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ABN: 27 128 806 977

And Controlled Entities

CONSOLIDATED ANNUAL REPORT

**For the Year Ended
30 June 2021**

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CORPORATE DIRECTORY

DIRECTORS

Peter Wall	Non-Executive Chairman
Mark Freeman	Managing Director
Bob Affleck	Technical Director

SECRETARY

Mark Freeman

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LEGAL ADVISORS

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ASX CODE

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ABN

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Your Directors submit the financial report of the Pursuit Minerals Limited (“the Company”) and its controlled entities (together “Pursuit” or “the Consolidated Entity”) for the year ended 30 June 2021.

DIRECTORS

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

Peter Wall	Non-Executive Chairman
Mark Freeman	Managing Director
Bob Affleck	Technical Director (appointed 24 June 2021)
Jeremy Read	Technical Director (resigned 24 June 2021)
Matthew O’Kane	Non-Executive Director (resigned 28 April 2021)

COMPANY SECRETARY

Mark Freeman

DIRECTORS’ QUALIFICATIONS AND EXPERIENCE

The Directors’ qualifications and experience are set out below.

Peter Wall - LLB BComm MAppFin FFin Non-Executive Chairman

Mr Wall is a corporate lawyer and has been a Partner at Steinepreis Paganin (Perth based corporate law firm) since July 2005 and has a wide range of experience in all forms of commercial and corporate law, with a particular focus on natural resources (hard rock and oil/gas), technology, biotech, medical cannabis, equity capital markets and mergers and acquisitions. He also has significant experience in dealing in cross border transactions. Peter graduated from the University of Western Australia in 1998 with a Bachelor of Laws and Bachelor of Commerce (Finance). He has also completed a Masters of Applied Finance and Investment with FINSIA.

During the past three years, Mr Wall held the following directorships in other Australian Securities Exchange (ASX) listed companies:

- Non-Executive Chairman of MMJ Group Holdings Ltd (appointed 14 August 2014);
- Non-Executive Chairman of Minbos Resources Ltd (appointed 21 February 2014).

Former ASX listed Directorships during the past three years:

- Non-Executive Chairman of Advanced Human Imaging Ltd (formerly MyFiziq Limited) (resigned 22 January 2021);
- Non-Executive Chairman of Transcendence Technologies Limited (resigned 28 June 2021);
- Non-Executive Chairman of Argent Minerals Limited (resigned 5 March 2021)
- Non-Executive Chairman of Sky and Space Global Ltd (resigned 4 December 2018)
- Non-Executive Chairman of Mandrake Resources Limited (resigned June 2019)

Mark Freeman - B.Com, CA, F.Fin
Managing Director, Company Secretary and Chief Financial Officer

Mr Freeman is a Chartered Accountant and has more than 25 years' experience in corporate finance and the resources industry. He has experience in project acquisitions and management, strategic planning, business development, M&A, asset commercialisation, and project development. Mr. Freeman also has prior experience with Mirabela Nickel Ltd, Exco Resources NL, Panoramic Resources Ltd and Matra Petroleum Plc.

Mr Freeman is currently a Director of Grand Gulf Energy Limited and Calima Energy Ltd and was director of Frontier Diamonds Limited (resigned 12 June 2020).

Bob Affleck - B.Sc (Geol), G.Dip.Bus, MAIG, RPGeo
Technical Director (appointed 24 June 2021)

Mr Affleck has over 25 years' experience in the mineral exploration industry from grassroots data collection to consulting roles in a variety of mineral commodities. His expertise includes project management, technical and prospectus reviews, target generation, training and team mentoring. Mr Affleck also has extensive business management expertise outside of the mining industry, in particular financial management and personnel management. He is keen to use his skills to assist mining companies to make high-value discoveries which will add value to their shareholders.

During the past three years, Mr Affleck held no other directorships in other ASX listed companies.

Jeremy Read - B.Sc (Hons), MAUSIMM
Technical Director (resigned 24 June 2021)

Mr Read is a seasoned minerals resource industry executive, having worked on a broad range of precious and base metals projects in Australia, Africa, North America, India and Scandinavia. Mr Read has wide ranging experience from project generation, greenfields, brownfields and project development.

During the past three years, Mr Read held no other directorships in other ASX listed companies.

Matthew O'Kane - Bachelor (Econ. Finance), MBA, CPA
Non-Executive Director (resigned 28 April 2021)

Mr O'Kane is an experienced mineral industry executive and company director with 25 years experience in the mining, commodities and automotive sectors. He has held senior leadership roles in Australia, the USA and Asia, in both developed and emerging markets, from startup companies through to MNC's.

During the past three years, Mr O'Kane held no other directorships in other ASX listed companies.

DIRECTORS' INTERESTS IN SHARES AND PERFORMANCE RIGHTS OF THE COMPANY

The relevant interest of each Director in the shares and performance rights issued by the Company at the date of this report is as follows:

Director	Number of Ordinary Shares		Number of Options	
	Directly	Indirectly	Directly	Indirectly
Peter Wall	-	29,006,005	-	14,351,351
Mark Freeman	-	2,571,429	-	23,000,000
Bob Affleck*	-	-	-	-

- * As announced on 24 June 2021 Mr Affleck will be issued 3,000,000 performance rights under the terms and conditions of the Pursuit Minerals Employee Share Option Plan at the AGM, scheduled for November 2021. The Performance Rights are proposed to be awarded as a component of compensation package partly in lieu of a portion of cash salary in order to manage cash costs to the Company and so there is a component of 'at-risk' compensation. The Performance Rights expire on or before 30 June 2024 and will vest following the Company's share price reaching 12 cents over 20 consecutive trading days and, in addition, will vest in 2 equal tranches annually over 2 years, so long as Mr Affleck is contracted to the Company upon vesting.

MEETINGS OF DIRECTORS

The number of meetings held during the year and the number of meetings attended by each Director was as follows:

Director	Board	
	Number of meetings eligible to attend	Number of meetings attended
Peter Wall	4	4
Jeremy Read	4	4
Bob Affleck	1	1
Matthew O'Kane	3	3
Mark Freeman	4	4

The Board of the Consolidated Entity performs the functions of the Audit, Remuneration and Nomination Committees.

PRINCIPAL ACTIVITIES

The principal activity of the Company is conducting mineral exploration activities on its tenements located in Western Australia. During the financial year, on 21 January 2021, the Company announced the execution of a sale agreement of its nickel and vanadium projects in Norway, Sweden and Finland ("Scandinavian Projects"). The sale agreement allows Pursuit to fully focus on its Warrior, Gladiator and Combatant projects in Western Australia.

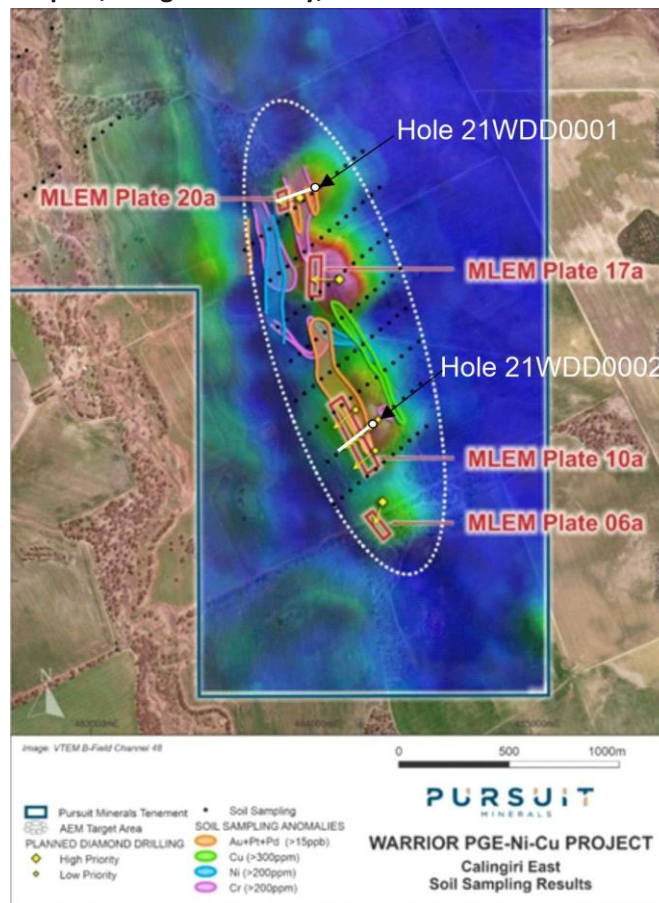
Warrior Project (100%)

Warrior was secured by the Company in December 2020 and the Company is presently conducting its maiden **Phil's Hill 1,500m diamond drilling program** just 8 months since acquisition. The drilling program commenced on 19 August 2021, with results of the first 2 holes (plates 10a and 20a) announced on 6 September 2021 indicating that:

- the first hole, over Plate 20a, identified a dolerite dyke cross-cutting the section through where the conductor was interpreted. Encouragingly the dolerite intruded on the margin of a 6m thick strongly serpentinised ultramafic unit. A number of sulphide intersections may explain the strong soil anomaly; and
- results from the second hole (over Plate 10a) suggest the conductor identified in MLEM and VTEM geophysical surveys is yet to be located. Narrow zones of pyrite, pyrrhotite and +/- chalcopyrite were observed down hole, in particular close to the margin of pegmatite dykes in contact with mafic zones.

The results of a DHEM Survey of the first 2 holes was announced on 13 September 2021 confirmed several sizeable highly conductive bodies, some co-incident with mineralisation noted in the first hole drilled to date. The drilling recommenced on 17th September re-drilling plates 10a and 20a. Samples from the first of the re-drill holes are at the laboratory for assay.

Figure 1: Phil's Hill Prospect, soil geochemistry, drill hole locations over aeromagnetic 1VD image



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The Company purchased a pXRF unit and will expediate the assaying in Perth of compelling mineralised core to the extent it is identified.

Following completion of the holes, the Company will follow-up with downhole EM surveys. The use of downhole EM surveys is used extensively across the industry and in particular by other PGE-Ni-Cu explorers in the region. It allows the Company to more accurately model conductors in a 3D environment.

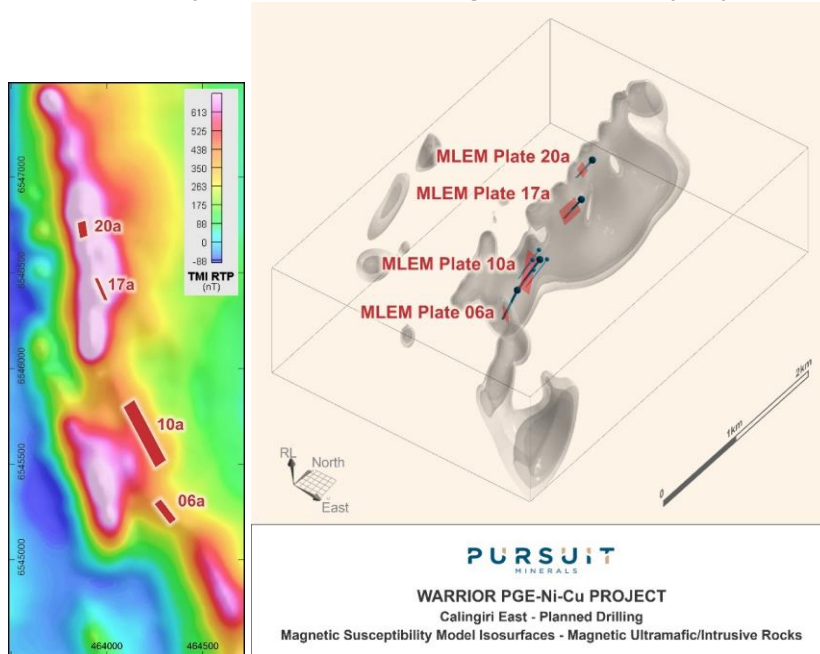
In February 2021¹, Pursuit flew a detailed airborne EM survey over the Calingiri East, Calingiri West, Wubin and Wubin South exploration licences on the Warrior PGE-Nickel-Copper Project (Figure 3). Several conductive features identified at Phil's Hill were followed up with moving loop ground EM ("MLEM") confirming the airborne conductors were discrete basement conductors.

In May 2021¹, the Company announced that highly conductive features (up to 5,093 S/m) were evident on 9 lines of MLEM data over a strike length of ~1,600 m. The modelled depth to top of the conductors is ~100 m and coincident with the edge of an interpreted ultramafic sequence. The conductance of the Phil's Hill Prospect is significant and well within the known range of conductance for the Gonnevillle PGE-Ni-Cu discovery. The June 2021 MLEM extension programme successfully closed off the Phil's Hill conductive package both north and south confirming the highly conductive anomalies are discrete. Refer to the JORC table 1 statements¹ referenced below.

ID (grid north)	Easting (Centre Top of Plate Referenced)	Northing	RL	Depth	Dip	Dip Azi	Strike/ Depth Extent	Conductivity (S/m)
06a	464290	6545240	113	132	60°	052	130/77	3,500
10a	464171	6545652	153	99	43°	069	352/80	5,093
17a	463995	6546380	134	128	65°	093	180/120	2,000
20a	463855	6546720	175	88	60°	085	80/80	3,300

Table 1: MLEM Plates Identified

Figure 2: Phil's Hill EM conductor plates over RTP aeromagnetics (left) and perspective view (right)



Subsequently on 20 May 2021¹, the Company received results for the first 238 hand auger soil samples over the Phil's Hill PGE-Ni-Cu Prospect. The sampling confirmed the presence of anomalous PGE's, nickel, copper and gold associated with mafic-ultramafic rocks, which are also the host rocks for PGE-Ni-Cu mineralisation at Gonneville.

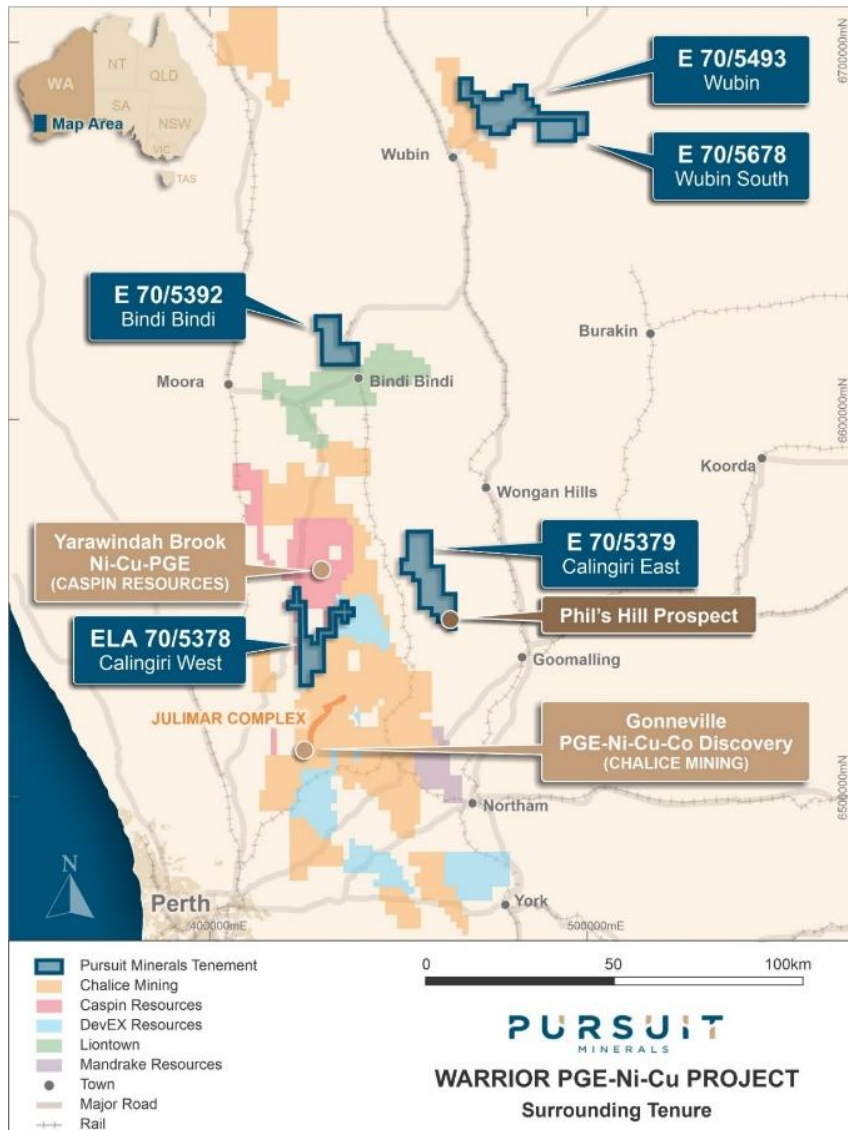
A total of 15 samples showed elevated levels of Au-Pt-Pd combined anomalism with maximum values up to 1,164ppb (1.164g/t) (Au 52 ppb, Pt 777 ppb and Pd 335 ppb) over a strike length greater than 1,100m at Phil's Hill, which remain open to the north. Refer to Figure 1 and Table 2 for significant results, with gold anomalism to 81 ppb identified, over a 1,200m strike, which also remains open to the north. Additionally anomalous copper values over 100 ppm and broadly co-incident with elevated gold and PGE's were also encountered over a 950m strike. Figure 1 also shows anomalous nickel values > 100 ppm and up to 310 ppm over a strike length of 1,100m.

Similar levels of extensive PGE anomalism in soils are commonly associated with mineralised nickel sulphide systems elsewhere in WA and support the presence of magmatic nickel sulphides at the Warrior Project.

Table 2: Significant Soil Anomalies at Phil's Hill

Sample ID	Easting	Northing	RL	Sample Depth cm	Au ppb	Cr ppm	Cu ppm	Ni ppm	Pd ppb	Pt ppb	Au+Pt+Pd ppb
21WS0025	464379	6545790	266	10	1	260	468	214	-1	-5	-5
21WS0029	464230	6545669	262	60	8	258	188	110.5	14	20	42
21WS0035	464029	6545699	261	50	10	149	140	99.4	2	5	17
21WS0038	464143	6545796	261	60	6	206	90.1	101.5	11	11	28
21WS0039	464182	6545829	270	60	5	146	69.7	78.1	12	10	27
21WS0053	464238	6546072	275	20	47	105	571	208	-1	-5	41
21WS0057	464088	6545946	270	60	9	166	187	110.5	6	7	22
21WS0061	463934	6545816	261	60	22	192	104	122	1	-5	18
21WS0066	464064	6546128	273	60	81	657	169.5	285	17	15	113
21WS0102	463857	6546395	263	40	1	800	99.9	244	1	-5	-3
21WS0103	463816	6546363	261	50	4	311	50.1	310	3	-5	2
21WS0104	463701	6546500	263	50	8	191	122.5	103	5	7	20
21WS0110	463929	6546692	273	50	52	346	46.8	52.7	335	777	1,164
21WS0112	464005	6546757	278	60	6	313	68.2	109	7	-5	8
21WS0125	463665	6548199	281	50	11	159	154.5	104	20	5	36
21WS0126	463626	6548168	280	50	11	115	90.1	62.9	16	6	33
21WS0127	463588	6548136	278	50	16	496	120.5	116	33	15	64
21WS0128	463550	6548104	277	50	8	168	102	93.9	18	13	39
21WS0131	463435	6548008	277	50	9	229	85.3	143	13	6	28

Figure 3 – Warrior PGE-Ni-Cu Project Location



¹ See Pursuit Minerals Limited ASX Announcements 25 February 2021, 14 & 20 May 2021, 22 June 2021, 5 & 13 September 2021, . The Company is not aware of any new information or data that materially affects the information included in the referenced ASX announcement and confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

Warrior Project VTEM Survey Report

On 22 June 2021, the Company announced the results of the **VTEM™ Max** (VTEM) survey completed over the Calingiri East, Calingiri West, and Wubin project areas. A number of EM Conductors were detected, in addition to the previously announced Phil's Hill Prospect as summarised in Table 3 below. These conductors will be followed up with Geochem analysis and MLEM surveys.

UTS Geophysics delivered the final digital data for the **1,957 line-kilometre airborne survey in late April 2021**. Terra Resources has completed interpreting this data confirming priority targets identified in the dataset. The report focussed its interpretation on the delineation of highly conductive anomalies which may represent an association with a PGE-Ni-Cu deposit.

Table 3 – Summary of Targets

Survey Results	Work Completed / Planned
Calingiri East - Phil's Hill - Most significant results. Most notably highly conductive basement anomalies in the southern end of the survey (refer figure 4 below).	Followed up with ground EM surveys and Geochem (see ASX announcement 20 May 2021). Drilling to commence in July 2021.
Calingiri East - Ablett Prospect - a prospective trend (the "Calingiri trend") has been interpreted and conductors can be associated with as well as two strong, late time IP responses in VTEM data (refer figure 4 below).	Initial Geochem (See ASX announcement 11 June 2021) completed with additional Geochem soils planned and MLEM Surveys to be undertaken. Previous soils by Dominion only sampled for limited elements. An Air Core program to test for the potential of a disseminated (non-conductive) Ni-Cu-PGE system will be considered.
Wubin Project Targets (E70/5493 and E70/5678) - VTEM data significantly affected by conductive cover resulting in the depth of the program being reduced. At least one anomaly in the NW Group warrants further investigation (refer figure 5 below).	Follow-up plan – small, targeted soils program over NW group where known ultramafics outcrop to test for potential PGE-Ni-Cu mineralisation as previous explorers have only focused on gold mineralisation. Work to be scheduled post-harvest to minimise program costs.
Calingiri West (ELA70/5378) - Due to culture or conductive cover, EM responses adjacent to Devex Sovereign Hill were low (See Devex ASX Announcement 27 April 2021). Refer figure 6 below.	Follow-up plan – small, targeted soils program followed by larger loops of MLEM. Work to be scheduled post-harvest to minimise program costs.



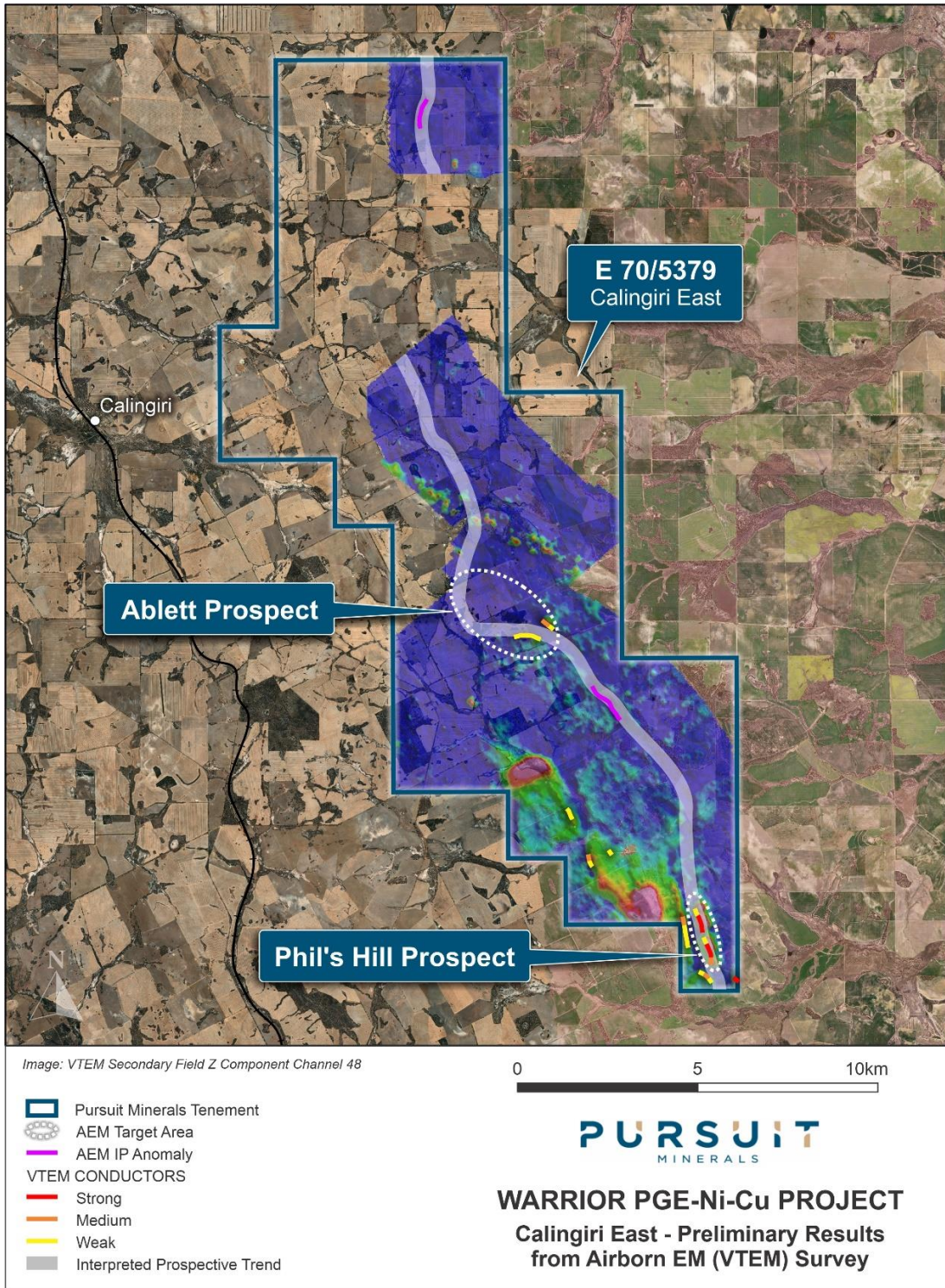
MLEM Survey Being Undertaken



MLEM equipment

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Figure 4: Calingiri East EM Trend over Ablett and Phil's Hill Prospects
Trend length 24.7 km (21 km southern area, 3 km northern area)



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Figure 5: Wubin EM NW Group Prospective Areas

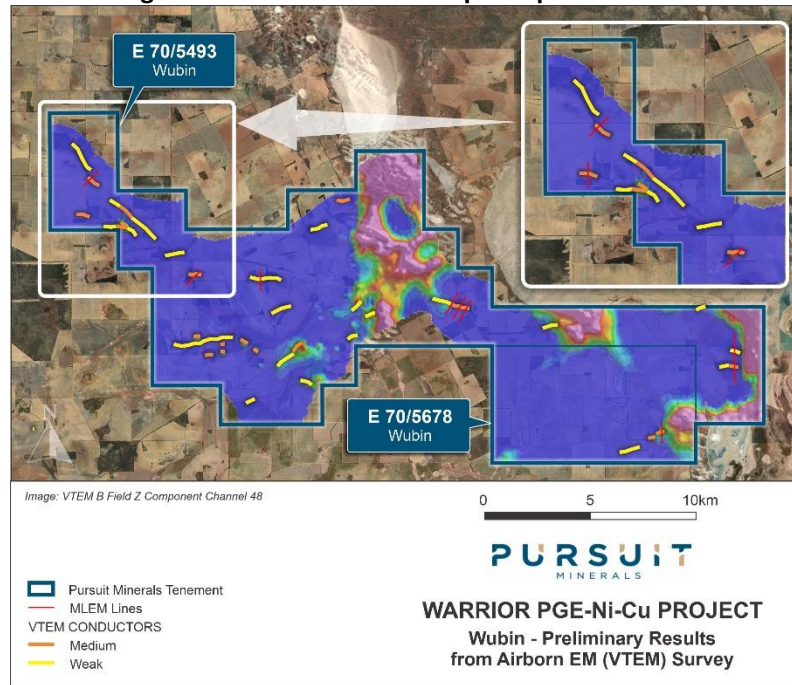
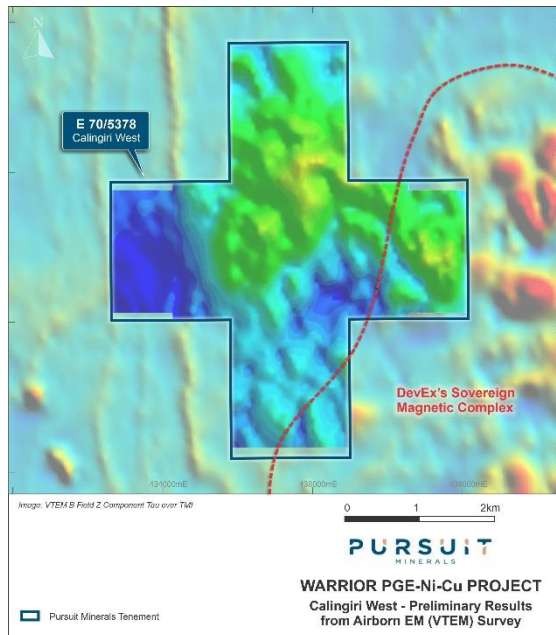


Figure 6: Calingiri West EM Prospective Areas



³ See Pursuit Minerals Limited ASX Announcement 22 June 2021. The Company is not aware of any new information or data that materially affects the information included in the referenced ASX announcement and confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

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Combatant PGE-Ni-Cu Project (100%)

Pursuit has commenced a soil sampling program at the Combatant Project with a crew mobilised from Perth.

Radiometric data suggests that ten areas at the project are suitable for soil sampling, with an additional three areas possibly amenable to soil sampling. A single reconnaissance line is planned to test if they are amenable (Figure 7).

Eight sample grids have been constructed at a 200 x 200 m sample spacing with a 100m stagger offset to improve modelling. The program will collect approximately 625 samples.

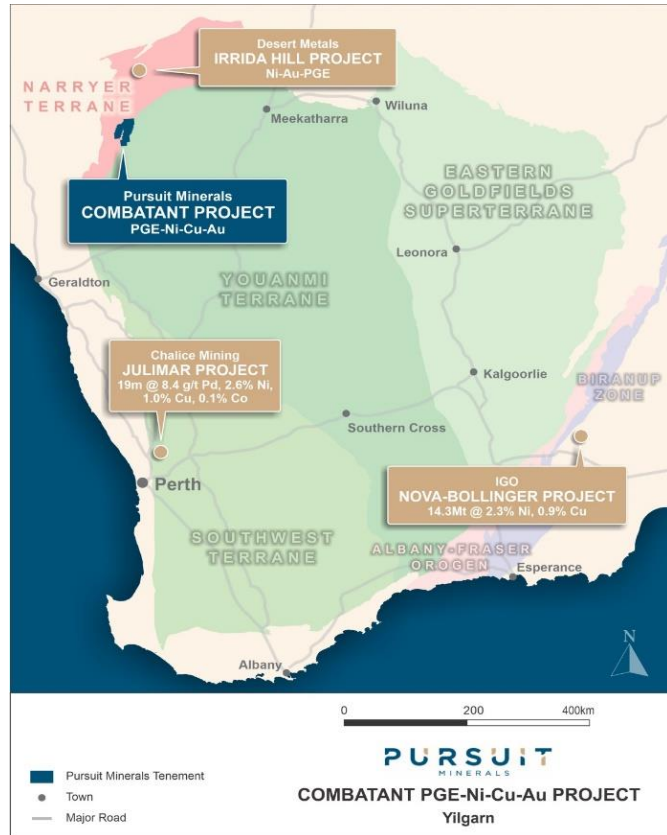
The Company has two exploration licences covering 404km² which comprise the Combatant PGE-Ni-Cu Project.

The Project is situated approximately 270km northeast from Geraldton and 210km west of Meekatharra, within the Narryer Terrain as interpreted by the Geological Survey of Western Australia (GSWA). The province comprises mafic and ultramafic rocks that may contain significant PGE-Ni-Cu-Au mineralisation, as shown by the Irrida Hill Project (Desert Metals: ASX DM1).

Pursuit in conjunction with Terra Resources has completed interpretation of the available aeromagnetic data and defined anomalies likely due to prospective mafic-ultramafic rock units. The outcome of this work has identified that the area is best suited for geochemical sampling and shallow AC drilling.

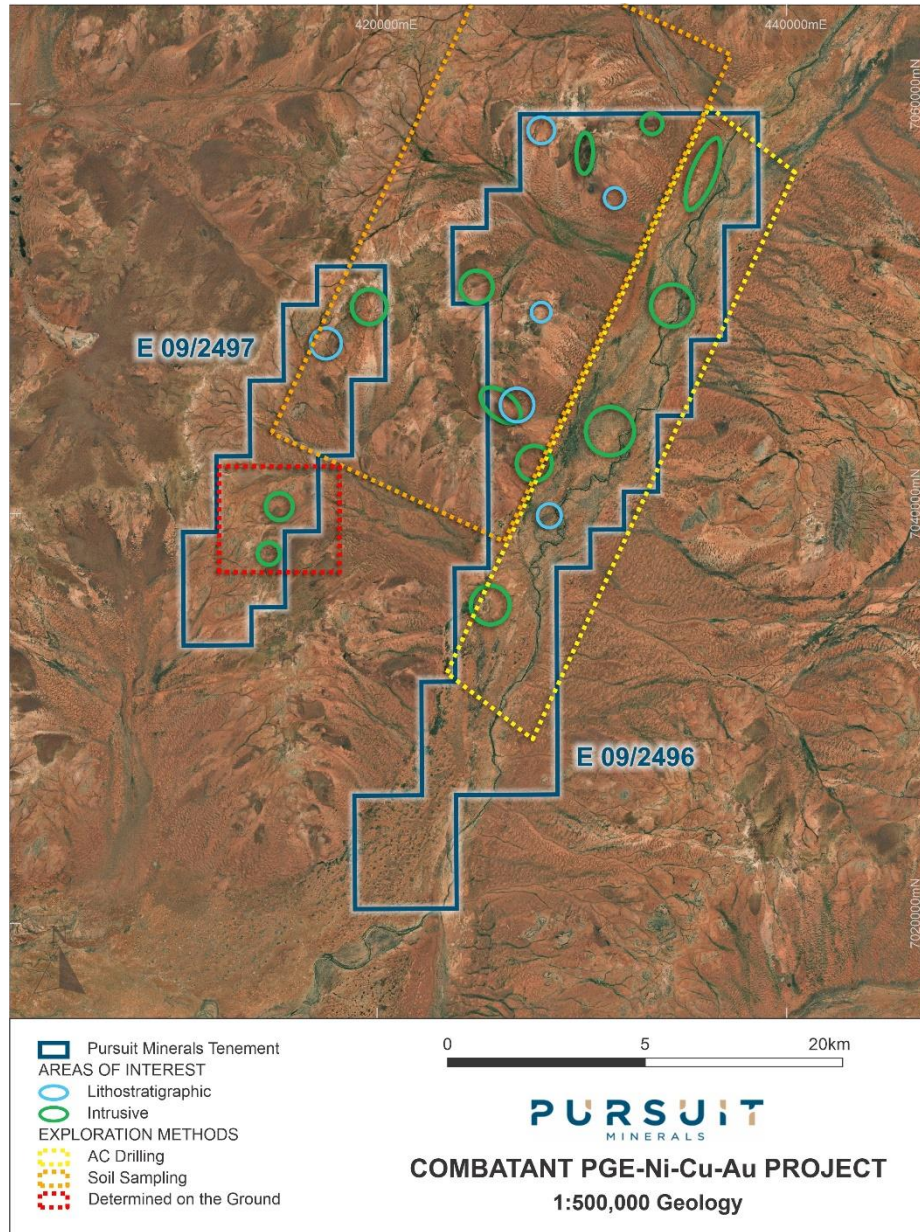
Terra Resources completed a review of the open file available geophysics and have provided aeromagnetic, and gravity images for Pursuit geologists. Terra Resources utilised the aeromagnetics as a basis to identify areas of interest – either strongly magnetic intrusives (twelve areas) or lithostratigraphic interest (six areas of folds, faults, complexity). This gives Eighteen areas including one area of interest identified by Atlas Iron.

The program as it stands will be sufficient to test each prospect for indications of mineralisation¹



¹ Radiometrics are radioactive responses from K, U, Th and are generally limited to the first 30 cm of the land. Therefore, responses that indicate shallow geology are indicative that the area should be amenable to soil sampling.

Figure 7: The area highlighted in yellow will require Aircore (AC) drill testing. The orange area is amenable to soils program. The red area will require physical assessment to determine soils vs AC testing.



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About Platinum Group Elements

The Platinum Group Elements (PGEs) are a group of six precious metals clustered together on the periodic table: platinum (Pt), palladium (Pd), iridium (Ir), osmium (Os), rhodium (Rh) and ruthenium (Ru). PGEs have many desirable properties and as such have a wide variety of applications. Most notably, they are used as auto-catalysts (pollution control devices for vehicles), but are also used in jewellery, electronics as well as in hydrogen production, purification and fuel cells.

Palladium is the most expensive of the four major precious metals – gold, silver and platinum being the others. With an acute supply shortage driving prices to a recent record high of US\$2,856/oz in February 2020. The current spot price is approximately US\$2,600/oz. Strong demand growth (~11.5Moz in 2019) is being driven by regulations requiring increased use of the metal, particularly as an auto-catalyst in gasoline and gasoline-hybrid vehicles. The total palladium market supply from all sources in 2019 was ~10.8Moz, and >75% is sourced from mines in Russia and South Africa².

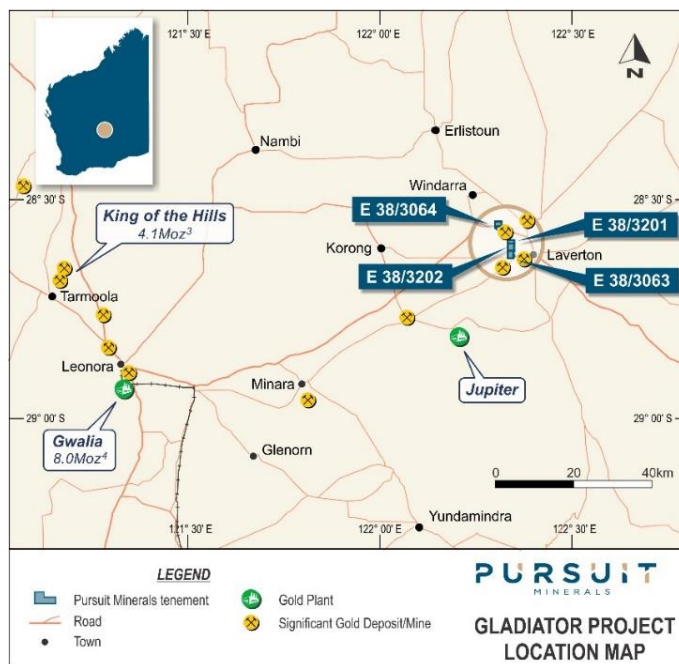
Gladiator Project (100%)

The Gladiator Gold Project was acquired in September 2020 and comprises 4 exploration licences located 10km northwest of Laverton in Western Australia. Following the renewal of exploration licences E38/3063 and E38/3064 in May 2021, the Company issued the final 50% of the consideration owing in respect of this acquisition (being 645,076 shares).

The project tenements occur within the Laverton Greenstone Belt in the Eastern Goldfields Province of the Archaean Yilgarn Craton and are located in close proximity to the Beasley Creek Mine, which produced 798,314t @ 2.59g/t Au and the Lancefield Mine, which produced 1.32 million ounces of gold.

Significant historical drill intersections³ within the project area include:

- (a) **11m @ 4.64g/t Au** from 61m, including **1m @ 37.2g/t Au** from 65m, in drill hole WGC89
- (b) **11m @ 2.75g/t Au** from 59m, including **1m @ 11.47g/t Au** from 60m and **1m @ 4.06g/t Au** from 67m, in drill hole WGC98
- (c) **17m @ 1.16g/t Au** from 43m in drill hole BCP318
- (d) **15m @ 0.93g/t Au** from 54m, including **1m @ 3.56g/t Au** from 56m, in drill hole NGV58
- (e) **23m @ 0.70g/t Au** from 44m, in drill hole BCP362



² Source: S&P Global Market Intelligence

(f) **5m @ 1.05g/t Au** from 97m, including **1m @ 2.89g/t Au**, from 98m in drill hole LJC0075

Access to the project area is via sealed roads to Laverton and then along unsealed roads; station tracks and fence lines throughout the project area. The topography is characterised by low rounded hills to 200m and extensive low scarps. The climate is semi-arid with occasional flooding caused by low pressure systems originating from the northwest.

The Company completed a small soil sampling program during December 2020. The Company has received one significant result 20PGS0045 of 0.059 ppm in Bleg (0.01 ppm Fire Assay) with the remaining results at low levels. The results present a weak NNW trending anomalous previously not identified in prior explorer's work. Historical downhole assay and drilling reports not previously available electronically are being brought into the Company's database to assist with targeting of follow up drill holes.

³ See Pursuit Minerals Limited ASX Announcement 12 May 2022. The Company is not aware of any new information or data that materially affects the information included in the referenced ASX announcement and confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

Sale of Scandinavian Assets for \$3 million

Kendrick Resources Plc ("Kendrick") is targeting to list on the London Stock Exchange (LSE) prior to 31 December 2021, but currently is awaiting Financial Services Authority approval which remains outside of Kendrick's control. Pursuit has agreed to an extension allowing Kendrick to extend settlement until 31 December 2021. Total consideration of ~\$3 million (predominantly in Kendrick shares), to be realised upon LSE listing as follows:

- Current option expires 31 September 2021;
- Initial Extension Payment to 31 October 2021 by making the payment of \$50,000 by 24 September 2021 (this has been paid);
- Second Extension Payment to 30 November 2021 by making a payment of \$50,000 on or by 25 October 2021;
- Third Extension Payment to 31 December 2021 by making a payment of \$75,000 by 25 November 2021;
- GBP £1.25 million (\$2.31 million), payable in Kendrick Resources Plc shares upon listing;
- \$250,000 in cash, upon the completion of a Bankable Feasibility Study, on any of the Scandinavian Projects, demonstrating an internal rate of return of not less than 25%; and
- \$500,000 in cash upon a decision to mine in relation to any of the Scandinavian Projects.



Kendrick is liable for all costs associated with maintaining the Scandinavian Projects in good standing and all other related expenses throughout the extension option periods. The agreement is subject to Kendrick raising ~\$2.65 million to fund project development and other conditions.

Queensland Exploration Projects

Bluebush Project

The Bluebush Project is located approximately 280km north-northwest of Mount Isa and 72km northeast of the Century Mine in northwest Queensland and occurs within the Lawn Hill Platform of the Western Succession of the Mt. Isa Province. The project consists of two exploration permits (EPM's 8454 and 8937) covering an area of approximately 214km². Previous drilling has intersected zinc mineralisation over an area of 120km² making Bluebush one of the largest areas of zinc mineralisation in Australia.

The Company recently completed the rehabilitation of 13 historical drill holes and a decision has been made not to extend the tenements.

Paperbark Project

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

The Company announced on 23 September 2021 that it had entered into a sale agreement for total consideration of \$110,000. This contract is expected to settle on or before 24 September 2022.

Competent Person's Statement

Statements contained in this announcement relating to exploration results, are based on, and fairly represents, information and supporting documentation prepared by Mr. Mathew Perrot, who is a Registered Practising Geologist Member No 10167 and a member of the Australian Institute of Geoscientists, Member No 2804. Mr. Perrot is a full-time employee the Company, as the Company's Exploration Manager and has sufficient relevant experience in relation to the mineralisation style being reported on to qualify as a Competent Person for reporting exploration results, as defined in the Australian Code for Reporting of Identified Mineral Resources and Ore Reserves (JORC) Code 2012. Mr Perrot consents to the use of this information in this announcement in the form and context in which it appears.

Forward looking statements

Statements relating to the estimated or expected future production, operating results, cash flows and costs and financial condition of Pursuit's planned work at the Company's projects and the expected results of such work are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by words such as the following: expects, plans, anticipates, forecasts, believes, intends, estimates, projects, assumes, potential and similar expressions. Forward-looking statements also include reference to events or conditions that will, would, may, could or should occur. Information concerning exploration results and mineral reserve and resource estimates may also be deemed to be forward-looking statements, as it constitutes a prediction of what might be found to be present when and if a project is actually developed.

These forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable at the time they are made, are inherently subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward-looking statements, including, without limitation: uncertainties related to raising sufficient financing to fund the planned work in a timely manner and on acceptable terms; changes in planned work resulting from logistical, technical or other factors; the possibility that results of work will not fulfil projections/expectations and realize the perceived potential of Pursuit's projects; uncertainties involved in the interpretation of drilling results and other tests and the estimation of gold reserves and resources; risk of accidents, equipment breakdowns and labour disputes or other unanticipated difficulties or interruptions; the possibility of environmental issues at Pursuit's projects; the possibility of cost overruns or unanticipated expenses in work programs; the need to obtain permits and comply with environmental laws and regulations and other government requirements; fluctuations in the price of gold and other risks and uncertainties.

REVIEW OF RESULTS

The loss after tax for the year ended 30 June 2021 was \$3,700,993 (2020: \$1,020,188 loss). The significant items affecting the loss after tax were:

- a) Impairment of exploration and evaluation expenditure amounting to \$1,234,124 (2020: \$nil).
- b) Administrative and other expenses totalling \$930,250 (2020: \$864,393).
- c) Share based payments of \$1,418,103 (2020: nil).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

- 59,500,000 Placement shares were issued on 24 July 2020 at a price of \$0.005 to raise \$297,500 before costs.
- 60,500,000 Placement shares were issued on the 18 September 2020 at a price of \$0.005 to raise \$302,500 before costs.
- 6,875,000 shares were issued on the 18 September 2020 at a price of \$0.018 in lieu of marketing costs of \$123,750
- 4,608,441 Consideration shares were issued on 16 October 2020 at a price of \$0.0108 to pay \$50,000 for a binding agreement to acquire tenements.
- 66,222,222 Placement shares were issued on 20 October 2020 at a price of \$0.009 to raise \$596,000 before costs. As part of this issue, 4,370,666 shares were issued in lieu of brokerage costs of \$39,336.
- 157,411,423 Rights issue shares were issued to shareholders and clients of CPS Capital on 17 November 2020 at a price of \$0.009 to raise \$1,416,704 before costs. As part of this issue 10,020,278 shares were issued in lieu of costs brokerage costs of \$90,183.
- 22,222,221 Placement shares were issued on the 2 December 2020 at a price of \$0.009 to raise \$200,000 before costs.
- 5,000,000 shares were issued on the 2 December 2020 at a price of \$0.0135 in lieu of marketing costs of \$67,500.
- 5,000,000 shares were issued on 22 January 2021 following the exercise of 5m options at \$0.007 completed raising \$35,000.
- 40,000,000 Consideration shares were issued on 22 January 2021 at a price of \$0.009 to pay \$360,000 for a binding agreement to acquire the Warrior tenements.
- On 9 April 2021 the Company issued;
 - 119,565,217 shares at \$0.069 raising \$8.25m with free attaching 20 million listed PUROA broker options exercisable at 10 cents on or before 31 October 2021, with a fair value of \$475,468.
 - 3,000,000 shares at a price of \$0.069 in lieu of marketing costs of \$207,000.

- 100,000 Shares were issued following the exercise of 100,000 options at \$0.10 each.
- 645,076 Consideration shares were issued on 6 May 2021 at a price of \$0.0775 to pay \$50,000 for a completion of remaining acquisition of Gladiator licenses.
- 18,000,000 shares were issued on 21 May 21 following the exercise of 18m options at \$0.007 completed raising \$126,000.
- 130,000 shares were issued on the 24 June 2021 at a price of \$0.064 in lieu of field office rental costs of \$8,320.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Consolidated Entity will continue to explore its tenement package as described in the Principal Activities section above.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the entity up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

DIVIDENDS

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

EVENTS SUBSEQUENT TO REPORTING DATE

The following events have occurred subsequent to 30 June 2021:

- On 22 July 2021, 5,000,000 shares were issued following the exercise of 5 million options at \$0.007, raising \$35,000;
- On 14 August 2021, 850,000 options with an exercise price of \$0.25 expired;
- On 14 August 2021, 15,000,000 options with an exercise price of \$0.20 expired; and
- 10,000,000 Consideration shares were issued on 13 September 2021 at a price of \$0.05 to satisfy the second payment to acquire the Warrior tenements.
- As Announced on 23 September 2021, Pursuit agreed to an extension to Binding Sale Agreement, dated 18 January 2021, for the sale of the Scandinavian Projects given Kendrick's Initial Public Offering remains subject to the receipt of approval by the Financial Services Authority in the UK, allowing Kendrick to extend settlement until:
 - 31 October 2021, by making the payment of \$50,000 to Pursuit on 24 September 2021 ("Initial Extension Payment"). This payment has been received;
 - 30 November 2021, if Kendrick has paid the Initial Extension Payment by making a payment of \$50,000 to Pursuit on or by 25 October 2021 ("Second Extension Payment"); and
 - 31 December 2021, if Kendrick has paid the Initial Extension Payment and the Second Extension Payment by making a payment of \$75,000 to Pursuit on or by 25 November 2021 ("Third Extension Payment").

The Company recently executed the Initial Extension Period option with the option fee of \$50,000 having been paid.

- On 23 September 2021, the Company has announced it had completed a sale of the EPM 14309 for total consideration of \$110,000. This payment has been received.

The Directors are not aware of any other matters or circumstances not otherwise dealt with in this interim report that have significantly, or may significantly affect the operations, results or state of affairs of the Consolidated Entity.

UNISSUED SHARES

Unissued ordinary shares of the Company under options at the date of this report are as follows:

Expiry Date	Exercise price	Number
20/09/2023	\$0.007	36,000,000
31/10/2021	\$0.10	76,166,073
06/11/2021	\$0.049	2,000,000
		<u>114,166,073</u>

In addition at the date of this report, the Company has 4,500,000 Performance Rights on issue with each convertible into one ordinary share on or before 30 June 2024 and will vest following the Company's share price reaching 12 cents over 20 consecutive days and, in addition, will vest in two equal tranches annually over two years, so long as the party is contracted to the Company on vesting.

SHARES ISSUED AS A RESULT OF THE EXERCISE OF OPTIONS

During the year ended 30 June 2021, the Company issued the following shares as result of exercise of options:

- 100,000 shares were issued on 9 April 2021 following the exercise of 100,000 options at \$0.10 each.
- 5,000,000 shares were issued on 22 January 2021 following the exercise of 5m options at \$0.007 raising \$35,000.
- 18,000,000 shares were issued on 21 May 21 following the exercise of 18m options at \$0.007 raising \$126,000.

There have been no further options exercised up to the date of this report.

ENVIRONMENTAL REGULATION

The Consolidated Entity carries out mineral exploration at its various projects which are subject to environmental regulations under both Commonwealth and State legislation. During the financial year, there have been no breaches of these regulations.

For the Scandinavian Projects, Kendrick Resources is liable for all costs associated with maintaining the Scandinavian Projects in good standing and all other related expenses throughout the extension option periods. There are no known breaches of Environmental Regulation at the Scandinavian Projects.

SCHEDULE OF TENEMENTS

As at 30 June 2021, the Consolidated Entity had interests in the following mineral exploration licences:

Project	Tenement	Location	Area (km ²)	Expiry Date
Warrior	E70/ 5378 - Calingiri West	WA	126.06	Pending
Warrior	E70/5392 - Bindi Bindi	WA	94.49	01/12/2025
Warrior	E70/5379 – Calingiri East	WA	179.08	01/12/2025
Warrior	E70/5493 – Wubin	WA	192.98	25/11/2025
Warrior	E70/5678 – Wubin South	WA	53.41	17/01/2026
Gladiator	E38/3201	WA	1.42	12/09/2022
Gladiator	E38/3202	WA	3.01	12/09/2022
Gladiator	E38/3063	WA	2.7	EOT pending
Gladiator	E38/3064	WA	2.12	EOT pending
Combatant	E09/2496	WA	319	Pending
Combatant	E09/2497	WA	85.9	Pending
Paperbark	EPM 14309	Queensland	75	12/9/2022
Bluebush	EPM 8937	Queensland	144	6/9/2021
Bluebush	EPM 8454	Queensland	70	11/11/2020
Koitelainen	Koitelainen Exploration Licence	Finland	13.73	13/7/2022
Karhujupukka	Karhujupukka North – Exploration Licence ML2018:0068	Finland	1	4/1/2023
Karhujupukka	Karhujupukka South – Exploration Licence ML2018:0069	Finland	5.5	4/1/2023
Simesvallen	Simesvallen nr 100	Sweden	63	20/6/2021
Kullberget	Kullberget nr 100	Sweden	81	20/6/2021
Kramsta	Kramsta nr 100	Sweden	16	20/6/2021
Sumåsjön	Sumåsjön nr 1	Sweden	37	21/6/2021
Airijoki	Airijoki nr 100	Sweden	9.6	27/6/2021
Airijoki	Airijoki nr 101	Sweden	4.8	25/11/2021
Airijoki	Airijoki nr 102	Sweden	13.5	25/11/2021
Airijoki	Airijoki nr 103	Sweden	4.1	26/11/2021

AUDITOR'S DECLARATION OF INDEPENDENCE

The auditor's independence declaration for the year ended 30 June 2021 has been received and is included within the financial statements.

REMUNERATION REPORT (AUDITED)**Introduction**

The Directors present the Remuneration Report for the Consolidated Entity for the year ended 30 June 2021. This Remuneration Report forms part of the Directors' Report in accordance with the requirements of the *Corporations Act 2001* and its regulations. For the purposes of this report, Key Management Personnel ("KMP") of the Consolidated Entity are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Consolidated Entity, directly or indirectly, including any director (whether executive or otherwise) of the Parent Entity.

REMUNERATION REPORT (AUDITED)**Key management personnel**

The following persons were KMP of the Consolidated Entity during the financial year (unless noted otherwise the persons listed were KMP for the whole of the financial year):

<i>Name</i>	<i>Position Held</i>
Peter Wall	Non-Executive Chairman (appointed 13 January 2016)
Mark Freeman	Managing Director/ Company Secretary (appointed 1 April 2020)
Bob Affleck	Technical Director (appointed 24 June 2021)
Matthew O'Kane	Non-Executive Director (appointed 1 May 2018, resigned 24 June 2021)
Jeremy Read	Technical Director (appointed 23 August 2019, resigned 24 June 2021)

Remuneration Policy

The remuneration policy of the Consolidated Entity has been designed to align KMP objectives with Shareholders' interests and business objectives by providing a fixed remuneration component, a short term remuneration component and offering specific long-term incentives based on key performance areas affecting the Consolidated Entity's financial results. The Board believes that the remuneration policy is appropriate and effective in its ability to attract and retain the best KMP to run and manage the Consolidated Entity, as well as create goal congruence between KMP and Shareholders.

The table below shows for the current financial year and previous four financial years the total remuneration cost of the KMP, earnings per ordinary share (EPS), dividends paid or declared, and the closing price of ordinary shares on ASX at year end.

	Total Remuneration \$	EPS (Cents)	Dividends (Cents)	Share Price (Cents)
2021	1,735,659*	(0.55)	-	7
2020	402,660	(0.32)	-	0.5
2019	416,565	(5.51)	-	1.0
2018	2,228,398	(5.02)	-	8.8
2017	252,884	(4.09)	-	n/a#

*\$1.3m (77%) of remuneration is performance based options, with \$390,639 being cash based

Given the stage of the Consolidated Entity's development and the fact that it does not currently have any revenue producing operations, the Board does not consider EPS or dividends paid or declared to be meaningful measures for assessing KMP performance.

Executive Directors and Management

The Board's policy for determining the nature and amount of remuneration for Executive Directors and Management of the Consolidated Entity was in place for the financial year ended 30 June 2021. The remuneration of an Executive Director is decided by the Board, without the affected Executive Director participating in that decision-making process. The Board's policy is to remunerate the Executive Director and Management based on market practices, duties and accountability. Independent external advice is sought when required.

REMUNERATION REPORT (AUDITED)

In addition to this the Executive Director and Management may be paid fees or other amounts (i.e. non-cash performance incentives such as options, subject to any necessary Shareholder approval) as the other Board members determine where the Executive Director and Management performs special duties or otherwise performs services outside the scope of the ordinary duties of the Executive Director and Management. In addition, the Executive Directors and Management are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Executive Directors and Management.

Non-Executive Directors

The total maximum remuneration of Non-Executive Directors is determined by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by Shareholders at the Annual General Meeting ("AGM"). The maximum aggregate amount of fees payable is currently \$750,000. The fees paid to Non-Executive Directors are reviewed annually.

Short term incentives

During the year ended 30 June 2021, the Board, at its discretion, decided to award the Executive Director a \$20,000 bonus. No performance conditions were attached to the award of the bonus.

Long term incentives

During the year ended 30 June 2021, the Board, at its discretion, decided to award the Executive Director and Non-Executive Directors the following long term incentives:

- Mark Freeman- 23,000,000 unlisted options
- Peter Wall- 13,000,000 unlisted options
- Bob Affleck- 3,000,000 Performance Rights

No performance conditions were attached to the award of the long term incentives.

Use of Remuneration Consultants

To ensure the Board acting in its capacity as the Remuneration Committee is fully informed when making remuneration decisions, it may seek external remuneration advice. The Board did not engage external remuneration advice in 2021.

Remuneration Report Approval at FY2020 AGM

The remuneration report for the year ended 30 June 2021 was put to shareholders and approved at the Company's 2020 AGM held on 30 November 2020. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Share Trading and Margin Loans by Directors and Executives

Directors, executives and employees are prohibited from:

- (i) Short term trading: trading in securities (or an interest in securities) on a short-term trading basis other than when a director, employee or executive exercises employee options or performance rights to acquire shares at the specified exercise price. Short-term trading includes buying and selling securities within a 3-month period, and entering into other short-term dealings (e.g. forward contracts).

REMUNERATION REPORT (AUDITED)

- (ii) Hedging unvested awards: trading in securities which operate to limit the economic risk of an employee's holdings of unvested securities granted under an employee incentive plan; or
- (iii) Short positions: trading in securities which enable an employee to profit from or limit the economic risk of a decrease in the market price of shares.

KMP may not include their securities in a margin loan portfolio or otherwise trade in securities pursuant to a margin lending arrangement without first obtaining the consent of the Chairman. Such dealing would include:

- (i) Entering into a margin lending arrangement in respect of securities;
- (ii) Transferring securities into an existing margin loan account; and
- (iii) Selling securities to satisfy a call pursuant to a margin loan except where they have no control over such sale.

The Company may, at its discretion, make any consent granted in accordance with the above paragraph conditional upon such terms and conditions as the Company sees fit (for example, regarding the circumstances in which the securities may be sold to satisfy a margin call).

Details of Remuneration

Compensation paid, payable or provided by the Consolidated Entity or on behalf of the Consolidated Entity, to key management personnel is set out below. Key management personnel include all Directors of the Consolidated Entity and certain executives who, in the opinion of the Board and Managing Director, have authority and responsibility for planning, directing and controlling the activities of the Consolidated Entity directly or indirectly.

Service Agreements

The Company has entered into executive services agreements with key management personnel.

Mark Freeman

- Position: Managing Director/ Company Secretary
- Appointment date: 1 April 2020
- Term: No fixed term.
- Termination: Either party may terminate the contract by providing a written notice giving 3 months notice or paying a termination fee of 3 months.
- Remuneration: Effective from 1 July 2020 Mr Freeman was entitled to \$15,000 per month for directors fees and consulting services. Mr Freeman additionally was paid a bonus of \$20,000 for the year ended 30 June 2021.
- Book-keeping and accounting services: For providing Booking and accounting services a fee of \$2,400 per month (exclusive of GST)
- Expenses: The Company will reimburse Mr Freeman for all reasonable expenses incurred by him in the performance of his duties in connection with the Company.

REMUNERATION REPORT (AUDITED)

In addition:

- Performance Options: On 18 September 2020, following shareholder approval, Mr Freeman was issued with 23,000,000 unlisted options to management and directors of the Company under the terms and conditions of the Pursuit Minerals Employee Share Option Plan. The award of options incentivises increased reward if the Company's share price increases and aligns employees with shareholders' interests. The options are exercisable at \$0.007 within 3 years from issue and will vest 50% after 6 months and the balance after 12 months.
- It was also agreed that \$20,000 bonus was to be paid.

Bob Affleck

- Position: Technical Director
- Commencement Date: 24 June 2021
- Current Arrangement: Mr Affleck is paid \$4,000 per month to act as a director. In addition, effective 1 August 2021 Mr Affleck is entitled to \$6,000 per month for consulting services.

In addition:

- Performance Rights: On 23 June the Company agreed subject to shareholder approval, to issue Mr Affleck 3,000,000 Performance Rights. The Performance Rights expire on or before 30 June 2024 and will vest following the Company's share price reaching 12 cents over 20 consecutive trading days and, in addition, will vest in 2 equal tranches annually over 2 years, so long as Mr Affleck is contracted to the Company upon vesting.

Peter Wall

- Position: Chairman
- Current Arrangement: Mr Wall effective 1 June 2021 is paid \$6,000 per month to act as a director. Mr Wall's total cash remuneration for 2021 was \$39,000 and while lower than contracted amounts was agreed between the parties

In addition:

- Performance Rights: On 18 September 2020, following shareholder approval, Mr Wall was issued with 13,000,000 unlisted options to management and directors of the Company under the terms and conditions of the Pursuit Minerals Employee Share Option Plan. The award of options incentivises increased reward if the Company's share price increases and aligns employees with shareholders' interests. The options are exercisable at \$0.007 within 3 years from issue.

Jeremy Read

- Position: Technical Director
- Commencement Date: 23 August 2017 and Expired 23 August 2019 and has not been renewed. Mr Read resigned 24 June 2021.
- Current Arrangement: Mr Read is paid \$3,000 per month to act as a director for all entities associated with the Company. In addition, Mr Read invoiced the Company \$124,000 of directors' fees/consulting fees for the year ended 30 June 2021.

REMUNERATION REPORT (AUDITED)

In addition:

- Performance Options: On 18 September 2020, following shareholder approval, Mr Read was issued with 13,000,000 unlisted options to management and directors of the Company under the terms and conditions of the Pursuit Minerals Employee Share Option Plan. The award of options incentivises increased reward if the Company's share price increases and aligns employees with shareholders' interests. The options are exercisable at \$0.007 within 3 years from issue. Mr Read has exercised these options.

	Year	Fixed			STI	LTI ²	Total	Proportion of Remuneration		
		Salary Fees and leave	Consultancy fees	Super-annuation	Incentive Payments	Fair value of Options & Performance Rights (equity settled)		Fixed	STI	LTI
		\$	\$	\$	\$	\$	\$	%	%	%
Peter Wall	2020	36,000	-	-	-	-	36,000			
Peter Wall	2021	39,000	-	-	-	296,360	335,360			88%
Matthew O'Kane	2020	36,000	-	-	-	-	36,000			
Matthew O'Kane	2021	29,800	-	-	-	227,969	257,769			88%
Total Non-Executive Directors	2020	72,000	-	-	-	-	72,000			
	2021	68,800	-	-	-	524,330	593,130			88%
Mark Freeman (appointed 1 April 2020)	2020	22,500	-	-	-	-	22,500			
Mark Freeman	2021	197,000	-	-	-	524,330	721,330			73%
Jeremy Read (appointed 14 August 2017)	2020	61,151	127,875	3,310	-	-	192,336			
Jeremy Read (resigned 24 June 2021)	2021	124,050	-	-	-	296,360	420,410			70%
Ian Wallace (resigned 3 July 2019)	2020	296	-	28	-	-	324			
Bob Affleck (appointed 24 June 21) ¹	2021	789	-	-	-	-	789			0%
Total Executive Directors	2020	83,947	127,875	3,338	-	-	215,160			
	2021	321,839	-	-	-	820,690	1,142,529			72%
Stephen Kelly (resigned 01/07/2020)	2020	115,500	-	-	-	-	115,500			
TOTAL REMUNERATION	2020	271,447	127,875	3,338	-	-	402,660			
	2021	390,639	-	-	-	1,345,020	1,735,659			77%

1. On 23 June 2021, the board approved the issue of 3,000,000 performance rights to Bob Affleck. These remain subject to Shareholder approval. The associated remuneration for Mr Bob Affleck during the financial year based on the estimated fair value of the equity instruments is \$2,559. These will be fair valued when Shareholders approve the issue and any adjustments taken up during 2022 financial year.
2. 59,000,000 options were issued to Directors, following shareholder approval at the Company's general meeting on 14 September 2020. The options have a 3 year term and an exercise price of \$0.007. The options were not subject to any vesting conditions. Accordingly, all of the 59,000,000 options issued to KMPs during the year vested. 18,000,000 options were exercised leaving 36,000,000 options unexercised but vested.

The assessed fair values of the rights were determined using Black Scholes and Monte Carlo valuation models. Expected volatility was calculated based on the historic volatility of a peer group of Companies over a period commensurate with the expected life of the awards.

REMUNERATION REPORT (AUDITED)

Share Based Compensation

The following options were held by key management personnel during the year ended 30 June 2021.

	Balance at 30 June 2020	Grant Date	Granted as Remuneration	Fair Value of Options at Grant Date	Exercised	exercise date	Other	Balance at 30 June 2021
Non-Executive Directors								
Peter Wall ¹	1,351,351	18/09/2020	13,000,000	\$296,360	-	-	-	14,351,351
Matthew O'Kane ^{2,8}	1,180,180	18/09/2020	10,000,000	\$227,969	(5,000,000)	31/05/2021	(6,180,180)	-
Total Non-Executive Directors	2,531,531		23,000,000	524,330	(5,000,000)		(6,180,180)	14,351,351
Executive Directors								
Jeremy Read ^{2,7}	270,270	18/09/2020	13,000,000	\$296,360	(13,000,000)	31/05/2021	(270,270)	-
Mark Freeman ³	-	18/09/2020	23,000,000	\$524,330	-	-	-	23,000,000
Bob Affleck ⁵	-	-	-	-	-	-	-	-
Total Executive Directors	270,270		36,000,000	820,690	(13,000,000)		(270,270)	23,000,000
Stephen Kelly ⁶	2,000,000	-	-	-	-	-	(2,000,000)	-
Total	4,801,801		59,000,000	1,345,020	(18,000,000)		(8,450,450)	37,351,351

¹ Held indirectly through Pheakes Pty Ltd and Peter Christopher Wall and Tanya-Lee Wall – superannuation fund

² Resigned 28 April 2021

³ Held indirectly through Mark Freeman <Mark Freeman Family A/C>

⁴ Resigned 24 June 2021

⁵ Appointed 24 June 2021

⁶ 5,000,000 options exercisable at \$0.007 each were exercised on 21 May 2021 and balance held on resignation

⁷ 13,000,000 options exercisable at \$0.007 each were exercised on 21 May 2021 and balance held on resignation

During the year the following Performance Rights were held directors and key management personnel:

	Balance at 30 June 2020	Grant Date	Granted as Remuneration	Fair Value of Performance Rights at Grant Date	Exercised	Forfeiture / Lapsed	Balance at 30 June 2021
Non-Executive Directors							
Peter Wall	2,000,000	-	-	-	-	(2,000,000)	-
Total Non-Executive Directors	2,000,000					(2,000,000)	
Executive Directors							
Jeremy Read	2,000,000	-	-	-	-	(2,000,000)	-
Bob Affleck	-	-	-	-	-	-	-
Mark Freeman	-	-	-	-	-	-	-
Total Executive Directors	2,000,000					(2,000,000)	
Total	4,000,000					(4,000,000)	

Class C Performance Rights expired on 23 August 2020 due to vesting conditions not being met. Following the expiry of the Class C Performance Rights there are no remaining Class A, B or C Performance Rights from the issue during the 2018 financial year.

REMUNERATION REPORT (AUDITED)**Share holdings of Key Management Personnel**

The number of shares in the Company held during the financial year by key management personnel of the Consolidated Entity, including their personally related parties, are set out below.

	Balance at 30 June 2020	Acquisitions during the year	Exercise of Options	Disposals	Resignations	Balance at 30 June 2021
Non-Executive Directors						
Peter Wall	8,054,053	20,951,952	-	-	-	29,006,005
Matthew O'Kane	540,540	2,000,000	-	-	(2,540,540)	-
Total Non-Executive Directors	8,594,593	22,951,952	-	-	(2,540,540)	29,006,005
Executive Directors						
Mark Freeman	-	2,571,429	-	-	-	2,571,429
Jeremy Read	3,310,810	945,947	13,000,000	-	(17,256,757)	-
Bob Affleck	-	-	-	-	-	-
Total Executive Directors	3,310,810	3,517,376	13,000,000	-	(17,256,757)	2,571,429
Stephen Kelly	805,000	-	-	-	(805,000)	-
Total	12,710,403	26,469,328	13,000,000	-	(20,602,297)	31,577,434

* Matthew O'Kane resigned 28 April 2021, Stephen Kelly resigned 1 July 2020

1. Jeremy Read resigned 24 June 2021 – during the period Mr Read exercised 13,000,000 options that were granted as remuneration and acquired 945,947 shares via a rights issue in November 2020

Loans to key management personnel

There were no loans to key management personnel at any time during the financial year.

Other transactions with Key Management Personnel

- i. Steinepreis Paganin, a company of which the Director, Mr Peter Wall is a Partner, was paid or due to be paid an aggregate amount of \$70,978 (2020: \$102,728) for legal services rendered.
- ii. Meccano Consulting Pty Ltd, a company of which the Director, Mr Freeman is the owner, was paid or due to be paid an aggregate amount of \$26,060 (2020: \$6,500) for bookkeeping and accounting services rendered.

End of Audited Remuneration Report -

INSURANCE OF OFFICERS

To the extent permitted by law, the Consolidated Entity has indemnified (fully insured) each Director and the secretary of the Company. The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings (that may be brought) against the officers in their capacity as officers of the Consolidated Entity or a related body, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Consolidated Entity. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

PROCEEDINGS ON BEHALF OF THE CONSOLIDATED ENTITY

The Consolidated Entity is not aware that any person has applied to the court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Consolidated Entity, or to intervene in any proceedings in which the Consolidated Entity is a party, for the purpose of taking responsibility on behalf of the Consolidated Entity for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the Consolidated Entity with leave of the court under section 237 of the *Corporations Act 2001*.

NON-AUDIT SERVICES

The Consolidated Entity may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Consolidated Entity and/or the Consolidated Entity are important. No non-audit assignments were engaged with the auditor during the year (2020: none). Details of the amounts paid or payable to the auditor, Pitcher Partners BA&A Pty Ltd for audit services provided during the year are set out in note 7 to the financial report.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is attached to this report.

AUDITOR

Pitcher Partners BA&A Pty Ltd continues in office in accordance with section 327 of the *Corporations Act 2001*.

ROUNDING

Rounding of amounts in accordance with ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2017/191

The amounts in the Directors' report and in the financial report have been rounded to the nearest dollar.

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



Peter Wall
Chairman, 30 September 2021

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF PURSUIT MINERALS LIMITED**

In relation to the independent audit for the year ended 30 June 2021, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

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

Pitcher Partners BA&A Pty Ltd

PITCHER PARTNERS BA&A PTY LTD



J C PALMER
Executive Director
Perth, 30 September 2021

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CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND



OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 June 2021

	Note	Consolidated 30 June 2021 \$	Consolidated 30 June 2020 \$
Other income	6	152,542	15,809
Administrative and other expenses	7	(930,250)	(864,393)
Exploration and evaluation costs	12	(75,364)	(160,960)
Depreciation		(8,189)	(10,644)
Share based payments	17	(1,418,103)	-
Finance (expense)/ income		(1,089)	-
Loss before income tax from continuing operations		(2,280,453)	(1,020,188)
Income tax benefit/(expense)	5	-	-
Net loss for the year from continuing operations		(2,280,453)	(1,020,188)
Discontinued Operations			
Loss from discontinued operations			
- Impairment charge	12	(1,234,124)	-
- Foreign exchange loss		(186,416)	-
Loss after income tax from discontinuing operations		(1,420,540)	-
Net loss for the year		(3,700,993)	(1,020,188)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit and loss:</i>			
Exchange (loss)/ gain on translation of foreign operations		144,815	15,381
Total comprehensive loss for the year		(3,556,178)	(1,004,807)
Loss attributable to:			
Owners of the parent		(3,700,993)	(1,020,188)
Total comprehensive loss attributable to:			
Owners of the parent		(3,556,178)	(1,004,807)
Basic and diluted (loss) per share (cents) from continuing operations	9	(0.34)	(0.32)
Basic and diluted (loss) per share (cents) from discontinuing operations	9	(0.21)	-
Total basic and diluted loss per share (cents)	9	(0.55)	(0.32)

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 June 2021

	Note	Consolidated 30 June 2021 \$	Consolidated 30 June 2020 \$
ASSETS			
Current Assets			
Cash and cash equivalents	8	8,955,719	462,064
Trade and other receivables	10	161,733	50,660
Assets held for resale	3	2,309,121	-
Prepayments	11	264,530	38,037
Total Current Assets		11,691,103	550,761
Non-Current Assets			
Exploration and evaluation assets	12	2,878,940	3,470,104
Plant and equipment	14	-	24,513
Total Non-Current Assets		2,878,940	3,494,617
Total Assets		14,570,043	4,045,378
LIABILITIES			
Current Liabilities			
Trade and other payables	15	233,865	117,145
Other financial liabilities	15	700,000	-
Total Current Liabilities		933,865	117,145
Total Liabilities		933,865	117,145
Net Assets		13,636,178	3,928,233
EQUITY			
Contributed equity	16	74,319,266	62,948,714
Share based payments reserve	17	7,610,045	5,716,474
Foreign currency translation reserve		-	(144,815)
Accumulated losses	18	(68,293,133)	(64,592,140)
Total Equity		13,636,178	3,928,233

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 June 2021

Consolidated Entity

	Contributed Equity \$	Share Based Payment Reserve \$	Foreign currency translation reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2020	62,948,714	5,716,474	(144,815)	(64,592,140)	3,928,233
(Loss) for the year	-	-	-	(3,700,993)	(3,700,993)
Other comprehensive income for the year	-	-	144,815	-	144,815
Total comprehensive income for the year	-	-	144,815	(3,700,993)	(3,556,178)
Transactions with owners in their capacity as owners:					
Shares issued during the year	12,531,273	-	-	-	12,531,273
Share issue expenses during the year	(1,160,721)	-	-	-	(1,160,721)
Options and performance rights issued	-	1,893,571	-	-	1,893,571
Balance at 30 June 2021	74,319,266	7,610,045	-	(68,293,133)	13,636,178
Balance at 1 July 2019	59,861,941	7,316,474	(160,196)	(63,571,952)	3,446,267
(Loss) for the year	-	-	-	(1,020,188)	(1,020,188)
Other comprehensive income for the year	-	-	15,381	-	15,381
Total comprehensive loss for the year	-	-	15,381	(1,020,188)	(1,004,807)
Transactions with owners in their capacity as owners:					
Shares issued during the year	1,604,930	-	-	-	1,604,930
Conversion of performance shares during the year	1,600,000	(1,600,000)	-	-	-
Share issue expenses during the year	(118,157)	-	-	-	(118,157)
Options and performance rights issued during the year	-	-	-	-	-
Balance at 30 June 2020	62,948,714	5,716,474	(144,815)	(64,592,140)	3,928,233

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 June 2021**

		Consolidated 30 June 2021 \$ Inflows/ (Outflows)	Consolidated 30 June 2020 \$ Inflows/ (Outflows)
Cash flows from operating activities			
Other Income		42,542	14,963
Payments to suppliers and employees		(623,712)	(919,522)
Option fee received		110,000	-
Interest paid		(1,089)	(3,000)
Interest received		-	847
Net cash used in operating activities	20(b)	(472,259)	(906,712)
Cash flows from investing activities			
Purchase of plant and equipment		-	(4,000)
Payment for exploration and evaluation assets		(1,444,017)	(422,851)
Net cash used in investing activities		(1,444,017)	(426,851)
Cash flows from financing activities			
Proceeds from share issues		11,095,186	1,437,000
Costs of issuing equity		(685,255)	(118,000)
Net cash provided from financing activities		10,409,931	1,319,000
Net increase in cash held		8,493,655	(14,563)
Cash and cash equivalents at beginning of the period		462,064	530,674
Foreign exchange difference on cash and cash equivalents		-	(54,047)
Cash and cash equivalents at end of the period	20(a)	8,955,719	462,064
Non-cash financing and investing activities		2,075,468	-

The accompanying notes form part of these financial statements.

1. **Corporate Information**

The financial report of Pursuit Minerals Limited (“Pursuit” or “the Company”) and its controlled entities (“the Consolidated Entity”) for the year ended 30 June 2021 was authorised for issue in accordance with a resolution of the Directors 28 September 2021.

Pursuit Minerals Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the ASX.

2. **Summary of Significant Accounting Policies**

(a) **Basis of preparation**

The financial report is a general-purpose financial report, which has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The Consolidated Entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected financial liabilities. Material accounting policies adopted in preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The presentation currency is Australian dollars.

Going Concern

As at 30 June 2021, the Consolidated Entity had cash reserves of \$8,955,719 (30 June 2020: \$462,064), net working capital of \$11,457,238 excluding non-cash other financial liabilities (June 2020: \$433,616) and net assets of \$13,636,178 (30 June 2020: \$3,928,233). The Consolidated Entity incurred a loss for the year ended 30 June 2021 of \$3,700,993 (30 June 2020: \$1,020,188) and net cash outflows from operating activities of \$614,736 (30 June 2020: \$906,712 outflows).

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

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

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

(b) **Parent entity information**

In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated Entity only. Supplementary information about the Company is disclosed in note 21.

(c) Compliance statement

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board (AASB) has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

(d) Adoption of new and revised standards

Standards and Interpretations applicable to 30 June 2021

In the year ended 30 June 2021, the Directors have reviewed all new and revised Standards and Interpretations issued by the AASB that are relevant to the Consolidated Entity and effective for the current annual reporting period. The overall impact on the Consolidated Entity's reported results for the year was nil.

(e) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June each year.

Subsidiaries are all those entities (including special purpose entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-company transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and cease to be consolidated from the date on which control is transferred out of the Company.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired, and the liabilities assumed are measured at their acquisition date fair values.

The difference between the above items and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a discount on acquisition.

A change in the ownership interest of a subsidiary that does not result in a loss of control is accounted for as an equity transaction.

(f) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional and presentation currency of the Company is Australian Dollars. The functional currency of Company's non-Australian subsidiaries is Euro's for NorthernX Finland and Swedish Krona for NorthernX Scandinavia.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Group entities

The results and financial position of all the Company entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are taken to foreign currency translation reserve.

When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in profit or loss, as part of the gain or loss on sale where applicable.

(g) Significant Accounting Estimates, Judgements and Assumptions

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

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

Share based payment transactions

The Consolidated Entity measures the cost of equity settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of the equity instruments granted were calculated using the Black-Scholes option pricing model taking into account the terms and conditions upon which the instruments were granted. The assumptions used in these valuations are set out in note 17.

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

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

Impairment of assets

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

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

The key areas of judgement and estimation include:

- Recent exploration and evaluation results and resource estimates;
- Environmental issues that may impact on the underlying tenements;
- Fundamental economic factors that have an impact on the operations and carrying values of assets and liabilities; and
- The determination of an assets fair value less cost to sell (FVLCTS) and its value in use (VIU)

Fair value of financial liabilities

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

3. Discontinued operations

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

	Consolidated 30 June 2021 \$	Consolidated 30 June 2020 \$
Discontinued operations - Scandinavian Projects	(1,420,540)	-

Sale of Scandinavian Projects

The Company announced on 20 January 2021 the sale of its vanadium and nickel projects in Finland, Sweden and Norway (Scandinavian Projects) to Kendrick. Kendrick is liable for all costs associated with maintaining the Scandinavian Projects in good standing and all other related expenses throughout the extension option periods. The sale agreement is subject to Kendrick raising ~\$2.76 million to fund project development and other conditions. Total consideration of ~\$3 million (predominantly in Kendrick shares), to be realised upon London Stock Exchange (LSE) listing as follows:

- Option expires 31 December 2021 (following extension from 30 September 2021 after receipt of \$50,000 ("Initial Extension Payment"));
- Options fees paid to 31 October 2021: \$160,000 (including \$110,000 during the financial year)
- Remaining Option Terms:
 - 30 November 2021, if Kendrick has paid the Initial Extension Payment by making a payment of \$50,000 to Pursuit on or by 25 October 2021 ("Second Extension Payment"); and
 - 31 December 2021, if Kendrick has paid the Initial Extension Payment and the Second Extension Payment by making a payment of \$75,000 to Pursuit on or by 25 November 2021 ("Third Extension Payment").
- GBP 1.25 million (\$2.31 million), payable in Kendrick Resources Plc shares upon listing;

- \$250,000 in cash, upon the completion of a Bankable Feasibility Study, on any of the Scandinavian Projects, demonstrating an internal rate of return of not less than 25%; and
- \$500,000 in cash upon a decision to mine in relation to any of the Scandinavian Projects.

	Consolidated 30 June 2021 \$	Consolidated 30 June 2020 \$
(i) Financial performance information		
Impairment charge ¹	(1,234,124)	-
Foreign Exchange	(186,416)	-
	<u>(1,420,540)</u>	<u>-</u>

¹ In light of the above, the Consolidated Entity has recognised an impairment expense of \$1,234,142 as at 30 June 2021 in order to write down the carrying amount of its Scandinavian assets to their fair value expected to be realised from the sale to Kendrick. The net carrying amount of \$2,309,121 has been reclassified and presented as Assets held for Sale at year end.

(ii) Cashflow information

Net cash provided by / (used in) operating activities	(36,255) ¹	-
Net cash provided by / (used in) investing activities	-	-
Net cash provided by / (used in) financing activities	-	-
	<u>(36,255)¹</u>	<u>-</u>

¹Included in impairment charge

(iii) Carrying amount of assets and liabilities

Exploration and evaluation assets	2,309,121	-
Assets classified as held for resale	2,309,121	-
Liabilities held for sale	-	-
Net assets / (liabilities) attributable to discontinued operations	<u>2,309,121</u>	<u>-</u>

The total comprehensive loss for the year as shown in the Consolidated Statement of Profit and Loss and Other Comprehensive Income is split between Continued and Discontinued operations as follows:

	Consolidated 30 June 2021 \$	Consolidated 30 June 2020 \$
Continuing Operations	(2,280,453)	(1,004,807)
Discontinued Operations	(1,420,540)	-
Total comprehensive loss	<u>(3,700,993)</u>	<u>(1,004,807)</u>

4. Finance Costs

Interest expense/(income)	(1,089)	-
	<u>(1,089)</u>	<u>-</u>

5. *Income tax benefit/(expense)*

(a) Income tax benefit

Current tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>

(b) Deferred income tax/(revenue)

Deferred income tax/(revenue) included in tax expense comprises:

(Increase)/decrease in deferred tax assets	-	-
Increase/(decrease) in deferred tax liabilities	-	-
	<u>-</u>	<u>-</u>

(c) Reconciliation of income tax expense to prima facie income tax

Loss before income tax from continuing operations	(2,280,453)	(1,020,187)
Loss before income tax from discontinued operations	(1,420,540)	-
Tax at the Australian tax rate of 30% (2020: 30%)	<u>(1,110,298)</u>	<u>(306,056)</u>
Increase / (decrease) in income tax due to tax effect of:		
Different tax rates in other jurisdictions		(25,370)
Deductible capital raising costs		-
Non-deductible share-based payments expense	425,431	-
Non-deductible exploration expenditure	-	(88,562)
Other non-deductible expenses	55,925	153,672
Non-assessable Capital Gain	(33,000)	-
Cancellation of losses on formation of tax consolidated group	1,140,681	-
Movement in unrecognised temporary differences	<u>(478,739)</u>	<u>266,316</u>
	<u>-</u>	<u>-</u>

(d) Deferred tax assets / liabilities comprise

Accruals	85,605	20,777
Capital Raising costs	15,401	-
Capitalised exploration and evaluation expenditure	1,760,248	(2,272)
Prepayments	(49,099)	(4,582)
Tax losses available for offset against future taxable income	<u>5,914,468</u>	<u>6,787,020</u>
Net deferred tax assets not recognised	<u>7,726,623</u>	<u>6,800,943</u>

(e) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

- Temporary differences and tax losses at 30% (2020: 30%)	<u>7,726,623</u>	<u>6,800,943</u>
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Accounting policy

Income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax assets and liabilities are recognised for all taxable temporary differences:

- Except for the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred income tax to be recovered. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Goods and services and sales tax

Revenues, 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 taxation authority, it is recognised as part of the cost of the asset or as part of an item of expense; or
- For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

	Consolidated 30 June 2021 \$	Consolidated 30 June 2020 \$
6. Other Income		
Other Income	152,542 ¹	13,144
Interest Income	-	847
Rental Income	-	1,818
	<u>152,542</u>	<u>15,809</u>

¹ Includes \$110,000 exclusivity and options fees received from Kendrick. Refer note 3.

7. *Administrative & Other Expenses*

	Consolidated 30 June 2021	Consolidated 30 June 2020
	\$	\$
Accounting fees	37,395	64,154
Auditors' remuneration	28,585	14,489
Consulting fees	65,765	99,313
Directors and Management remuneration	390,639	271,447
ASX and registry costs	152,710	72,402
Rent	6,790	13,475
Legal fees	73,320	76,931
Travel and accommodation	2,535	26,015
Foreign exchange gain/(loss)	(1,089)	6,330
Other administrative expenses	173,600	219,837
Total	930,250	864,393

8. *Cash and cash equivalents*

Cash at bank	8,955,719	462,064
Total	8,955,719	462,064

Accounting policy

Cash and cash equivalents include cash on hand and in the bank, and other short-term deposits with an original maturity of three months or less. Bank overdrafts are shown separately in current liabilities on the Consolidated Statement of Financial Position. For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents as defined above, net of outstanding bank overdrafts (refer note 20).

9. *Earnings/(loss) per share*

The following reflects the earnings/(loss) and number of shares used in the calculation of the basic and diluted earnings/(loss) per share.

Basic and dilutive loss per share (cents per share) – continuing operations	(0.34)	(0.32)
Basic and dilutive loss per share (cents per share) – discontinued operations	(0.21)	-
Total basic and dilutive loss per share (cents per share)	(0.55)	(0.32)
Net (loss) attributable to ordinary shareholders (\$)	(3,700,993)	(1,020,188)
Shares		
Weighted average number of ordinary shares used in the calculation of basic and dilutive earnings/(loss) per share ¹	672,882,345	313,974,391

¹ Potential ordinary shares have not been included in the calculation of dilutive ordinary shares as their inclusion results in a reduction of the loss per share and are therefore anti-dilutive.

Accounting policy

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), dividend by the weighted average number of ordinary shares, adjusted for any bonus element. The diluted earnings per share is calculated as net profit or loss attributable to members of the parent dividend by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element. The weighted average number of shares was based on the consolidated weighted average number of shares in the reporting period.

The net profit or loss attributable to members of the parent is adjusted for:

- Costs of servicing equity (other than dividends) and preference share dividends;
- The after-tax effect if dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- Other non-discretionary changes in revenue or expenses during the period that would result from the dilution of potential ordinary shares.

10. Trade and other receivables

	Consolidated 30 June 2021 \$	Consolidated 30 June 2020 \$
Goods and services tax receivable	122,168	15,515
Other receivables	39,566	35,145
	<u>161,733</u>	<u>50,660</u>

Accounting policy

Refer to note 25 for the Consolidated Entity's accounting policy for financial assets.

11. Prepayments

	Consolidated 30 June 2021 \$	Consolidated 30 June 2020 \$
Prepayments	264,530	38,037
	<u>264,530</u>	<u>38,037</u>

Majority of prepayments relates to marketing services having been prepaid to Stocksdigital.

12. <i>Exploration and evaluation assets</i>	Consolidated 30 June 2021 \$	Consolidated 30 June 2020 \$
Balance at beginning of year	3,470,104	3,087,240
Impairment ¹	(1,234,124)	-
Assets held for sale	(2,309,534)	-
Exploration expenditure during the period	3,044,017	497,754
Impairment	(75,364)	(160,960)
Impact of foreign exchange rates	(16,159)	46,070
	<hr/>	<hr/>
Balance at end of year	<u>2,878,940</u>	<u>3,470,104</u>

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

¹ On the 20 January 2021, the Consolidated Entity announced the execution of a sale agreement of its nickel and vanadium projects in Norway, Sweden and Finland (collectively, the “Scandinavian assets”) to BMR Group Plc (“BMR”), which has subsequently been renamed as Kendrick Resources Plc (“Kendrick”). The sale agreement allows Pursuit to fully focus on its Warrior, Gladiator and Combatant Projects in Western Australia. Refer to note 3 for further information.

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

- Option Fee of \$50,000 (expired 31 March 2021) has been paid, as well as an extension right for additional 6 months (to 30 September 2021) for \$60,000 (total paid, \$110,000);
- GBP £1.25 million (\$2.2 million), payable in Kendrick shares;
- \$250,000 in cash, upon the completion of a Bankable Feasibility Study, on any of the Scandinavian Projects, demonstrating an internal rate of return of not less than 25%; and
- \$500,000 in cash upon a decision to mine in relation to any of the Scandinavian Projects.

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

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

In light of the above, the Consolidated Entity recognised an impairment expense of \$1,234,124 as at 30 June 2021 in order to write down the carrying amount of its Scandinavian assets to their fair value expected to be realised from the sale to Kendrick. The net carrying amount of \$2,309,121 has been reclassified and presented as Assets held for Sale as at year end.

Accounting policy

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. A regular review for impairment is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

13. Asset acquisitions

Warrior Acquisition

On 2 December 2020, Pursuit announced the acquisition of the Warrior Project. Under the agreement Pursuit paid \$300,000 in cash and 40,000,000 fully paid ordinary shares to the vendors during the year. Following transfer of all four tenements to Pursuit, an additional 10,000,000 shares were issued to the vendor on 13 September 2021 ("Deferred Consideration"), refer note 24. In addition, Pursuit has granted the vendor a 1% net smelter royalty ("NSR") on all minerals produced from the tenements and a milestone payment of \$200,000 in cash ("Milestone Payment") on achieving a mineralised drill intersection on one tenement of at least 10 metres of 2% nickel equivalent or better.

As at 30 June 2021, Pursuit has paid \$300,000 to the vendor and issued 40,000,000 shares with a fair value of \$0.02 per share. A further 10 million fully paid shares with a fair value of \$0.02 per share have been included as a financial liability (Deferred Consideration) at 30 June 2021 (note 15(i)).

The remaining Milestone Payment to be paid, along with the NSR, have been disclosed as a contingent liability as at 30 June 2021 (refer to note 22 for further information).

	30 June 2021 \$
Purchase Consideration (excluding transaction costs):	
- Cash consideration	300,000
- Non-cash consideration – at settlement (40,000,000 shares at \$0.02)	800,000
- Deferred consideration – non-cash (10,000,000 shares at \$0.07)	700,000
Transaction costs (stamp duty)	44,900
Total Purchase Consideration	1,844,900
Exploration & Evaluation	1,844,900
Financial Liability at Fair Value	(700,000)
Net assets acquired	1,144,900

On 13 September 2021 this financial liability was settled for \$500,000 through the issue of 10 million shares at \$0.05 (the closing share price on 13 September 2021).

Gladiator Acquisition

On 25 September 2020 Pursuit announced the acquisition of the Gladiator Project. Under the agreement Pursuit paid \$100,000 in consideration as follows:

- 4,608,444 Consideration shares were issued on 16 October 2020 at a price of \$0.0108 to pay \$50,000 for a binding agreement to acquire tenements; and
- 645,076 Consideration shares were issued on 6 May 2021 at a price of \$0.077 to pay \$50,000 for a completion of remaining acquisition of Gladiator licenses.

	30 June 2021 \$
Purchase Consideration (excluding transaction costs):	
- Non-cash consideration	100,000
Transaction costs (stamp duty)	2,090
Total Purchase Consideration	102,090
Exploration & Evaluation	102,090
Net assets acquired	102,090

Accounting policy

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses and results in the consolidation of the assets and liabilities acquired. Business combinations are accounted for by applying the acquisition method.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree. Deferred consideration payable is measured at its acquisition-date fair value. Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. At each reporting date subsequent to the acquisition, contingent consideration payable is measured at its fair value with any changes in the fair value recognised in profit or loss unless the contingent consideration is classified as equity, in which case the contingent consideration is carried at its acquisition-date fair value.

Goodwill is recognised initially at the excess of: (a) the aggregate of the consideration transferred, the fair value of the non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest (in case of step acquisition); over (b) the net fair value of the identifiable assets acquired and liabilities assumed.

If the net fair value of the acquirer's interest in the identifiable assets acquired and liabilities assumed is greater than the aggregate of the consideration transferred, the fair value of the non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest, the difference is immediately recognised as a gain in the profit or loss.

Acquisition related costs are expensed as incurred. When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their 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 Income Taxes applies. No goodwill will arise on the acquisition.

14. Plant and equipment

	Office Equipment \$	Computer Software \$	Plant and Equipment \$	Total \$
Carrying value at 30 June 2019	8,572	22,830	4,029	35,431
Additions	3,686	-	(3,960)	(274)
Depreciation	(2,067)	(8,508)	(69)	(10,644)
Carrying value at 30 June 2020	10,191	14,322	-	24,513
Additions/Disposals	(7,702)	(8,622)	-	(16,324)
Depreciation	(2,489)	(5,700)	-	(8,189)
Carrying value at 30 June 2021	-	-	-	-

Accounting policy

Property, plant and equipment are recorded at historical cost less accumulated depreciation and any impairment. The carrying value of assets is reviewed for impairment at the reporting date. An asset is immediately written down to its recoverable amount if the carrying value of the asset exceeds its estimated recoverable amount. The depreciation rates per annum for each class of fixed asset are as follows:

Plant and equipment:	between 10% - 12%
Office equipment	between 10% - 20%
Computer software	between 25% -33%

Subsequent expenditure relating to an item of property, plant and equipment, that has already been recognised, is added to the carrying amount of the asset if the recognition criteria are met. All assets are depreciated over their anticipated useful lives up to their residual values using a straight-line depreciation basis. These useful lives are determined on the day of capitalisation and are re-assessed annually by Management.

	Consolidated 30 June 2021 \$	Consolidated 30 June 2020 \$
15. Trade and other payables		
Sundry creditors and accruals	85,266	65,241
Trade creditors	148,599	51,904
Total trade and other payables (at amortised cost)	233,865	117,145
15(i). Other Financial Liabilities		
Other financial liabilities (at fair value) ¹	700,000	-

¹ Other financial liabilities relates to the outstanding consideration of 10 million shares to be issued on final settlement of the warrior acquisition. These shares were issued subsequent to balance date on 13 September 2021 at \$0.05 per share.

Accounting policy

Refer to note 25 for the Consolidated Entity's accounting policy for financial liabilities at either amortised cost or fair value.

16. Contributed equity	Consolidated 30 June 2021		Consolidated 30 June 2020	
	No.	\$	No.	\$
Balance at beginning of year	353,234,313	62,948,714	178,527,328	59,861,941
Entitlement offer (ii)	147,391,145	1,326,520	5,689,518	56,895
Private Placements (i)	323,638,993	9,606,666	138,002,927	1,380,029
Exercise of Securities (vi)	23,100,000	162,000	8,000,000	1,600,000
Shares issued in lieu of services received (iv)(v)	29,395,945	536,089	3,014,540	22,006
Project Acquisitions (iii)	45,253,520	900,000	20,000,000	146,000
Share issue costs	-	(1,160,721)	-	(118,157)
Balance at end of year	922,013,916	74,319,266	353,234,313	62,948,714

- (i) The Company completed placement shares during the period, issued as follows:
- 59,500,000 shares were issued on 24 July 2020 at a price of \$0.005 to raise \$297,500 before costs.
 - 66,222,222 shares were issued on 20 October 2020 at a price of \$0.009 to raise \$596,000 before costs. As part of this issue, 4,370,666 shares were issued in lieu of brokerage costs of \$39,336, which are separately included in Shares issued in lieu of services received (refer (v) below).
 - 22,222,221 shares were issued on the 2 December 2020 at a price of \$0.009 to raise \$200,000 before costs.
 - 60,500,000 shares were issued on the 18 September 2020 at a price of \$0.005 to raise \$302,500 before costs.
 - 119,565,217 shares at \$0.069 raising \$8.25m with free attaching 20 million listed PUROA broker options exercisable at 10 cents on or before 31 October 2021, with a fair value of \$475,468.
- (ii) Non-renounceable rights issue as follows:
- 157,411,423 shares were issued to shareholders and clients of CPS Capital on 17 November 2020 at a price of \$0.009 to raise \$1,416,703 before costs. As part of this issue 10,020,278 shares were issued in lieu of costs brokerage costs of \$90,183, which are separately included in Shares issued in lieu of services received (refer (v) below).
- (iii) The Company issued shares for consideration to acquire tenements:
- 4,608,441 shares were issued on 16 October 2020 at a price of \$0.0108 to pay \$50,000 for a binding agreement to acquire tenements.
 - 40,000,000 Consideration shares were issued on 22 January 2021 at a price of \$0.02 to pay \$800,000 for a binding agreement to acquire the Warrior tenements.
 - 645,076 Consideration shares were issued on 6 May 2021 at a price of \$0.0775 to pay \$50,000 for a completion of remaining acquisition of Gladiator licenses.
- (iv) The company issued shares to pay for services rendered to the Company:
- 5,000,000 shares were issued on the 2 December 2020 at a price of \$0.0135 in lieu of marketing costs of \$67,500.
 - 6,875,000 shares were issued on the 18 September 2020 at a price of \$0.018 in lieu of marketing costs of \$123,750.
 - 3,000,000 shares were issued on 9 April 2021 at a price of \$0.069 in lieu of marketing costs of \$207,000.
 - 130,000 shares were issued on the 24 June 2021 at a price of \$0.064 in lieu of field office rental costs of \$8,320.
- (v) The company issued shares to pay for capital raising costs:
- 4,370,666 shares were issued on 20 October 2020 at a price of \$0.009 in lieu of brokerage costs of \$39,336.
 - 10,020,278 shares were issued on 17 November 2020 at a price of \$0.009 in lieu of costs of \$90,183.
- (vi) Options converted as follows:
- 5,000,000 shares were issued on 22 January 2021 following the exercise of 5m options at \$0.007 completed raising \$35,000.

- 100,000 Shares were issued on 9 April 2021 following the exercise of 100,000 options at \$0.10 each raising \$1,000.
- 18,000,000 shares were issued on 21 May 21 following the exercise of 18m options at \$0.007 completed raising \$126,000.

Ordinary shares

Ordinary shares have no par value and have the right to receive dividends as declared and, in the event of the winding up of the Company, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on the shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Capital management

Management managed the capital of the Consolidated Entity in order to maintain a capital structure that ensured the lowest cost of capital available to the Consolidated Entity. Management's objective is to ensure the Consolidated Entity continues as a going concern as well as to maintain optimal returns to shareholders.

	Consolidated 30 June 2021 No.	Consolidated 30 June 2020 No.
<u>Options on issue</u>		
Balance at beginning of year	77,608,073	77,608,073
Options issued ¹ (refer also note 17(i))	84,000,000	-
Options Exercised	(23,100,000)	-
Options expired	(3,492,000)	-
Balance at end of year	135,016,073	77,608,073

¹ During the year, the Company issued 20 million listed options in respect of broker fees associated with the Company's \$8.25 million capital raising on 9 April 2021.

Performance Rights on issue

Balance at beginning of year	8,000,000	16,000,000
Performance Rights issued (refer also note 17(i))	4,500,000	-
Performance Rights exercised	-	-
Performance Rights expired ¹	(8,000,000)	(8,000,000)
Balance at end of year	4,500,000	8,000,000

¹ On 23 August 2020, the Class C Performance Rights (issued in the 2018 financial year) expired.

² On 23 August 2019, the class B Performance Rights expired.

	Consolidated 30 June 2021 \$	Consolidated 30 June 2020 \$
17. Share based payment reserve		
Opening Balance	5,716,474	7,316,474
Options/Performance Rights Issued to management	1,418,103	-
Options issued to Brokers	475,468	-
Conversion to shares	-	(1,600,000)
Share based payment reserve	7,610,045	5,716,474

The Share based payment reserve is used to record the fair value of share-based payments made by the Company.

Accounting Policy

The fair value of share-based payment transactions is determined at grant date using an option pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of equity instruments granted to Directors and KMP as share-based compensation benefits is recognised as share based payment expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted, which includes any market performance conditions but excludes the impact of any service and non-market performance vesting conditions and the impact of any non-vesting conditions.

Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of equity instruments that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

	Consolidated 30 June 2021 \$	Consolidated 30 June 2020 \$
Options issued to Directors	1,345,020	-
Options issued to Consultants	69,245	-
Options issued to Brokers to equity issue	475,468	-
Performance Rights issued to Management	3,838	-
Total share-based payments for the year	1,893,571	-
Share based payments recognised as capital raising costs	(475,468)	-
Share-based payments expense	1,418,103	-

(i) Types of share-based payment plans

Share based payments are provided to Directors, employees, consultants and other advisors. The issue to each individual Director, consultant or advisor is controlled by the Board and the ASX Listing Rules. Terms and conditions of the payments, including the grant date, vesting date, exercise price and expiry date are determined by the Board, subject to shareholder approval where required.

Director and Consultant Options

64,000,000 Director and Consultant Options were granted on 18 September 2020 (following shareholder approval on 14 September 2020) in one tranche with an exercise price of \$0.007 per share and a 3 year term respectively. Neither the Director nor the Consultant options had vesting conditions, however in the event:

- the holder ceases to be a director, employee or consultant of the Company in the first 6 months following issue date, then all of the options held by the holder must be exercised within 7 days otherwise they will lapse; and
- The holder ceases to be a director, employee or consultant to the Company in the period between 6 months after issue date and 12 months after issue date, then 50% of the options held by the holder must be exercised within 7 days otherwise those options will lapse.

Each Consultant Option converts into one ordinary share of the Company on exercise. No amounts are paid or are payable by the recipient on receipt of the Consultant Option, and they carry neither rights of dividends nor voting rights. The expense recognised in the year relates to the full fair value of the issue as the issue had no vesting conditions attached.

Performance Rights

4,500,000 Performance Rights were granted to exploration consultants on 24 June 2021 (Mathew Perrot (Exploration Manager) – 3,000,000 Performance Rights and Ian Lowrie (Field Manager) - 1,500,000 Performance Rights. The Performance Rights expire on or before 30 June 2024 and will vest following the Company's share price reaching 12 cents over 20 consecutive trading days and, in addition, will vest in 2 equal tranches annually over 2 years, so long as the party is contracted to the Company upon vesting. Each performance right converts into one ordinary share of Pursuit Minerals Ltd on vesting. No amounts are paid or are payable by the recipient on receipt of the performance right. The performance rights carry neither rights of dividends nor voting rights. The expense recognised in the year relates to spreading the fair value (measured at grant date) of these Performance Rights over the expected vesting period.

A further 3,000,000 Performance Rights have been approved by the Board to be issued to Mr Bob Affleck, Technical Director, following his appointment however these remain subject to shareholder approval at the Company's AGM in November 2021.

Valuation

The assessed fair values of the rights were determined using a Black Scholes and Monte Carlo valuation model. Expected volatility was calculated based on the historic volatility of a peer group of Companies over a period commensurate with the expected life of the awards.

The inputs to the model for the period to 30 June 2021 for the Performance Rights and the Options were:

	Broker Options	Performance Rights	Consultant Options	Director Options
Number	20,000,000	4,500,000	5,000,000	59,000,000
Valuation model	Listed Options	Monte Carlo	Black Scholes	Black Scholes
Grant Date	09-04-2021	24-06-2021	18-9-2020	18-9-2020
Expiry Date	31-10-2021	30-06-2024	18-9-2023	18-9-2023
Dividend yield (%)	-	-	-	-
Expected volatility (%)	n/a	120%	280%	277%
Risk-free interest rate (%)	n/a	0.2002%	0.27%	0.24%
Expected life of options (yrs.)	0.6	3.0	3.0	3.0
Exercise price (\$)	\$0.10	-	\$0.007	\$0.007
Share price at grant date	\$0.092	\$0.065	\$0.0014	\$0.023
Fair value at grant date	\$0.0238	\$0.0593	\$0.014	\$0.0228
Fair value at issue	\$475,468	\$266,850	\$69,245	\$1,345,020

Broker Options are valued at the 10-day vwap of PUROA prior to the execution of the CPS funding raising mandate dated 29th March 2021.

	Consolidated 30 June 2021 \$	Consolidated 30 June 2020 \$
18. Accumulated losses		
Balance at 1 July	(64,592,140)	(63,571,952)
Loss after tax attributable to the equity holders of the parent entity during the year	(3,700,993)	(1,020,188)
Balance at 30 June	<u>(68,293,133)</u>	<u>(64,592,140)</u>

19. Operating segments

Accounting policy

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

Financial information presented to the Board of Directors is reported by these jurisdictional locations. Items of income and expenditure and assets and liabilities that are not allocated to the exploration projects are allocated to the Corporate segment

The following tables present revenue and profit information for the Consolidated Entity's operating segments for the year ended 30 June 2021 and 2020, respectively.

(i) Segment performance

2021	Australian Projects	Norway Projects	Finnish Projects	Swedish Projects	Corporate	Total
	\$	\$	\$	\$	\$	\$
Total segment revenue	10,000	35,000	35,000	40,000	32,542	152,542
Segment expenditure	(2,896,189)	(95,422)	(1,056,864)	(81,838)	(2,589,411)	(6,732,475)
Segment result	(2,886,189)	(60,422)	(1,021,864)	41,838	(2,569,620)	(6,579,933)
Reconciliation of segment result to Consolidated Entity loss before tax:						
- Capitalised expenditure						2,878,940
Net loss before tax						(3,700,993)

2020	Australian Projects	Norway Projects	Finnish Projects	Swedish Projects	Corporate	Total
	\$	\$	\$	\$	\$	\$
Total segment revenue		-	-	-	15,809	15,809
Segment expenditure	(256,121)	-	(70,965)	(55,778)	(1,035,997)	(1,418,861)
Segment result	(256,121)	-	(70,965)	(55,778)	(1,020,188)	(1,403,052)
Reconciliation of segment result to Consolidated Entity loss before tax:						
- Capitalised expenditure						382,864
Net loss before tax						(1,020,188)

(ii) Segment assets

The following tables present assets information for the Consolidated Entity's operating segments for the year ended 30 June 2021 and 2020, respectively.

	Scandinavia*	Australia	Total
30 June 2021	\$	\$	\$
Segment assets	2,309,121	12,260,922	14,570,043

30 June 2020			
Segment assets	3,470,104	575,274	4,045,378

* As the Scandinavian assets (ie Norway, Finland and Sweden) are being sold to Kendrick in one tranche amount the total have been consolidated

	Consolidated 30 June 2021 \$	Consolidated 30 June 2020 \$
20. Cash flow information		
a) Cash and cash equivalents		
Cash at bank and on hand	8,955,719	462,064
b) Reconciliation of cashflows from operating activities		
Profit/(loss) before tax	(3,700,993)	(1,020,188)
Unrealised foreign exchange gains/(losses)	13,800	-
Impairment of exploration and evaluation expenditure	75,364	160,960
Impairment expense	1,234,124	-
Share based Payments	1,418,103	22,006
Depreciation	8,189	10,644
Change in trade & other receivables	(111,073)	62,813
Change in prepayments	(226,493)	9,998
Change in trade & other payables	116,720	(152,945)
Change in financial liabilities	700,000	-
Net cash used in operating activities	(472,259)	(906,712)
c) Non-cash investing and financing activities		
Capital raising costs paid by means of share options (note 17)	475,468	-

	30 June 2021 \$	30 June 2020 \$
21. Parent company information		
Current assets	9,517,144	505,629
Non-current assets	4,352,144	3,522,879
Total assets	<u>13,869,288</u>	<u>4,028,508</u>
Current liabilities	233,110	104,758
Total liabilities	<u>233,110</u>	<u>104,758</u>
Net Assets	<u>13,636,178</u>	<u>3,923,750</u>
Contributed equity	74,574,129	67,061,200
Accumulated losses	(68,293,133)	(68,853,924)
Share based payments reserve	7,610,045	5,716,474
Total shareholders' equity	<u>13,636,178</u>	<u>3,923,750</u>
Profit/(loss) of the parent entity	<u>(3,552,893)</u>	<u>(8,062,601)</u>
Total comprehensive profit/(loss) of the parent entity	<u>(3,552,893)</u>	<u>(8,062,601)</u>

There are no commitments or contingencies arising in the Parent Entity

22. Commitments and contingencies

Warrior Project

On 2 December 2020, Pursuit announced the acquisition of the Warrior Project. As described in note 13, as part of the terms, Pursuit granted the vendor a 1% net smelter royalty ("NSR") on all minerals produced from the tenements and a milestone payment of \$200,000 in cash ("Milestone Payment") on achieving a mineralised drill intersection on one tenement of at least 10 metres of 2% nickel equivalent or better.

(i) Operating expenditure commitments

Commitments for minimum payments under office rental agreements to which the Consolidated Entity is a party are:

	30 June 2021 \$	30 June 2020 \$
Less than one year	-	3,250
Later than one year but not later than five years	-	-
	<u>-</u>	<u>3,250</u>

(ii) Exploration expenditure commitments

Commitments for minimum exploration expenditure required to retain tenure on the Consolidated Entity's exploration tenements are:

	30 June 2021 \$	30 June 2020 \$
Later than one year but not later than five years	<u>326,000</u>	<u>422,000</u>

Norwegian Option Agreement

On 17 February 2020, Pursuit has entered into a 12-month Option Agreement, with the ability to subsequently purchase a 100% interest, in a package of three highly prospective, advanced nickel sulphide projects in Norway, which are geologically analogous to the giant Voisey's Bay nickel deposit in Canada.

The package of advanced nickel sulphide projects comprises the Espedalen, Sigdal and Hosanger projects in southern and west-central Norway.

Pursuit was required to pay US\$25,000 cash, issue 20 million shares and incur exploration expenditure of US\$250,000 in 12 months to become entitled to exercise the option to acquire 100% of the projects. The terms of this earn-in obligation were assigned to Kendrick under the sale agreement.

23. Related party transactions

Subsidiaries

Subsidiary	Country of Incorporation	% of Equity Interest	
		30 June 2021	30 June 2020
NorthernX Pty Ltd	Australia	100%	100%
NorthernX Finland Oy	Finland	100%	100%
NorthernX Scandinavia AB	Sweden	100%	100%
Pursuit Exploration Pty Ltd ¹	Australia	100%	-

¹ Incorporated during the year on 22 September 2020.

Key Management Personnel Compensation

	Consolidated 30 June 2021 \$	Consolidated 30 June 2020 \$
Short-term benefits	390,639	402,660
Post-employment benefits	-	-
Share based payments	1,345,020	-
Total	1,735,659	402,660

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

(a) Mr Peter Wall

Mr Wall is a Non-Executive Director of the Company. He is also a partner at Steinepreis Paganin a Perth based corporate law firm that provides legal services to the Company on commercial terms.

The following payments/transactions occurred during the year:

Director fees	\$39,000 for services provided in the year ended 30 June 2021 (2020: \$36,000).
Other	Steinepreis Paganin was paid or due to be paid an aggregate amount of \$70,978 for legal services rendered during the year (2020: \$102,728).
Options	13,000,000 options exercisable at 0.7c each on or before 18/09/2023 valued at \$296,360. At year end Pursuit has accrued for director fees owed to Mr Peter Wall of \$6,000.

(b) Mr Jeremy Read

Mr Read was the Technical Director of the Company. He resigned from his position on 24 June 2021.

The following payments/transactions occurred during the year:

Director fees	\$124,050 for services provided in the year ended 30 June 2021 (2020: \$192,336).
Options	13,000,000 options exercisable at 0.7c each on or before 18/09/2023 valued at \$296,360.

No amounts are owed to Mr Jeremy Read as at 30 June 2021.

(c) Mr Bob Affleck

Bob Affleck is an Executive Director of the Company who also provides resource development consulting services. He was appointed on 24 June 2021.

The following payments/transactions occurred during the year:

Director fees	\$789 for services provided in the year ended 30 June 2021 (2020: nil).
Performance Rights	Subject to shareholder approval the Company will issue 13,000,000 unlisted options at 0.7 cents to Mr Affleck.

No amounts are owed to Mr Bob Affleck as at 30 June 2021.

(d) Mr Mark Freeman

Mr Freeman is the MD, CFO and Company Secretary of the Company from 1 April 2020. He is also a owner of Meccano Consulting Pty Ltd that provides office space, bookkeeping and accounting services to the Company on commercial terms.

The following payments/transactions occurred during the year:

Director fees	\$197,000 for services provided in the year ended 30 June 2021 (2020: 22,500).
Other	Meccano Consulting Pty Ltd was paid or due to be paid an aggregate amount of \$26,060 for office and accounting/bookkeeping services rendered during the year (2020: \$6,500).
Options	23,000,000 options exercisable at 0.7c each on or before 18/09/2023 valued at \$524,330.

At year end Pursuit has accrued for director and other fees owed to Meccano Consulting Pty Ltd of \$55,060.

(e) Mr Matthew O’Kane

Mr O’Kane was a Non-Executive Director of the Company. He resigned on 28 April 2021.

The following payments/transactions occurred during the year:

Director fees	\$29,800 for services provided in the year ended 30 June 2021 (2020: \$36,000).
Options	10,000,000 options exercisable at 0.7c each on or before 18/09/2023 valued at \$227,969.

No amounts are owed to Mr O’Kane as at 30 June 2021.

(f) Mr Stephen Kelly

Mr Kelly resigned on 1 July 2020.

24. Events after the end of the reporting period

The following events have occurred subsequent to 30 June 2021:

- On 22 July 2021, 5,000,000 shares were issued following the exercise of 5 million options at \$0.007, raising \$35,000;
- On 14 August 2021, 850,000 options with an exercise price of \$0.25 expired;
- On 14 August 2021, 15,000,000 options with an exercise price of \$0.20 expired; and
- 10,000,000 Consideration shares were issued on 13 September 2021 at a price of \$0.05 to satisfy the second payment to acquire the Warrior tenements.
- as Announced on 23 September 2021, Pursuit agreed to an extension to Binding Sale Agreement, dated 18 January 2021, for the sale of the Scandinavian Projects given Kendrick’s Initial Public Offering remains subject to the receipt of approval by the Financial Services Authority in the UK, allowing Kendrick to extend settlement until:
 - 31 October 2021 by making the payment of \$50,000 to Pursuit on or by 24 September 2021 (“Initial Extension Payment”);
 - 30 November 2021 if Kendrick has paid the Initial Extension Payment by making a payment of \$50,000 to Pursuit on or by 25 October 2021 (“Second Extension Payment”); and
 - 31 December 2021 if Kendrick has paid the Initial Extension Payment and the Second Extension Payment by making a payment of \$75,000 to Pursuit n or by 25 November 2021 (“Third Extension Payment”).

The Company recently executed the Initial Extension Period option with the option fee of \$50,000 having been paid.

- On 23 September 2021, the Company has announced it had completed a sale of the EPM 14309 for total consideration of \$110,000. This contract is expected to settle on 24 September 2021

The Directors are not aware of any other matters or circumstances not otherwise dealt with in this interim report that have significantly, or may significantly affect the operations, results or state of affairs of the Consolidated Entity.

25. *Financial risk management*

The Consolidated Entity's overall financial risk management strategy is to ensure that the Consolidated Entity is able to fund its business operations and expansion plans. Exposure to credit risk, liquidity risk, foreign currency risk, interest rate risk and commodity price risk arises in the normal course of the Consolidated Entity's business. The Consolidated Entity's risk management strategy is set by and performed in the close co-operation with the Board and focuses on actively securing the Consolidated Entity's short to medium-term cash flows by limiting credit risk of customers, regular review of its working capital and minimising the exposure to financial markets. The Consolidated Entity does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Consolidated Entity is exposed are described below.

Financial Assets and Liabilities

The financial assets and liabilities for financial years 2021 and 2020 are reflected at amortised cost, and are not fair valued through the Comprehensive Statement of Profit and loss and other comprehensive income. The Directors consider that the carrying amounts of the financial assets and liabilities approximate their fair values.

Specific Financial Risk Exposures and Management

The main risks the Consolidated Entity is exposed to through its financial instruments are credit risk, liquidity risk and market risk, interest rates and foreign currency.

a) Credit risk

Credit risk arises from the financial assets of the Consolidated Entity, which comprise cash and cash equivalents and trade and other receivables. Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contractual obligations that could lead to a financial loss to the Consolidated Entity. Credit risk is managed through the maintenance of credit assessment and monitoring procedures and it is the Consolidated Entity's policy that all customers who wish to trade on credit terms and subject to credit verification procedures.

The Consolidated Entity's cash and cash equivalents are maintained in banks with credit ratings of AA as per Standard & Poor's as at year-end.

In addition, as the Consolidated Entity operates in the mining exploration sector its receivables generally relate to GST receivable from the Australian Tax Office and the credit risk is assessed as low.

Presently, the Consolidated Entity undertakes exploration and evaluation activities in Australia. At balance date, there were no significant concentrations of credit risk and none of the Consolidated Entity's receivables are past due or impaired.

b) Liquidity Risk

Liquidity risk is the risk that there will be inadequate funds available to meet financial commitments as they fall due. The Consolidated Entity recognises the on-going requirements to have committed funds in place to cover both existing business cash flows and provide reasonable headroom for cyclical debt fluctuations and capital expenditure programs. The key funding objective is to ensure the availability of flexible and competitively priced funding from alternative sources to meet the Consolidated Entity's current and future requirements.

The Consolidated Entity utilises a detailed cash flow model to manage its liquidity risk. This analysis shows that available sources of funds are expected to be sufficient over the lookout period. The Consolidated Entity attempts to accurately project the sources and uses of funds which provide an effective framework for decision making and budgeting. The table below summarises the maturity profile of the Company's contractual cash flow financial liabilities based on contractual undiscounted repayment obligations. Repayments, which are subject to notice, are treated as if notice were to be given immediately.

Consolidated	30 days \$	1-3 months \$	3-12 months \$	1 to 5 years \$	Total \$
As at 30 June 2021					
Trade and other payables	233,865	-	-	-	233,865
Total liabilities	233,865	-	-	-	233,865
As at 30 June 2020					
Trade and other payables	117,145	-	-	-	117,145
Total liabilities	117,145	-	-	-	117,145

c) Foreign Currency Risk

Since the acquisition of the Scandinavian entities, the Company has incurred financial liabilities denominated in foreign currencies that are different to the functional currency of the respective Consolidated Entities during the current year (2020: Nil). The Consolidated Entity's policy is to convert its local currency to the foreign currency at the time of the transaction. Foreign exchange risk arises from future commercial transactions and recognised financial liabilities denominated in a currency that is not the Consolidated Entity's functional currency (which is the Australian dollar). Since the Scandinavian entities are being disposed off and the purchaser is responsible for all costs prior to the completion of the sale, the foreign exchange risk has been reduced to nil.

The Consolidated Entity manages foreign exchange risk on an as-needs basis. The risk is measured using sensitivity analysis and cash-flow forecasting. The Consolidated Entity's exposure to foreign currency risk, expressed in Australian dollars at the reporting date, was as follows:

Consolidated	EUR Denominated Balances	SEK Denominated Balances	GBP Denominated Balances	Total \$
	AUD	AUD	AUD	AUD
As at 30 June 2021				
Cash and cash equivalents	9,399	864	-	10,262
Trade and other receivables	11,076	-	-	11,076
Total assets	20,475	864	-	21,339
Trade and other payables	-	753	-	753
Net Assets	20,475	111	-	20,586

Consolidated	EUR Denominated Balances	SEK Denominated Balances	GBP Denominated Balances	Total \$
	AUD	AUD	AUD	AUD
As at 30 June 2020				
Cash and cash equivalents	9,050	2,071	-	11,121
Trade and other receivables	6,532	21,374	-	27,906
Total assets	15,582	23,445	-	39,027
Trade and other payables	250	10,866	-	11,116
Net Exposure	15,332	12,579	-	27,911

The following table details the Consolidated Entity's sensitivity to a 10% increase and decrease in the Australian dollar against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. A negative number in the table represents a decrease in the operating profit before tax and reduction in equity where the Australian dollar strengthens against the relevant currency. For a 10% strengthening of the Australian dollar against the relevant currency, there would be a comparable impact on the loss or equity, and the balances below would be positive.

Impact on pre-tax profit	30 June 2021 \$	30 June 2020 \$
Profit / (loss) before tax and equity – 10% increase	(2,059)	(2,791)
Profit / (loss) before tax and equity – 10% decrease	2,059	2,791

d) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Consolidated Entity is not exposed to interest rate movement through borrowings. The following table sets out the variable interest bearing and fixed interest bearing financial instruments of the Consolidated Entity:

	Variable interest \$	Fixed interest \$
2021		
Financial assets	-	-
Cash and cash equivalents	8,955,719	-
Total	8,955,719	-
2020		
Financial assets	-	-
Cash and cash equivalents	462,064	-
Total	462,064	-

The following table illustrates the estimated sensitivity to a 1% increase and decrease to interest rate movements.

Impact on pre-tax profit	30 June 2021 \$	30 June 2020 \$
Interest rates + 1%	89,557	4,621
Interest rates – 1%	(89,557)	(4,621)

Accounting policy

Financial assets

Initial recognition and measurement

Financial assets are initially recognised at fair value. The Consolidated Entity's financial assets include cash and cash equivalents and receivables.

The Consolidated Entity applies the simplified approach under AASB 9 Financial Instruments to measuring the expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Subsequent measurement

Cash and cash equivalents and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently re-measured at amortised cost. Loans and receivables are included in current assets, except for those which are not expected to mature in twelve months after the end of the period (all other loans and receivables are included as non-current assets).

De-recognition

A financial asset is derecognised when the holder's contractual rights to its cashflow expire, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial assets:

- The right to receive cashflows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the assets (i.e. the Company has no practical ability to make a unilateral decision to sell the asset to a third party).

Financial liabilities

Initial recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

An instrument is a financial liability when an issuer is, or can be required, to deliver cash or another financial asset (e.g. ordinary shares in the company) to the holder.

Where the Consolidated Entity has the choice of settling a financial instrument in cash or otherwise is contingent on the outcome of circumstances beyond the control of both the Consolidated Entity and the holder, the Consolidated entity accounts for the instrument as a financial liability.

All financial liabilities are initially recognised at fair value. The Consolidated Entity's financial liabilities include trade and other payables and deferred consideration on asset acquisitions.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest methods except for the shares to be issued to the vendor as part of the deferred consideration for the Warrior Project. The shares have been treated as a financial liability at fair value based on the share price of the Company's equity.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating the interest expense in the profit and loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cashflows through the expected life of the instrument to the net carrying amount at initial recognition.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such as an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages [30] to [61], are in accordance with the Corporations Act 2001 and:
 - a. Comply with Accounting Standards including the Australian Accounting Interpretations and the Corporations Regulations 2001;
 - b. Are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in Note 2 to the financial statements; and
 - c. Give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the Company and Consolidated Entity.
2. In the Directors' opinion, there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

The Chief Executive Officer and Chief Financial Officer have each declared that:

- a. The financial records of the Consolidated Entity for the financial year have been properly maintained in accordance with s 286 of the *Corporations Act 2001*;
- b. The financial statements and notes for the financial year comply with the Accounting Standards; and
- c. The financial statements and notes for the financial year give a true and fair view.

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



Peter Wall
Chairman

30 September 2021

PURSUIT MINERALS LIMITED
ABN 27 128 806 977

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
PURSUIT MINERALS LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Pursuit Minerals Limited (the "Company") and its controlled entities (the "Consolidated Entity"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit and 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 statements, including a summary of significant accounting policies, and the Directors' declaration.

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

- (a) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (b) 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 Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the 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.

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**PURSUIT MINERALS LIMITED
ABN 27 128 806 977**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
PURSUIT MINERALS LIMITED**

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.

Key Audit Matter	How our audit addressed the key audit matter
<p>Asset Acquisitions – Warrior and Gladiator Projects</p> <p>Refer to Note 13 to the financial report.</p> <p>During the financial year, the Consolidated Entity acquired the Warrior and Gladiator Projects for purchase consideration of \$1,844,900 and \$102,090 respectively.</p> <p>Accounting for the acquisitions under <i>AASB 3 Business Combinations</i> (“AASB 3”) as a business combination or under alternative Australian Accounting Standards as an asset acquisition requires judgment in determining key assumptions and estimates.</p> <p>These include:</p> <ul style="list-style-type: none"> • Whether or not the acquisition represents the definition of a business under AASB 3; • Determining the fair value of the consideration transferred, including any acquisition-date fair value of deferred or contingent consideration; and • Accounting for the subsequent measurement of the deferred or contingent consideration, if recognised, under <i>AASB 9 Financial Instruments</i> (“AASB 9”). <p>Due to the significance to the Consolidated Entity’s financial report and the level of judgment involved in the accounting for the acquisitions, we consider this to be a key audit matter.</p>	<p>Our procedures included, amongst others:</p> <p>Reading the Binding Agreements to understand key terms and conditions.</p> <p>Critically evaluating the Consolidated Entity’s determination of the fair value of the assets and liabilities acquired in each acquisition.</p> <p>Critically evaluating the assumptions used in the measurement of the fair value of the consideration transferred, including the deferred or contingent consideration, including:</p> <ul style="list-style-type: none"> • obtaining an understanding of, and evaluating, the design and implementation of the processes and controls associated with the measurement of the deferred contingent consideration; • assessing the appropriateness of the likelihood and timing of achieving milestones. <p>Checking the mathematical accuracy of calculations associated with the acquisition of the Warrior and Gladiator Projects along with the subsequent measurement the deferred consideration.</p> <p>Assessing the adequacy of the disclosures included within the financial report.</p>

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Share-based payments

Refer to Note 2(g) and 17 to the financial report.

During the year ended 30 June 2021, the Consolidated Entity has issued options and performance rights to Key Management Personnel and consultants, totalling \$1,893,571.

Under Australian Accounting Standards, equity settled awards are measured at fair value on the measurement (grant) date taking into consideration the probability of the vesting conditions (if any) attached. This amount is recognised as an expense either immediately if there are no vesting conditions, or over the vesting period if there are vesting conditions.

In calculating the fair value there are a number of judgements management must make, including but not limited to:

- estimating the likelihood that the equity instruments will vest;
- estimating expected future share price volatility;
- expected dividend yield; and
- risk-free rate of interest.

Due to the significance to the Consolidated Entity's financial report and the level of judgment involved in determining the valuation of the share-based payments, we consider the Consolidated Entity's calculation of the share-based payment expense to be a key audit matter.

Our procedures included, amongst others:

Obtaining an understanding of and evaluating the design and implementation of the relevant controls associated with the preparation of the valuation model used to assess the fair value of share-based payments, including those relating to volatility of the underlying security and the appropriateness of the model used for valuation.

Critically evaluating and challenging the methodology and assumptions of management in their preparation of the valuation model, including management's assessment of likelihood of vesting, agreeing inputs to internal and external sources of information as appropriate.

Assessing the Consolidated Entity's accounting policy as set out within Note 2(g) for compliance with the requirements of *AASB 2 Share-based Payment*.

Assessing the adequacy of the disclosures included in the financial report.

PURSUIT MINERALS LIMITED
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Discontinued Operations – Scandinavian Projects

Refer to Note 3 to the financial report

On 20 January 2021, the Consolidated Entity announced the sale of its vanadium and nickel projects in Finland, Sweden and Norway (together the Scandinavian Projects) to Kendrick Resources Plc (“Kendrick”) for a total consideration of approximately \$3,000,000 to be realised upon Kendrick listing on the London Stock Exchange in the United Kingdom.

As a result, the Consolidated Entity classified the Scandinavian Projects as held for sale as at 31 December 2020 and accordingly impaired the exploration and evaluation assets relating to the Scandinavian Projects Area of Interest by \$1,234,124.

The carrying value of exploration and evaluation asset is assessed for impairment by the Consolidated Entity when facts and circumstances indicate that the exploration and evaluation asset may exceed its recoverable amount. Furthermore, the disposal group of assets are transferred to Discontinued operations when the sale is highly probable to occur under existing sale terms in accordance with AASB 5 *Non-current Assets held for Sale and Discontinued Operations*.

At 30 June 2021, the consolidated statement of financial position included an Asset held for sale of \$2,309,121 representing the fair value less costs to sell expected to be realised from the sale of the Scandinavian Projects to Kendrick.

Our procedures included, amongst others:

Obtaining an understanding of and evaluating the design and implementation of the processes and controls associated with the capitalisation of exploration and evaluation expenditure, and those associated with the assessment of impairment indicators.

Reading the Binding Agreements to understand key terms and conditions.

Critically examining whether, on the basis of probabilities, the sale remained highly probable as at 30 June 2021.

Critically evaluating the assumptions used in the measurement of the fair value less costs to sell, including:

- the deferred or contingent consideration; and
- checking the mathematical accuracy foreign exchange conversion of British Pound deal terms into Australian Dollars.

Assessing the adequacy of the disclosures included within the financial report in accordance with AASB 5.

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**PURSUIT MINERALS LIMITED
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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
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Other Information

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

Our opinion on the financial report does not cover the other information and accordingly 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.

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 Consolidated Entity 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 Consolidated Entity or to cease operations, or have no realistic alternative but to do so.

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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.

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**PURSUIT MINERALS LIMITED
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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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**PURSUIT MINERALS LIMITED
ABN 27 128 806 977
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
PURSUIT MINERALS LIMITED**

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 20 to 27 of the directors' report for the year ended 30 June 2021. In our opinion, the Remuneration Report of Pursuit Minerals 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.

Pitcher Partners BA&A Pty Ltd

PITCHER PARTNERS BA&A PTY LTD



J C PALMER
Executive Director
Perth, 30 September 2021

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SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 30 September 2021.

A. Distribution of securities

Analysis of the number of equity securities by size of holding:

Holding	Fully paid ordinary shares	Listed options @ \$0.10 expiring 31 October 2021
	Number of holders	Number of holders
1 to 1,000	554	-
1,001 to 5,000	95	1
5,001 to 10,000	679	1
10,001 to 100,000	3,375	1
100,001 and over	1,502	51
	6,205	107

There were 1,378 holders of less than a marketable parcel of listed shares.

B. Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest holders of fully paid ordinary shares are listed below:

Name	Units	% of Units
SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	28,565,877	3.05%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	20,664,189	2.21%
CITICORP NOMINEES PTY LIMITED	18,940,095	2.02%
CORPORATE & RESOURCE CONSULTANTS PTY LTD	16,800,000	1.79%
MR JEREMY JAMES READ	15,207,129	1.62%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	13,762,220	1.47%
PHEAKES PTY LTD <SENATE A/C>	13,308,880	1.42%
CELTIC CAPITAL PTY LTD <THE CELTIC CAPITAL A/C>	10,000,000	1.07%
MRS GEORGIA GEORGAKLIS	10,000,000	1.07%
SUBURBAN HOLDINGS PTY LIMITED <SUBURBAN SUPER FUND A/C>	7,950,000	0.85%
AUSTRALIAN FINANCE ASSOCIATION PTY LTD	7,500,000	0.80%
TROCA ENTERPRISES PTY LTD <COULSON SUPER A/C>	7,400,000	0.79%
PHEAKES PTY LTD <SENATE A/C>	6,666,667	0.71%
MR PETER CHRISTOPHER WALL & MS TANYA-LEE WALL <THE WALL FAMILY SUPER A/C>	5,555,555	0.59%
MR BENJAMIN CHARLES BURCHILL	5,400,000	0.58%
MR DEAN ROBERT TAIT	5,300,000	0.57%
MR AARON ANTHONY KLEIN	5,252,310	0.56%
WHALE WATCH HOLDINGS LIMITED	5,000,000	0.53%
BNP PARIBAS NOMS PTY LTD <DRP>	4,872,540	0.52%
MR RICARDO VERZOSA	4,662,427	0.50%
SUPERHERO NOMINEES PTY LTD	4,321,358	0.46%
TOTALS	217,129,247	23.17%

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The names of the twenty largest holders of listed options with an exercise price of \$0.10 and expiry of 31 October 2021 are listed below:

Name	Options	% of total
CELTIC CAPITAL PTY LTD <CELTIC CAPITAL NO 2 A/C>	5,000,000	6.56%
CPS CAPITAL NO 4 PTY LTD	4,066,757	5.34%
MARIA BEUTELSPACHER - ARONSTEN	2,995,145	3.93%
CELTIC CAPITAL PTY LTD <INCOME A/C>	2,850,000	3.74%
MR JONATHAN DAVID LINTON	2,800,000	3.68%
MR RYAN JULIAN VAN DORT	2,389,000	3.14%
MR ROSS DIX HARVEY	2,180,000	2.86%
MR COREY JONOTHAN MULLER	2,005,919	2.63%
MR MARC ARONSTEN	1,860,432	2.44%
MR JAMES DAVID LUTCHMAYA	1,600,000	2.10%
MR COREY JONOTHAN MULLER	1,419,434	1.86%
MR ELIAS SIFIS	1,341,494	1.76%
EQUITY TRUSTEES LIMITED <LOWELL RESOURCES FUND A/C>	1,231,167	1.62%
MRS LISA JOANNE BATTEN & MR DANIEL CHARLES BATTEN <PROVIDENTIAL HOLDINGS A/C>	1,059,422	1.39%
MR TORBJOERN SMITH FREDRIKSEN & MS EMI ONO	1,005,917	1.32%
MR SKYE STEPHEN ACKLING	1,000,000	1.31%
MR SHANE FREDERICK VAN HALDEREN	1,000,000	1.31%
PLUTUS VENTURES PTY LTD	1,000,000	1.31%
MR PETER CHRISTOPHER WALL & MRS TANYA-LEE WALL <WALL FAMILY SUPER FUND A/C>	900,901	1.18%
MRS LEEANNE CAROLYN KELLY	900,000	1.18%
MR TRUONG AN NGUYEN	900,000	1.18%
EMERGING EQUITIES PTY LTD	898,145	1.18%
MR DANIEL PETER MCARTHUR	882,598	1.16%
Totals	41,286,331	54.21%

Unquoted equity securities

Security	Number on issue	Number of holders	Holders of more than 20%
Unlisted options with an exercise price of \$0.049 expiring 6 November 2021	2,000,000	2	Matthew O'Kane and Stephen Kelly each hold 1,000,000 options.
Unlisted options with an exercise price of \$0.007 expiring 18 September 2023	33,000,000	2	Mark Freeman 23,000,000 options Peter Wall 13,000,000 options

Unquoted equity securities represent options or rights to acquire ordinary shares. Each option or right entitles the holder to acquire one ordinary share.

C. Substantial shareholders

There are no Substantial shareholders of the Company's quoted equity securities.

D. Voting rights

The voting rights attaching to each class of equity securities are set out below:

(a) Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(b) Options

No voting rights.

(c) Performance rights

No voting rights.

E. Use of funds

The Consolidated Entity has used the cash and assets in a form readily convertible into cash at the time of its re-isting on the ASX on 23 August 2017 in a manner that is consistent with its business objectives.

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