total liability owing at 30 June 2020 was $69,232, which includes capitalised interest and fees of $19,232 was repaid by issue of 384,623 post consolidation shares.

Interest of $1,977.43 was paid at 10% for the period 1 June 2020 to 28 October 2020.

On 31 January 2020, the Group entered into a Convertible Note Deed with Sixty Two Capital Pty Ltd a company controlled by Mr Sufian Ahmad for $125,000, the purpose of which is to drawdown on the loan to pay existing creditors and general working capital requirements. The principal sum is repayable in 12 months plus accrued interest at the rate of 10% per annum. The loan was to be repaid in shares at a price equivalent to a 10% discount to the price that the shares resumed trading on the ASX. The aggregate amount owing at 30 June 2020 was $43,267 and was repaid by the issue of 240,372 post consolidation shares.

Interest of $1,507.71 was paid at 10% for the period 1 June 2020 to 28 October 2020.

At 30 June 2021 there were no loans from or to Directors.

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22. CASHFLOW RECONCILIATION

	2021 $	2020 $
Loss from continuing operations	(1,228,111)	(1,220,549)
Non-cash items:		
Impairment of exploration assets	-	102,026
Depreciation and amortisation	5,859	-
Impairment of investment	-	31,127
Share based payments	133,720	422,807
Accrued borrowing costs	-	82,500
Capitalised interest	124,473	87,662
Unrealised foreign currency movement	218	-
Operating assets acquired	(62,496)	-
Non-cash movement – insurance Premium funding	66,197	-
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	(47,097)	24,117
Increase in trade and other creditors	(589,579)	413,888
(Decrease)/Increase in employee entitlements	35,672	-
Net cash flows used in operating activities	(1,561,144)	(56,422)

23. LOSS PER SHARE

	2021 $	2020 $
Loss used to calculate basic and diluted loss per share	(1,228,111)	(1,220,549)
Comprehensive loss used to calculate basic and diluted loss per share	(1,312,909)	(1,220,549)

	Number	Number
Weighted average number of shares		
Weighted average number of ordinary shares for basic and diluted earnings per share	43,391,218	13,214,756

At 30 June 2021 there were no options on issue (2020: nil).

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24. FINANCIAL INSTRUMENTS

Financial Risk Management
The Group's financial instruments consist of deposits with banks, trade receivables and payables. Derivative financial instruments are not currently used by the Group.
The Board monitors and reviews the effectiveness of the Group's control environment in the areas of operational risk, legal/regulatory compliance and financial risk and reporting.

The Group's activities expose it to interest rate risk, credit risk, capital risk and liquidity risk and foreign exchange risk.

Interest Rate Risk
The Group has no borrowings with a variable interest rate and hence there is no exposure to interest rate risk associated with debt. Interest bearing assets are all short-term liquid assets (refer Note 5) and the only interest rate risk is the effect on interest income by movements in the interest rate. There is no material interest rate risk.

Liquidity Risk
The Group manages liquidity risk by maintaining cash reserves and having limited borrowings or debt.

All trade and other payables (refer Note 9) are expected to be paid within 30 to 60 day payment terms.

Credit Risk
The Group's credit risk primarily arises from cash and deposits with Australian Authorised Deposit Taking Institutions (ADIs) and GST refundable from the ATO (refer Note 6). The maximum credit risk exposure of financial assets of the Group which have been recognised on the statement of financial position is the carrying amount, net of any provision for doubtful debts. There is no collateral or security held for those assets at balance date. There are no financial assets past due, refer below for details of impairment of financial assets

Cobalt Project DRC

	2021 $	2020 $
Trade and other receivables		
Other receivable	826,649	1,394,608
Prepayments		
Cobalt Project DRC - Acquisition costs	-	725,642
	826,649	2,120,250

Trade and other receivables
In 2018, an amount of US$500,000 (equivalent AUD$677,425) was transferred to the Group's DRC lawyer - Pelesa & Associates Law Firm, to be held in trust for the future acquisition of mining licenses located in the DRC Copperbelt. In addition, the Group transferred $USD505,660 (equivalent AUD$714,146) to its Pathfinder Resources Congo SAU bank account in October of 2018.

While the Group continues to pursue repayment of the advanced funds there is uncertainty around the recoverability of the advance, as such during the financial year ended 30 June 2019 the Group fully impaired the total amounts advanced to the DRC of USD$1,005,660 (AUD$1,391,571). Of the $1,005,660 paid by the Group, USD$400,000 was paid pursuant to the terms of acquisition (Luapula Acquisition) by way of a non-refundable extension fee.

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During the year ended 30 June 2021 the Group wrote-off the Cobalt Project DRC extension fee.

Prepayments
Pursuant to a Heads of Agreement with African Holding Investment Company Limited (AHIC), to establish a new 50/50 joint venture to operate the existing Luapula Processing Facility located near the town of Likasi in the Democratic Republic of Congo (DRC), Pathfinder paid an initial amount of US$500,000 (AUD$661,054) pursuant to the terms of acquisition (Luapula Acquisition) and an additional AUD$ 31,127 was paid during the year.

On 22 January 2020 the Group announced that the Group will not be proceeding with the Heads of Agreement to establish a joint venture to manage and operate the Luapula Processing Facility.

During the year ended 30 June 2021 the Group wrote-off the Acquisition Costs.

Capital Risk Management
The Group's objective in managing capital (consisting of total equity) is to provide shareholders with capital growth over the medium to long term and, over time, the provision of a return to shareholders through the payment of a fully franked dividend.

The Board recognises that, in order to continue its corporate strategy of becoming a significant mining company, in the future new equity issuances or scrip based acquisitions are highly likely to be a part of its capital management strategy.

Foreign Currency Risk
The Group's foreign currency risk primarily arises from its newly acquired King Tut Project in Argentina. The Group is exposed to foreign currency risk to the extent that there is a mismatch between the currencies in which purchases are denominated and the functional currency of the Group. The functional currency of the Group is Australian dollars and the currency of transactions in relation to the King Tut Project is primarily in Unite States dollars and Argentinian Real. The risk arises from the fluctuation in spot exchange rates between the Australian dollar and the United States dollar and Argentinian Real.

As at 30 June 2021 there were no trade and other receivables and denominated in a foreign currency (30 Jun 2020: nil). As at 30 June 2021 there was $6,662 (US$5,000) in trade and other payables denominated in a foreign currency (30 June 2020: nil).

Net Fair Value of Financial Assets and Liabilities
The carrying amount of the Group's financial assets and financial liabilities in the financial statements approximates their fair values as at balance date as they are all short term in nature.

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25. INTEREST IN SUBSIDIARIES

The consolidated financial statements include the financial statements of Pathfinder Resources Ltd. and its subsidiaries listed in the following table.

Subsidiary	Country of Incorporation	% of interest 2021	2020
2650076 Ontario Inc	Canada	100	100
Winmar Mining Exploration Joint Venture	Australia	70	70
Blue Gold Mining Pty Ltd	Australia	100	-
Sandrino Gold Pty Ltd	Australia	100	-
Tres Elementos SA	Argentina	100	-
Tecno Minera	Argentina	100	-

26. EVENTS SUBSEQUENT TO REPORTING DATE

On 9 July 2021, the Group together with Lockett executed a Binding Terms Sheet with Equinox Resources Limited (ACN 650 503 325) (Equinox) for the sale of their respective interests in the Hamersley Iron Ore Project. The sale of the Project is conditional upon Pathfinder shareholder approval in accordance with ASX Listing Rule 11.4.1(b), amongst other things.

It is intended that Equinox will undertake an initial public offer (IPO) and seek a listing on the official list of the Australian Securities Exchange with prospectus anticipated to be lodged in August 2021. The IPO will raise between $7 million and $9 million (before costs) through the offer of between 35 million and 45 million shares, at an issue price of $0.20 per share.

Under the proposed transaction, Pathfinder will receive 35,000,000 shares and between 5,950,000 and 6,650,000 performance shares (based on Equinox IPO subscription value) and Lockett will receive 15,000,000 shares and between 2,550,000 and 2,850,000 performance shares (based on Equinox IPO subscription value).

In conjunction with the sale of the Hamersley Iron Ore Project, Pathfinder has agreed to advance Equinox an amount of up to $320,000 by way of an interest free loan to be used by Equinox to pay the expenses in respect of the Equinox IPO, to be repaid out of the proceeds of the Equinox IPO.

On 26 July 2021, the Group issued its Notice of Meeting in respect of the Divestment of the Hamersley Iron Ore Project, the resolution was carried on poll at the meeting held on 27 August 2021.

On 23 September 2021, the Group announced the resignation of Managing Director Shannon Green effective 16 November 2021. The Company has commenced the process to appoint a new Director and Mr Green will be working with the Board over the coming period to achieve an orderly transition.

There have been no other transactions or events of a material and unusual nature likely, in the opinion of the Directors of the Group, to significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

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In accordance with a resolution of the directors of Pathfinder Resources Ltd., I state that:

(1) In the opinion of the directors:

(a) the financial statements and notes set out on pages 21 to 55 and the Directors' Report are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

(2) The directors draw attention to Note 2 to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

(3) The directors have been given the declarations by the chief executive officer and chief financial officer for the year ended 30 June 2021 required by section 295A of the Corporations Act 2001.

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

Managing Director | Shannon Green
29 September 2021

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INDEPENDENT AUDITOR'S REPORT

To the members of Pathfinder Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Pathfinder Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the Corporations Act 2001, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report. We are independent of the Group in accordance with 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Accounting for Asset Acquisition

Key audit matter	How the matter was addressed in our audit
During the year, the Group acquired ownership of Blue Gold Mining Pty Ltd and Sandrino Gold Pty Ltd as disclosed in Note 17 of the financial report. The consideration paid in this transaction has been capitalised to the exploration and evaluation asset in accordance with the Group's accounting policy. Accounting for this transaction is complex and requires management to exercise judgement to determine the appropriate accounting treatment including whether the acquisition should be classed as an asset acquisition or a business combination, estimating the fair value of net assets acquired and estimating the fair value of the purchase consideration. As a result, this is considered a key audit matter.	Our work included but was not limited to the following procedures • Obtaining an understanding of the transaction, including an assessment of whether the transaction constituted an asset acquisition or a business combination; • Reviewing the Binding Terms Sheet agreement to understand the key terms and conditions • Assessing management's determination of the fair value of consideration paid and agreeing the consideration to supporting documentation • Evaluating management's assessment of the fair value of the net assets acquired; and • Assessing the adequacy of the related disclosures in Note 17 of the financial report.

Carrying Value of Exploration and Evaluation Asset

Key audit matter	How the matter was addressed in our audit
As the carrying value of the capitalised exploration and evaluation asset represents a significant asset of the Group at 30 June 2021, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount. Judgement is applied in determining the treatment of exploration expenditure in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources. In particular, whether facts and circumstances indicate that the exploration and evaluation assets should be tested for impairment.	Our procedures included, but were not limited to: • Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and director's minutes; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed;

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Key audit matter	How the matter was addressed in our audit
	• Verifying, on a sample basis, exploration and evaluation expenditure capitalised during the year for compliance with the recognition and measurement criteria of AASB 6; • Considering whether any facts or circumstances existed to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in Note 8 to the Financial Statements.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other matter

The financial report of Pathfinder Resources Limited, for the year ended 30 June 2020 was audited by another auditor who expressed an unmodified opinion on that report on 29 September 2020.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 19 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Pathfinder Resources Limited, for the year ended 30 June 2021, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

Ashleigh Woodley

Director

Perth, 29 September 2021

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Additional information required by ASX Listing Rules and not shown elsewhere in the report is set out below. The information is current as of 27 September 2021.

1. CORPORATE GOVERNANCE

The Company's corporate governance policies are available on the corporate governance page on the Company's website at www.pathfinderresources.com.au/corporate-governance.

2. SUBSTANTIAL SHAREHOLDERS

The number of shares held by substantial shareholders and their associates as disclosed in substantial holding notices given to the Company are set out below:

Name of substantial shareholder	Number of shares	Percentage (%)
Lesko Constructions Pty Ltd Superfund	4,286,981	7.38
Sufian Ahmad	4,142,346	7.15

3. VOTING RIGHTS

The relevant conditions about voting rights attaching to each share are set out in Articles 13.13 of the Constitution as follows:

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at meetings of Shareholders or classes of Shareholders:

(a) each Shareholder entitled to vote may vote in person or by proxy, attorney or Representative or, if a determination has been made by the Board in accordance with clause 13.35, by Direct Vote);

(b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or Representative of a Shareholder has one vote (even though he or she may represent more than one member); and

(c) on a poll, every person present who is a Shareholder or a proxy, attorney or Representative of a Shareholder (or where a Direct Vote has been lodged) shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or Representative, have one vote for the Share, but in respect of partly paid Shares, shall have such number of votes being equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable in respect of those Shares (excluding amounts credited).

Options do not carry any voting rights.

4. NON-MARKETABLE PARCELS

As at 27 September 2021, based on the Company's closing share price of $0.35, an unmarketable parcel comprised 1,429 fully paid ordinary shares. There were 107 holders holding less than a marketable parcel of shares, for a total of 52,199 fully paid ordinary shares.

5. DISTRIBUTION OF EQUITY SECURITIES

Analysis of number of share holders by size of holding:

Fully paid ordinary shares Range			Number of holders	Number of shares	% of shares
1	-	1,000	87	27,487	0.05
1,001	-	5,000	511	1,449,348	2.50
5,001	-	10,000	171	1,369,857	2.36
10,001	-	100,000	266	8,559,300	14.77
100,001		and over	93	46,562,171	80.32
			1,128	57,968,163	100.00

6. TWENTY LARGEST SHAREHOLDERS

The twenty largest holders of ordinary fully paid shares at 27 September 2021 are set out below:

	Name	Number of ordinary shares held	% of issued shares
1	LESKO CONSTRUCTIONS PTY LTD <SUPER FUND A/C>	3,076,981	5.31
2	MS CHUNYAN NIU	2,622,000	4.52
3	CONDOR PROSPECTING PTY LTD	2,388,438	4.12
4	MR MENA HABIB	2,249,307	3.88
5	MR SUFIAN AHMAD	2,121,938	3.66
6	BEARAY PTY LIMITED <BRIAN CLAYTON S/F A/C>	1,500,000	2.59
7	TOSSOUN SUPER PTY LTD <TOSSOUN SUPER A/C>	1,465,403	2.53
8	MR SUFIAN AHMAD	1,275,036	2.20
9	STRAT PLAN PTY LTD <STRAT PLAN A/C>	1,219,029	2.10
10	MR BILAL AHMAD	1,134,000	1.96
11	KOBALA INVESTMENTS PTY LTD <FERNANDO EDWARD FAMILY A/C>	1,063,230	1.83
12	DDPEVCIC (WA) PTY LTD <DOMINIC FAMILY A/C>	1,030,436	1.78
13	SACCO DEVELOPMENTS AUSTRALIA PTY LIMITED <THE SACCO FAMILY A/C>	1,000,000	1.73
14	MR BIN LIU	926,000	1.60
15	MR STEPHEN DONALD + MS SHANDELLE SCHIPPLOCK <FAYCED A/C>	910,000	1.57
16	MRS SANDY TOSSOUN	904,032	1.56
17	JGM PROPERTY INVESTMENTS PTY LTD	871,152	1.50
18	MRS MARY TOSSOUN	796,204	1.37
19	MR BILAL AHMAD	781,250	1.35
20	PF1 UNMARKETABLE PARCEL ACCOUNT	599,250	1.03
		27,933,686	48.19

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7. RESTRICTED SECURITIES

The Company has the following restricted securities on issue at XX September 2021.

Name	Restriction period	Number
Shares	Expiring 24 months from the date of quotation	4,847,153
Shares	Expiring 12 months from the date of issue	3,224,771
Class A Performance Shares	Expiring 24 months from the date of quotation	2,295,660
Class B Performance Shares	Expiring 24 months from the date of quotation	2,295,661
Class A Performance Shares	Expiring 12 months from the date of issue	1,204,340
Class B Performance Shares	Expiring 12 months from the date of issue	1,204,339

8. ON-MARKET BUY-BACK

There is no current on-market buy-back.

9. INTERESTS IN TENEMENTS

Location	Tenement Reference	Nature of Interest	% Held
Western Australia[1]	M47/1450	Granted	70%
Canada, Bloom Lake	221266, 221267, 229223 243759, 251792, 251793 251794, 287807, 308044 325202, 336173, 582713 582714	Granted	100%
Argentina[2]	168-L-1939	Granted	100%
	66-C-2005	Granted	100%
	28-L-2011	Pending approval	100%

1. Pathfinder's interest in the Hamersley Iron Ore Project is by way of an unincorporated joint venture with Lockett Fe Pty Ltd, a subsidiary of Cazaly Resources Ltd.
2. Pathfinder's interest in the Tenements located in the La Rioja Province in Argentina are held through its wholly owned subsidiaries Blue Gold Mining Pty Ltd (BGM) and Sandrino Gold Pty Ltd (SG) which, through their respective Argentine subsidiaries Tres Elementos SA (TESA) and Tecno Minera SA (TMSA), collectively own the Tenements the subject of the King Tut Project.

10. ANNUAL MINERAL RESOURCE STATEMENT

During the 2021 financial year, the Mineral Resources for the Hamersley Iron Project, comprising Mining Lease M47/1450, were reported in accordance with the Australasian Code for Reporting of Mineral Resources and Ore Reserves (2012) (JORC Code 2012) as follows:

Table A: Total Mineral Resource Inventory as at 30 June 2021.

	Tonnes Mt	Fe %	SiO_2 %	Al_2O_3 %	P %	LOI %	Calcined Fe %
DID Inferred#	24.3	46.4	24.8	5.2	0.03	2.5	47.6
CID Indicated*	42.6	55.2	10.9	5.5	0.04	3.6	57.3
CID Inferred*	276.3	55.2	9.7	4.4	0.04	6.3	58.9
Total	343.2	54.5	10.9	4.6	0.04	5.7	57.9

Note: Tonnage figures have been rounded and as a result may not add up to the totals quoted.
DID reported at a 40% Fe Cut-off grade.
* CID reported at a 52% Fe Cut-off grade.

There was no change to the Mineral Resource during the 2021 financial year, or from when first reported to ASX on 22 May 2013.

Estimation Governance Statement
The Group ensures that all Mineral Resource estimations are subject to appropriate levels of governance and internal controls.

Exploration results are collected and managed by an independent competent qualified geologist. All data collection activities are conducted to industry standards based on a framework of quality assurance and quality control protocols covering all aspects of sample collection, topographical and geophysical surveys, drilling, sample preparation, physical and chemical analysis and data and sample management.

Mineral Resource estimates are prepared by qualified independent Competent Persons. If there is a material change in the estimate of a Mineral Resource, the estimate and supporting documentation in question is reviewed by a suitable qualified independent Competent Person and released to ASX.

The Group reports its Mineral Resources on an annual basis in accordance with JORC Code 2012.

Runge Pinnock Minarco Ltd (RPM) were commissioned by WFE in May 2013 to estimate the Mineral Resources using the now superseded Australasian Code for Reporting of Mineral Resources and Ore Reserves (2004) by the Joint Ore Reserves Committee (JORC).

Al Maynard & Associates (AM&A) reviewed the RPM May 2013 Mineral Resource estimate in January 2020 and the resource modelling and reporting was found to be compliant with the current JORC Code (2012) except that the reporting of the QAQC for the drilling, sampling and assaying did not fully meet the JORC Code (2012) requirements. AM&A obtained all the relevant QAQC data and reports then carried out a thorough statistical study of this data and found that the drilling and sampling procedures met the standards required by the JORC Code (2012). AM&A then modelled the resource independently using the same drilling data but using different software and modelling method as a check of the Runge estimate and came up with very similar tonnes and grades as Runge, well within reasonable limits. AM&A therefore accepted the Runge resource estimate, and along with the AM&A reporting of the QAQC for the drilling, sampling and assaying, reported the resource estimate in accordance with the JORC Code (2012).

There has been no further drilling or any other factors that would affect the reported Mineral Resource since the May 2013 RPM report.

The current Mineral Resource estimate is summarised below in Table B.

Table B: Total Mineral Resource Inventory as at 20 January 2020.

	Tonnes Mt	Fe %	SiO_2 %	Al_2O_3 %	P %	LOI %	Calcined Fe %
DID Inferred#	24.3	46.4	24.8	5.2	0.03	2.5	47.6
CID Indicated*	42.6	55.2	10.9	5.5	0.04	3.6	57.3
CID Inferred*	276.3	55.2	9.7	4.4	0.04	6.3	58.9
Total	343.2	54.5	10.9	4.6	0.04	5.7	57.9

Note: Tonnage figures have been rounded and as a result may not add up to the totals quoted.
 # DID reported at a 40% Fe Cut-off grade.
** CID reported at a 52% Fe Cut-off grade.*

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The Group released this update on the ASX on 24 January 2020. There have been no changes since the date of this announcement to the date of this report.

The Group is not aware of any new information or data that materially affects the information included in this Annual Mineral Resource Statement with regard to Mineral Resources and confirms that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Competent Person's Statement
The information in this report which relates to Mineral Resources for the Hamersley Iron Project is based on information compiled by Mr Allen Maynard, who is a Member of the Australian Institute of Geosciences ("AIG") and independent consultant to the Company. Mr Maynard is the Director and principal geologist of Al Maynard & Associates Pty Ltd and has over 40 continuous years of exploration and mining experience in a variety of mineral deposit styles. Mr Maynard 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, Exploration Targets, Mineral Resources and Ore Reserves" (JORC Code). Mr Maynard consents to inclusion in the report of the matters based on this information in the form and context in which it appears, and to this Annual Mineral Resource Statement as a whole.

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