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Twenty Seven Co. Limited

ABN 48 119 978 013

Interim Financial Report

Half-Year Ended 31 December 2021

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Corporate Directory

Directors

Rohan Dalziell - Non-executive Chairman
Mark Burchnall - Non-executive Director
Timothy Armstrong-Non-executive Director

Chief Executive Officer

Simon Phillips

Chief Financial Officer / Company Secretary

Amy Fink / Dale Hanna

Registered Office & Administrative Office

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Auditor

Grant Thornton Audit Pty Ltd
Level 43, 152 – 158 St Georges Terrace
Perth, Western Australia 6000

Banker

National Australia Bank
Level 14, 100 St Georges Terrace
Perth, Western Australia 6000

Australian Securities Exchange

The Company is listed on the Australian Securities Exchange.
ASX code: TSC

Directors' Report

Your Directors present this report on Twenty Seven Co. Limited and its consolidated entities ('Group', 'Twenty Seven Co.', 'TSC' or 'Company') for the half-year ended 31 December 2021 ("half-year").

DIRECTORS

The names of each person who has been a Director during this half-year to the date of this report are:

- Rohan Dalziell (Non-Executive Chairman) – *appointed 9 September 2021*
- Robert Scott (Non-Executive Chairman) – *resigned 9 September 2021*
- Mark Burchnall (Non-Executive Director)
- Timothy Armstrong (Non-Executive Director)

All directors have been in office for the whole period up until the date of this report unless otherwise indicated.

CHIEF EXECUTIVE OFFICER

- Simon Phillips

COMPANY SECRETARY

- Dale Hanna

PRINCIPAL ACTIVITIES

During the financial half year, the principal activities of the Group consisted of;

- Completion of RC drilling programme at the Rover Gold Project;
- Completion of auger drilling programme at Yarbu Gold Project;
- Review of geochemical and historical sample data at Trident and subsequent identification of new lithium and tin targets;
- Completion of Trident rock chip sampling programme targeting copper and gold mineralisation.

CONSOLIDATED RESULTS

During the half-year ended 31 December 2021 the Group incurred a loss of \$394,664 (2020: loss \$2,741,857). The significant loss for the prior year relates to the recognition of an impairment charge of \$2,395,984 to the Company's New South Wales exploration assets.

REVIEW OF OPERATIONS

Exploration Activities

Western Australia Archaean Gold Assets

ROVER GOLD PROJECT (E57/1085, E57/1120, E57/1134)

TSC's 100% owned Rover project is located near Sandstone in a base metals and gold mineral rich area associated with Archaean greenstone belts. Rover Project consists of three exploration licenses (E57/1085, E57/1134 and E57/1120) which make up a large 460km² tenure package covering two linear Archaean greenstones, with a combined length of around 160km. Historically the area is underexplored and is currently undergoing a resurgence in exploration.

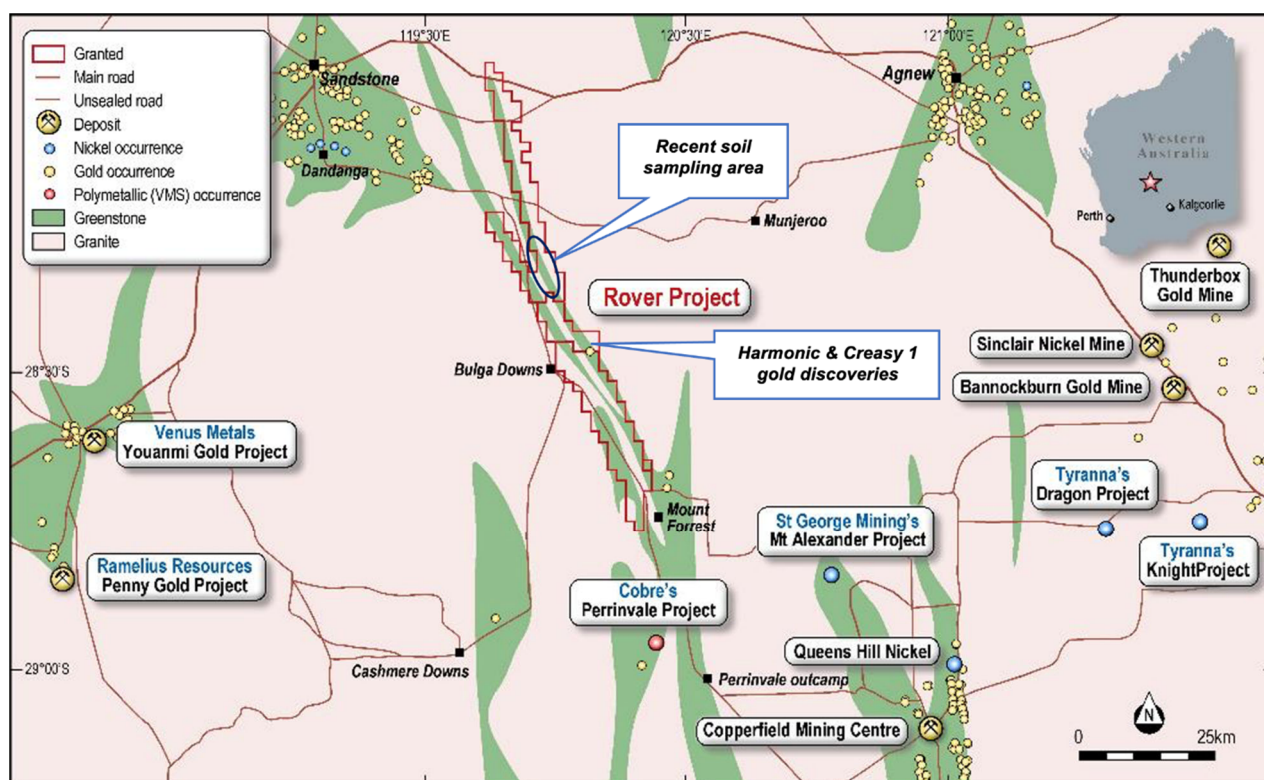


Figure 1: Map of the Rover project showing the location of the Harmonic and Creasy 1 prospects as well as the most recent soil sampling locations

RC Drilling Programme Complete

A key outcome during the half year reporting period was the successful completion of a Reverse Circulation ("RC") drilling programme at the Rover Gold Project (see Figure 1).

A total of 31 holes for 2,161m was completed, with 574 samples submitted to the laboratory for multi element and gold analysis.

Post reporting period end, TSC received all gold assay results from the RC drilling programme. A summary of the findings is provided below.

Highlights from the drilling include:

- 8m @ 0.47g/t from 52m in 21RVRC022
- 36m @ 0.20g/t from 16m in 21RVRC006
- 8m @ 0.23g/t from 4m in 21RVRC023
- 3m @ 0.26g/t from 96m (EOH) in 21RVRC021
- 43m @ 0.16g/t from 128m (EOH) in 21RVRC002

The intersection in hole 21RVRC002 appears to correlate well with the mineralisation identified in the 2019 drilling undertaken at Harmonic which is down dip, and hole 21RVRC006 shows very good correlation with holes 19RVRC009 and 10 and 20RVRC057 and 58 which are 50m along strike to the south.

Interestingly, all areas drilled in this field campaign show anomalous gold which reinforces the potential for Rover to host significant gold mineralisation. Given that all areas drilled appear to show elevated gold, those drill results highlight the potential for Rover to host significant gold mineralisation yet to be identified. Further work will be undertaken to ascertain that potential.

Sampling and assaying of the 1m splits were underway at the time of writing to ascertain the full outcomes of the 2021 drilling programme.



Figure 2: RC drill rig on site at Rover

Rover Drilling Programme Summary

Six (6) holes were designed to extend the Harmonic Prospect ("Harmonic"), a priority target, at depth and along strike, and the remaining 25 holes were designed to test the gold-in-soil anomalism identified in November 2020 at the Middle Well, Four Corners and Blue Hills Prospects.

Initial geological observations at Harmonic are in line with expectations, with mafics and quartzites having been intersected in all holes. Geology at the Middle Well, Four Corners and Blue Hills Prospects consisted mainly of mafic basalts/dolerites (with some potential ultramafics), granites and BIFS/SIFS.

A key takeaway from the programme was hole 21RVRC022 which recorded an intersection of 4m (62-66m DH) of massive sulphides (pyrite and pyrrhotite) with minor chert which contained potential exhalative texture.

Importantly, the intersection of massive sulphide is of significant base metal interest given that ASX-listed Cobre Limited's Perrinvale Project (~30km south of the Rover Project) has shown that massive pyrite can be associated with base metal prospectivity. If the massive sulphide assays return any base metal anomalism, then this may indicate that the geology within Rover is fertile with respect to base metals in the form of volcanic-hosted massive sulphides ("VHMS") which would require follow up work.

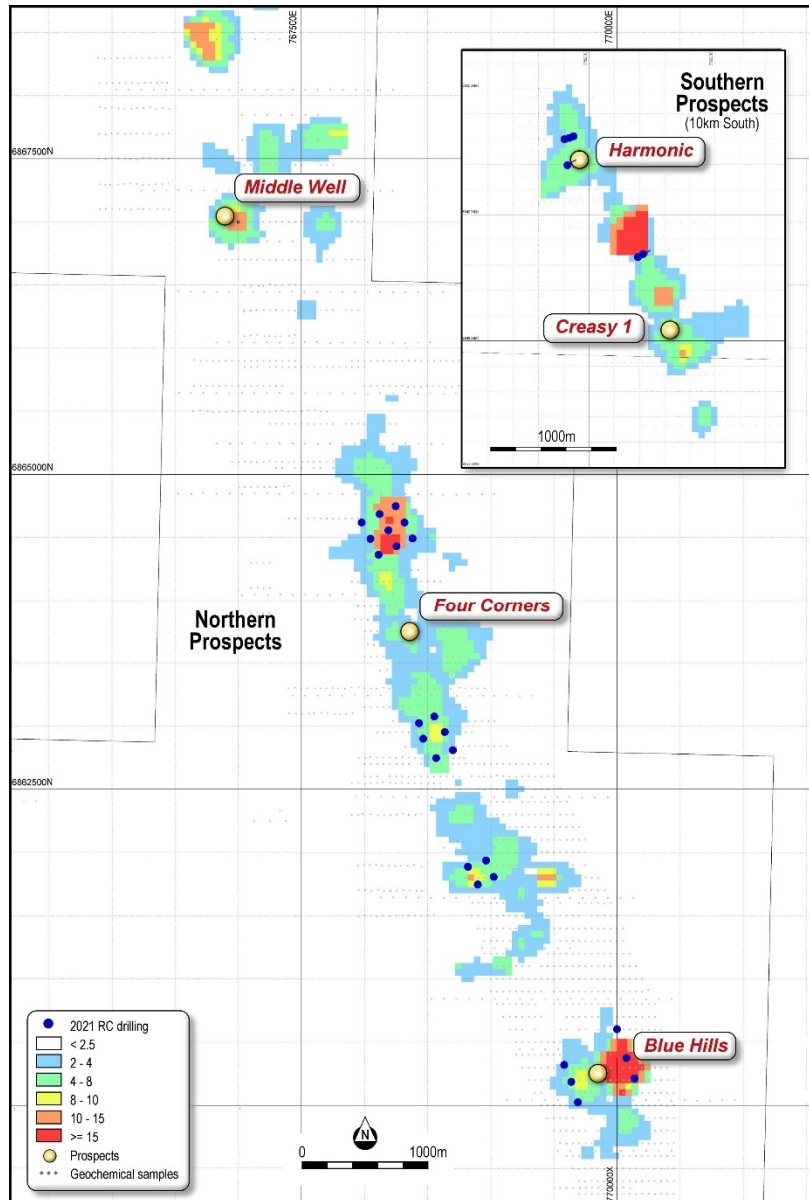


Figure 3: Prospect map with 6 RC holes around Harmonic and 25 remaining holes at Blue Hills, Four Corners and Middle Well

Encouraging Soil Sampling Results

In December, TSC reported that soil results collected from the Rover Gold Project had returned positive results, including a gold-in-soil result of 420ppb along with numerous samples that are above 10ppb Au.

A soil sampling programme comprising 243 samples was conducted in October 2021 at Rover, with the location of the lines based on the magnetic interpretation and the extensions of the previous soil programmes.

Initial results from this programme both confirmed and extended the known gold-in-soil anomalies already identified at Middle Well, Four Corners and Blue Hills. Some isolated and low tenor gold anomalies are also of interest due to the geological setting along the Edale Shear given that further south towards Harmonic and Creasy 1 low tenor gold surface anomalies identified primary mineralisation at depth. It is important to note that some major discoveries have been made in the Kalgoorlie district beneath weak soil anomalies such as Kanowna Belle (4 million Oz Au – 350m >60ppb Au-in-soil)¹.

Further results of the sampling programme are available for review in the ASX announcement dated 6 December 2021.

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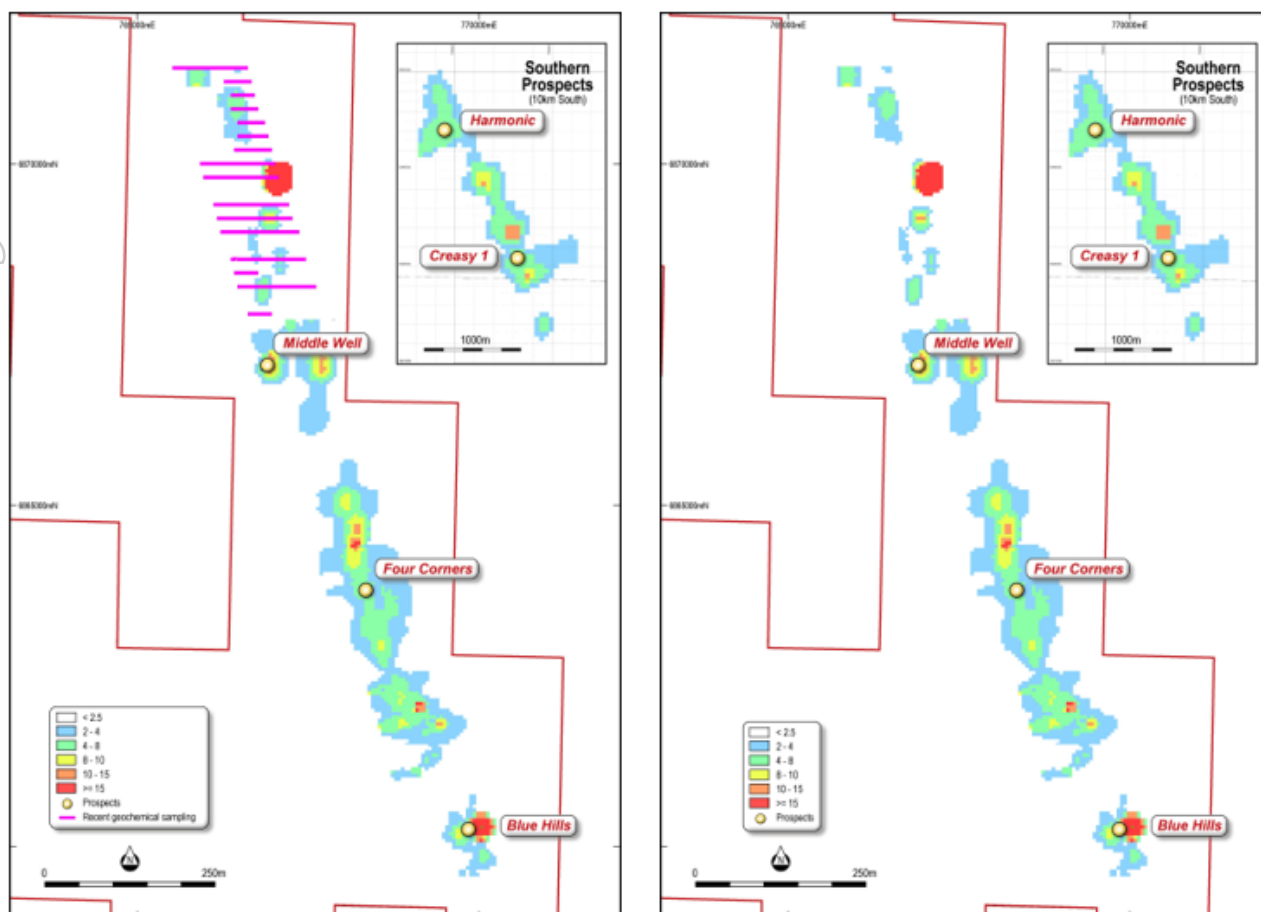


Figure 4: Most recent gold-in-soil sample results, with the left hand map showing the locations as pink dots. Note the size and gold tenure compared to the Harmonic and Creasy 1 prospects

YARBU GOLD PROJECT (E77/2442, E77/2539, E77/2540)

The Yarbu Gold Project is located on the Marda Greenstone belt ~80km to the north-west of the Mt Dimer Project. Yarbu consists of three exploration licenses (E77/2442, E77/2540 and E77/2539) which cover approximately 223km² and all are highly prospective for Archean Gold deposits.

Large Gold in Soil Anomalism Identified

In July 2021, TSC reported the results of an initial auger drilling campaign at the Company's Yarbu Gold Project.

The auger drilling campaign comprised 662 drill holes for a total of 987m, with all samples assayed for gold plus 48 other elements, making this first pass programme the most comprehensive geochemical sampling to date within the Yarbu Project area.

Results of up to 164 ppb gold were received from the programme amongst a background level of 10-15 ppb gold. Results from the recent sampling have confirmed several anomalous zones >20 ppb gold with results of up to 60 ppb gold in addition to the 164 ppb gold anomaly.

All samples have been assayed at Lab West in Perth using their low-level UltraFine fraction technique which delivers highly sensitive analysis of gold and multi-elements in the ultrafine (<2µm) fraction of soil samples.

The Auger campaign successfully generated several wide spaced anomalies across the Yarbu Project area, which can be subdivided in to three broad areas:

- **Area 1** appears to show a Gold-in-soil response that is ~2,000 x 1,000m in dimension and appears to have associated Zinc and Molybdenum;

- **Areas 2 and 3** are adjacent to the Clampton North Prospect, which was identified by Polaris Metals ("Polaris") in the early 2000's². Polaris identified Clampton North by defining a ~1,000 x 200m auger anomaly containing a >100ppb Gold core over an area of ~200m x 100m in size, to the west of E77/2442. The central portion of this anomaly appears to be associated with both limbs (east and west limbs) and a hinge zone of at least two major folds. The limbs of this fold can be clearly seen in the recently reprocessed magnetics as well as historical geochemical sampling undertaken by Polaris.

This latest work confirms that the eastern limb extends in to TSC's 100% owned tenement E77/2442. This Gold-in-soil anomalism (with associated elements) now extends for a strike of ~1,900m x 1,400m. Within Area 2, two geochemical samples returned 121ppb and 164ppb Gold.

These two results are on the same sample line, are proximal to each other and are several times above the typical average crustal abundance for Gold and hence show that the area has undergone many rounds of enrichment (with respect to average crustal abundance).

Further details and relevant project background information can be reviewed in the ASX announcement dated 12 July 2021.

MT DIMER GOLD & SILVER PROJECT (E77/2383, M77/515)

The Mt Dimer Gold and Silver Project ("Mt Dimer") is located 120km north-east from Southern Cross and comprises a mining lease (M77/515) and exploration license (E77/2383). Within the mining lease, historical open-cut mining to a depth of ~50m in the 1990's produced circa 8,500 Oz Au.²

No additional work was undertaken at Mt Dimer during the half year reporting period, and TSC continues to assess a range of options regarding the further development of Mt Dimer.

New South Wales Iron-Oxide-Copper-Gold (IOCG) and Lithium Assets

TSC's NSW portfolio covers a combined 753km² and represents one of the largest license holdings in the northern Broken Hill area, an area which is fast becoming premier exploration territory. All TSC tenements are located within ~50km of Broken Hill, which is a well-established mining province, with good infrastructure and a stable mining jurisdiction.

The Curnamona Province is considered part of the Iron Oxide Copper Gold ("IOCG") super-province that extends from the Gawler Craton to the Eastern Succession of the Mount Isa terrane (Conor and Preiss 2008).

TRIDENT PROJECT – Cu-Au-Co (EL8736)

Trident Project (EL8736) is prospective for iron oxide copper gold (IOCG) and tin and lithium pegmatites and is located ~35km north-east of Broken Hill.

Strong Gold, Copper and Tin Mineralisation Identified

During November, TSC reported assay results from its first pass rock chip sampling programme at the Trident Project (Figure 5).

In summary, a total of 152 rock chip samples were taken from across the northern portion of the tenement, (see Figure 6) within areas of historically reported highly anomalous copper, gold, tin and other critical elements.

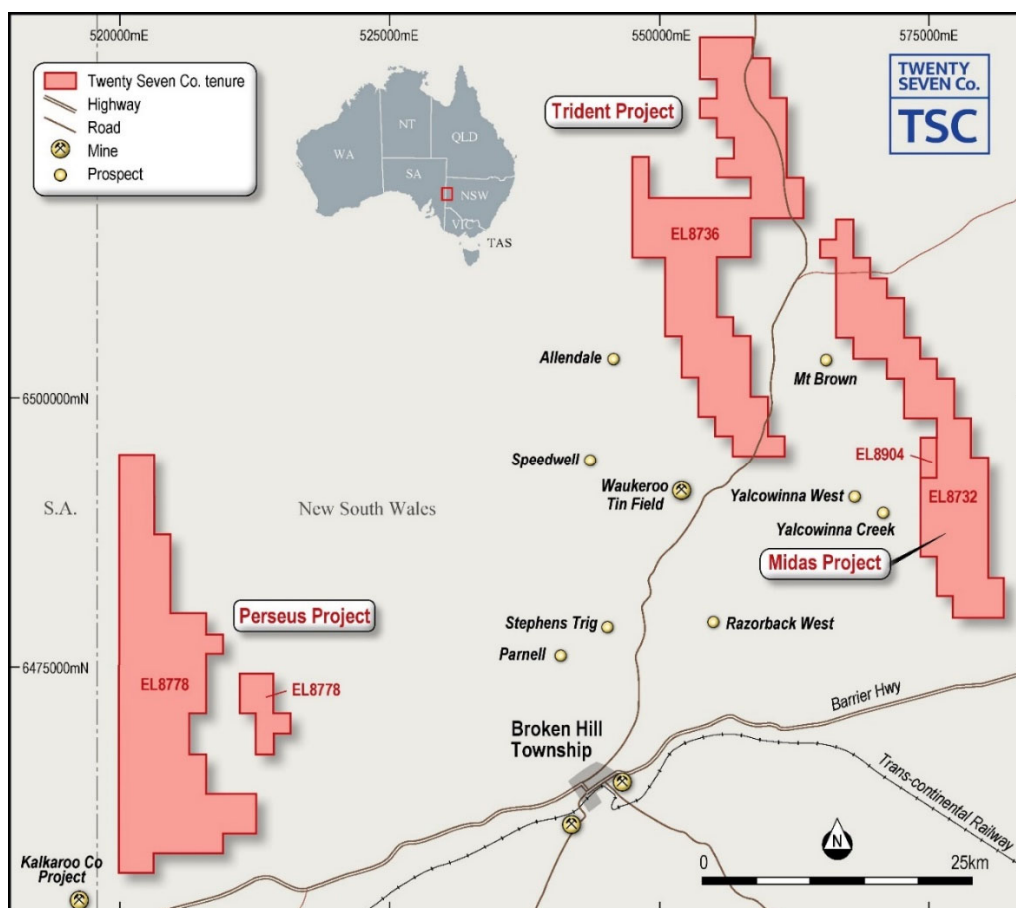


Figure 5: Location of TSC's Broken Hill tenements

The programme was undertaken to target copper and gold mineralisation and to confirm the historical lithium samples taken by previous explorers^{3, 4 & 5}. The programme was also designed to assist the Company to build its understanding of the regional geology, mineralisation potential and mineralisation patterning within this copper-gold province and tin province. From the results received numerous follow up areas have been identified in respect of Cu, Au, Nb, Ta, Sn, and Rb.

Analytical results from the rock chip samples have been received by the Company, with significant results from multiple areas requiring follow up exploration work. Significant assay results from all 152 rock chip samples received are shown in Table 1 and 2. Table 1 shows the base metal results and Table 2 shows the critical metal results.

Trident Sampling Programme Background

As previously reported (see ASX release dated 16 September 2021), TSC's technical team has compiled extensive amounts of historical geochemical data regarding the Trident Project area from the NSW MinView geological database, which led to the identification of multiple potential new lithium and tin geological targets.

The pegmatites identified within the field have been sampled by previous explorers^{3, 4 & 5} and show that lithium occurs within amblygonite, and lesser lepidolite which are both important minerals for lithium mining, and also historically, sporadic tin mining occurred in the Euriovie Tin Field from the 1880's to 1970's, leaving the area littered with evidence of old workings.

The initial visual observations were encouraging on the presence of lithium minerals, particularly amblygonite, however on receiving the assay results it was shown that lithium bearing minerals were not present within the pegmatites, as shown within a 5m chip sample traverse returning only 0.25% LiO₂. Further analysis will be undertaken to determine why the current results are different from the historical reported results.

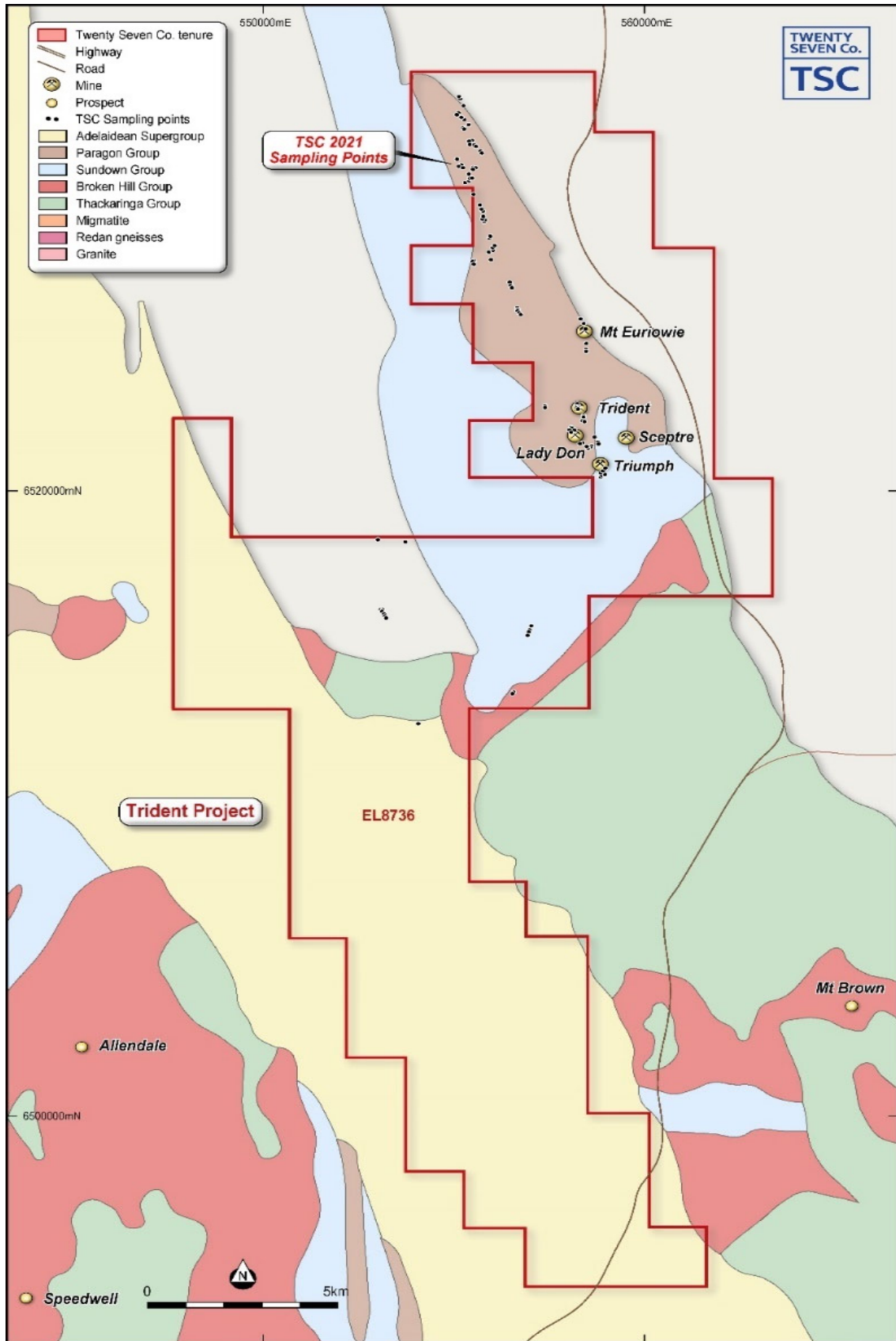


Figure 6: Map showing the locations of the recently taken rock chip samples

Table 1: Significant base metal results from the most recent rock sampling

Sample	Au_ppm	Ag_ppm	Cu_ppm	Pb_ppm	Cu_%
21RKTR0121	0.040	5	260	7050	
21RKTR0122	1.145	2	50	240	
21RKTR0123	1.275	3	2680	4060	
21RKTR0130	0.079	2	24700	30	
21RKTR0133	0.037	4	11700	20	
21RKTR0134	0.657	5	>100000	80	17.60
21RKTR0139	0.084	9	26800	20	
21RKTR0142	0.022	1	2530	<20	
21RKTR0143	0.047	3	8290	<20	
21RKTR0147	0.004	<1	2210	30	
21RKTR0148	0.028	3	1950	30	
21RKTR0149	0.052	8	1040	30	
21RKTR0150	0.02	1	1100	20	
21RKTR0151	0.077	1	1320	40	
21RKTR0152	0.322	3	84400	470	

Table 2: Assay results of the Critical metals

Sample	Li_%	Cs_ppm	Nb_ppm	Rb_ppm	Sn_ppm	Ta_ppm	Th_ppm	U_ppm	Sn_%
21RKTR0016	0.033	426	1080	2310	247	391	3.3	49.5	
21RKTR0078	0.014	26.5	204	338	43	45	12.7	9.5	
21RKTR0018	0.02	148	141	1745	245	57.6	0.8	12.4	
21RKTR0008	0.027	202	80	2560	341	33.3	<0.5	0.9	
21RKTR0047	0.004	33.1	30	556	1080	30.7	1	0.8	
21RKTR0006	0.063	380	199	1420	104	203	4.5	21.5	
21RKTR0044	0.031	100	62	1115	1050	75.4	2.1	2.4	
21RKTR0113	0.005	183.5	70	2220	3070	96.8	1.4	3.2	
21RKTR0114	0.02	560	48	2960	155	77.3	0.6	5.6	
21RKTR0059	0.003	82.9	69	479	1140	100.5	2	3.5	
21RKTR0091	0.024	90.2	52	1670	1100	84.1	<0.5	4.1	
21RKTR0112	0.005	223	273	3080	>10000	317	0.9	3.9	2.44
21RKTR0060	0.004	46.1	75	374	1260	119.5	1.8	5.5	
21RKTR0105	0.010	73.5	111	715	6290	165	1.3	5.4	
21RKTR0012	0.008	136	189	1125	>10000	258	0.8	8.4	1.60
21RKTR0115	0.005	267	89	2300	2950	179	1.1	2.6	
21RKTR0046	0.024	236	55	1855	1190	151.5	0.8	2.1	
21RKTR0116	0.010	188.5	65	1610	1500	176.5	1	5.1	
21RKTR0049	0.005	223	95	1105	805	225	4.9	7.3	
21RKTR0050	0.007	157	91	725	210	236	11	9.4	
21RKTR0111	0.003	156	113	1320	169	260	2.4	3.9	
21RKTR0097	0.013	153	169	794	6290	396	1.1	4.8	
21RKTR0100	0.005	50	192	509	>10000	422	1.3	4.8	1.21
21RKTR0051	0.012	304	70	1205	627	302	5.2	7	
21RKTR0102	0.011	44.4	50	546	1890	294	2.5	9.3	
21RKTR0099	0.006	67	168	543	4580	425	1.9	14.2	
21RKTR0003	0.028	138	311	981	248	676	1.1	9.5	
21RKTR0108	0.011	73.2	203	916	>10000	582	1.2	3.8	2.31
21RKTR0103	0.026	173	179	1445	1540	641	5.3	11	

MIDAS PROJECT – Cu-Au-Co (EL8732, EL8904)

The Midas Project is prospective for Iron-Oxide-Copper-Gold (“IOCG”) and is located 40km northeast of Broken Hill and adjacent to Silver City Minerals (ASX: SCI) Yalcowinna Tenement. Several areas of strong Cu-Au anomalism have already been defined across the Midas Project through soil and rock chip sampling programmes.⁶

The Company is assessing next steps which may include surface work and drill testing.

PERSEUS – Cu-Au-Co (EL8778)

The Perseus Project is prospective for IOCG mineralisation and is located ~50km west of Broken Hill and north of the Thackaringa Cobalt Project. In 2018 TSC identified six high priority IOCG targets for testing and the Geological Survey of NSW's November 2018 Mineral Potential Report for the Curnamona ranked three of the six high priority Perseus targets as highly prospective. The Company will provide further detail on exploration plans in due course.

References

1. *R.R. Anand and M Dell. 2005. Kanowna Belle Gold Deposit, Western Australia. CRC LEME, CSIRO Exploration and Mining*
2. *ASX: TSC: 30 September 2020: Strong gold potential at Mt Dimer*
3. *WAMEX report A74984*
4. *Dukovic, T. (2017) Annual Report for EL8468 for the Period 22 September 2016 to September 2017. Unpublished Report Mica Exploration Areas Pty Ltd, GSNSW Report GS2018_0298_RE0010150_ALL.EL8468 Annual Exploration Report 2017.*
5. *Silver City Minerals – Proactive investor presentations (5-6 July 2016)*
6. *ASX: TSC: 25 October 2018: Significant cobalt copper anomalism at Midas Project ASX: TSC: 27 November 2018: Multiple Veins Extends Benco Prospect at Midas*

CORPORATE

Significant changes to the state of affairs

There have been no significant changes to the state of affairs of the Company during the period.

Changes in equity

The following changes in equity took place during the half-year period:

Shares

The number of shares on issue increased from 2,660,689,561 (1 July 2021) to 2,660,813,905 (31 December 2021) as a result of 124,344 listed options being exercised during July 2021.

Unlisted Options (Options)

There was no change to the number of Unlisted Options on issue during the period. There are 323,500,000 Unlisted Options on issue as at 31 December 2021.

Listed Options (Options)

The number of Listed Options on issue decreased from 292,675,856 (1 July 2021) to 292,551,512 (31 December 2021).

During the half year:

- 124,344 Listed Options were exercised during July 2021.

Performance Rights (Rights)

The number of Performance Rights on issue decreased from 280,000,000 (1 July 2021) to 140,000,000 (31 December 2021).

During the half year:

- 140,000,000 Class A Performance Rights expired on 13 August 2021.

Events subsequent to the end of reporting date

The Directors are not aware of any other matter or circumstance that has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Auditor's Declaration

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 13 and forms part of the director's report for the financial half-year ended 31 December 2021.

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



Rohan Dalziell
Chairman

Perth

Dated this 3 March 2022

Auditor's Independence Declaration

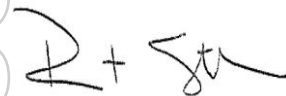
To the Directors of Twenty Seven Co. Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Twenty Seven Co. Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B P Steedman
Partner – Audit & Assurance

Perth, 3 March 2022

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

(For the half-year ended 31 December 2021)

	Note	31-Dec 2021 \$	31-Dec 2020 \$
INCOME			
Income	2	210	13,433
EXPENSES			
Depreciation and amortisation expense		(4,557)	(1,818)
Employee benefits expense		(191,965)	(153,101)
Occupancy expense		(9,770)	(10,014)
Corporate consultants / public relations expense		(80,409)	(69,730)
ASX listing and share registry expense		(60,858)	(74,477)
Impairment of exploration assets	4	-	(2,395,984)
Exploration expenditure expensed		5,365	-
Other corporate expenses from ordinary activities		(52,680)	(50,166)
LOSS BEFORE INCOME TAX		(394,664)	(2,741,857)
Income tax benefit		-	-
LOSS FOR PERIOD		(394,664)	(2,741,857)
LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY		(394,664)	(781,749)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(394,664)	(2,741,857)
TOTAL COMPREHENSIVE INCOME ATTRIBUTED TO MEMBERS OF THE PARENT ENTITY		(394,664)	(2,741,857)
Earnings per Share			
Basic and diluted loss per share		Cents (0.01)	Cents (0.16)

The accompanying notes form part of the financial statements

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Condensed Consolidated Statement of Financial Position

(As at 31 December 2021)

	Note	31-Dec 2021	30-Jun 2021
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	2,321,863	3,091,146
Trade and other receivables		91,096	111,071
Other current assets		29,291	15,054
Total current assets		2,442,250	3,217,271
NON-CURRENT ASSETS			
Property, plant and equipment		28,783	33,340
Exploration and evaluation expenditure	4	5,747,693	5,135,581
Total non-current assets		5,776,476	5,168,921
TOTAL ASSETS		8,218,726	8,386,192
CURRENT LIABILITIES			
Trade and other payables		336,272	110,193
Provisions		-	-
Total current liabilities		336,272	110,193
TOTAL LIABILITIES		336,272	110,193
NET ASSETS		7,882,454	8,275,999
EQUITY			
Issued capital	5	25,215,547	25,214,428
Reserves		1,107,290	1,107,290
Retained losses		(18,440,383)	(18,045,719)
TOTAL EQUITY		7,882,454	8,275,999

The accompanying notes form part of the financial statements

Condensed Consolidated Statement of Changes in Equity

(For the half-year ended 31 December 2021)

	Issued Capital	Share Based Payments Reserve	Retained Losses	Total
	\$	\$	\$	\$
BALANCE AT 1 JULY 2020	19,233,786	850,094	(14,658,256)	5,425,624
Shares issued during the period (net of costs)	3,642,305	-	-	3,642,305
Fair value of unlisted options issued during the period	-	11,628	-	11,628
Total comprehensive loss for the period	-	-	(2,741,857)	(2,741,857)
BALANCE AT 31 DECEMBER 2020	22,876,091	861,722	(17,400,113)	6,337,700
BALANCE AT 1 JULY 2021	25,214,428	1,107,290	(18,045,719)	8,275,999
Shares issued during the period (upon exercise of options)	1,119	-	-	1,119
Total comprehensive loss for the period	-	-	(394,664)	(394,664)
BALANCE AT 31 DECEMBER 2021	25,215,547	1,107,290	(18,440,383)	7,882,454

The accompanying notes form part of the financial statements

Condensed Consolidated Statement of Cash Flows

(For the half-year ended 31 December 2021)

		31-Dec 2021	31-Dec 2020
CASH FLOWS FROM OPERATING ACTIVITIES		\$	\$
Receipts from operations		-	3,050
Payments to suppliers and employees		(413,995)	(510,364)
Receipts from Commonwealth Government COVID stimulus		-	36,552
Interest received		210	539
NET CASH USED IN OPERATING ACTIVITIES	8	(413,785)	(470,223)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration expenditure		(356,617)	(903,453)
Payment relating to the acquisition of Oz Gold Group Pty Ltd		-	(700,000)
NET USED IN INVESTING ACTIVITIES		(356,617)	(1,603,453)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of ordinary shares		-	3,100,000
Payments for costs associated with the issue of ordinary shares		-	(157,695)
Proceeds from the exercise of options		1,119	-
NET CASH PROVIDED BY FINANCING ACTIVITIES		1,119	2,942,305
Net (decrease)/ increase in cash held		(769,283)	868,629
Cash at beginning of period		3,091,146	1,078,630
CASH AT END OF PERIOD		2,321,863	1,947,259

The accompanying notes form part of the financial statements.

Notes to the Interim Financial Statements

(For the half-year ended 31 December 2021)

NOTE 1 –STATEMENT OF SIGNIFICANT ACCOUNTING POLICES

Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2021 have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Twenty Seven Co. Limited and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2021, together with any public announcements made during the half-year.

Significant Accounting Policies

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2021, except as described below. The accounting policies included in the Group's last annual financial statements for the year ended 30 June 2021 are the relevant policies for the purposes of comparatives.

New or amended Accounting Standards and Interpretations adopted

There are no new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

NOTE 2 – INCOME	6 months to 31-Dec 2021	6 months to 31-Dec 2020
	\$	\$
Interest income	210	433
Serviced office space	-	2,500
Commonwealth Government COVID stimulus	-	10,500
TOTAL INCOME	210	13,433

NOTE 3 – CASH AND CASH EQUIVALENTS	31-Dec 2021	30-Jun 2021
	\$	\$
Cash at bank and on hand	2,301,609	3,070,983
Short-term deposit	20,254	20,163
	2,321,863	3,091,146

The effective interest rate on short term deposits at 31 December 2021 is 0.10% p.a (31 December 2020: 0.37% p.a). These deposits have a maturity term of 90 days.

NOTE 4 – EXPLORATION AND EVALUATION EXPENDITURE	31-Dec 2021	30-Jun 2021
	\$	\$
Exploration and evaluation phase at cost	5,747,693	5,135,581
	5,747,693	5,135,581

Movements in carrying values

Balance at the beginning of the period	5,135,581	4,428,706
Amounts capitalised during the period	612,112	3,102,859
Impairment expense during the period ¹	-	(2,395,984)
Balance at end of period	5,747,693	5,135,581

¹ An impairment charge of \$2,395,984 was recognised during the prior period (6 months ended 31 December 2020) to reflect the directors' assessment of the recoverable amount of the Company's NSW exploration and evaluation assets.

NOTE 5 – ISSUED CAPITAL**30 JUNE 2021****30-Jun 2021**

	No. shares	\$
Issued and paid up capital		
Fully paid ordinary shares	2,660,689,561	25,214,428
Movements in fully paid ordinary shares		
Balance as at 1 July 2020	1,486,320,878	19,233,786
Shares issued - Placement (15 September 2020)	100,000,000	479,600
Shares issued - Tranche 1 Placement (13 October 2020)	121,580,213	729,481
Shares issued - Vendor Shares (27 October 2020) ¹	100,000,000	700,000
Shares issued - Tranche 2 Placement (27 November 2020)	311,753,122	1,870,519
Shares issued - Consideration Shares (15 January 2021) ²	6,666,667	40,000
Shares issued - Rights Issue (12 May 2021)	532,137,912	2,660,689
Shares issued - in lieu of services (1 April 2021) ³	2,230,769	14,500
Cost of issuing shares	-	(514,147)
Balance as at 30 June 2021	2,660,689,561	25,214,428

31 DECEMBER 2021**31-Dec 2021**

	No. shares	\$
Issued and paid up capital		
Fully paid ordinary shares	2,660,813,905	25,215,547
Movements in fully paid ordinary shares		
Balance as at 1 July 2021	2,660,689,561	25,214,428
Shares issued - Exercise of options ⁴ (14 July 2021)	111,844	1,007
Shares issued - Exercise of options ⁴ (30 July 2021)	12,500	112
Balance as at 31 December 2021	2,660,813,905	25,215,547

¹ On 2 October 2020, 100,000,000 shares were issued as consideration for the Company's acquisition of Oz Gold.

² On 15 January 2021, 6,666,667 shares were issued as consideration for tenements E77/2540 and E77/2539.

³ On 1 April 2021, 2,230,769 shares were issued to a third-party as consideration for providing investor relations services to the Company.

⁴ Options exercised had an exercise price of \$0.009 and an expiry date of 31 October 2023.

NOTE 6 – SHARE BASED PAYMENTS

Unlisted Options and weighted average exercise prices are as follows for the reporting period presented:

	Number of Unlisted Options	Weighted average exercise price per Option (\$)
Outstanding at 1 July 2020	92,500,000	0.009
Granted ¹	7,500,000	0.010
Exercised	-	-
Forfeited	-	-
Outstanding at 31 December 2020	100,000,000	0.009
Outstanding at 1 July 2021	283,500,000	0.011
Granted ²	40,000,000	0.009
Exercised	-	-
Forfeited	-	-
Outstanding at 31 December 2021	323,500,000	0.010

¹ During the six months ended 31 December 2020, 7,500,000 Options (in aggregate) were granted to the Company's CEO at the time, Ian Warland, under the Company's Performance Rights and Share Option Plan. The options were exercisable at \$0.01 (1.0 cent) each on or before 30 June 2022. 2,500,000 vested immediately and 5,000,000 were to vest upon the satisfaction of vesting conditions relating to an announcement by the Company of various JORC resource targets related to gold. These Options were forfeited following his resignation as CEO effective 31 January 2021.

² On 15 June 2021, 20,000,000 unlisted options each were granted to the Company Secretary, Dale Hanna and the Company's Consultant Geologist under the Company's Performance Rights and Share Option Plan. The Options are exercisable at \$0.009 (0.9 cents) each on or before 31 October 2023. All Options vested on issue. The Options were issued on 17 July 2021.

Weighted average remaining contractual life of Options at 31 December 2021 is 0.99 years (31 December 2020: 2.05 years)

Six months to 31 December 2021Options granted during the period

There were no options granted during the current period.

Options exercised during the period

No options issued as remuneration or as payment for services provided to the Company, have been exercised during the half-year ended 31 December 2021 (31 December 2020: Nil), or as at the date of this report.

Options forfeited during the period

No options were forfeited during the six month period to 31 December 2021 (31 December 2020: Nil).

b) Performance Rights	31-Dec 2021	31-Dec 2020
	Number of Performance Rights	Number of Performance Rights
Balance at the beginning of the period	280,000,000	280,000,000
Granted during the period	-	-
Converted during the period	-	-
Forfeited/cancelled/expired during the period ¹	(140,000,000)	-
Balance at the end of the period	140,000,000	280,000,000

On 13 August 2018, a total of 400,000,000 Performance Rights (Rights) were granted to Nomad shareholders, at no cost, as part consideration for the acquisition of Nomad Explorations Pty Ltd (Nomad). The Nomad acquisition completed on 13 August 2018.

The Rights were granted in accordance with the Share Sale and Purchase Agreement (SSPA) for the Company's acquisition of Nomad and approved by Shareholders at the Extraordinary General Meeting (EGM) held on 27 July 2018.

During the period ending 31 December 2018, 120,000,000 Rights were converted into an equivalent number of shares in the Company, following the satisfaction of the conversion event.

¹ On 13 August 2021, the 140,000,000 Class A Rights expired.

Details of the remaining 140,000,000 Rights on issue at 31 December 2021, consist of:

Class	Issue Date	No. of Rights	Vesting Period	Expiry Date	Conversion Event
Class B	13 Aug 2018	140,000,000	18 months from date of issue	13 Aug 2023	The Company announcing to the ASX a mineral resource in either the inferred, indicated or measured category (reported in accordance with the JORC Code, 2012 Edition), on any of the tenements acquired as part of the acquisition of Nomad, of at least 10Mt at 750ppm cobalt with a 500ppm cut-off.

A Monte Carlo Simulation valuation method was used to determine the fair value of the Class A and Class B Rights. No Rights have been converted into fully paid ordinary shares during the period ended 31 December 2021, or as at the date of this report. 140,000,000 Rights have expired or been forfeited during the period ended 31 December 2021, or as at the date of this report. No amount has been included in the Statement of Profit or Loss and Other Comprehensive Income for the half year ended 31 December 2021 (31 December 2020: Nil).

NOTE 7 – OPERATING SEGMENTS**Segment Information**

The Directors have considered the requirements of AASB 8 - Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources have concluded at this time there are no separately identifiable segments.

NOTE 8 – CASH FLOW INFORMATION

	31-Dec 2021	31-Dec 2020
	\$	\$
Reconciliation of cash flows from operations with Loss after income tax		
Loss after income tax	(394,664)	(2,741,857)
Non cash flows included in loss;		
- Depreciation expense	4,557	1,818
- Share based payments – unlisted options	-	11,628
Other		
- Exploration expenditure expense reversed	(5,365)	-
- Impairment of exploration assets	-	2,395,984
Changes in assets and liabilities;		
- Increase in trade and other receivables	19,976	(87,437)
- Decrease in trade and other payables	(14,237)	(50,381)
-Increase /(Decrease) in provisions	(24,052)	22
Net cash used in operating activities	(413,785)	(470,223)

NOTE 9 - CONTINGENT LIABILITIES & COMMITMENTS

The Group did not have any contingent liabilities as at 31 December 2021 (31 December 2020: Nil). The Group has minimum expenditure commitments on exploration licences as per the terms of the exploration licences.

NOTE 10 – GOING CONCERN

The half-year financial report has been prepared on a going concern basis. The cashflow projections of the Group indicate that it will require additional capital for continued operations. The Group incurred a net loss for the period of \$394,664 (2020: loss of \$2,741,857) and operations were funded by a cash outlay of \$770,402 from operating and investing activities (2020: cash outlay of \$2,073,676).

The Group's ability to continue as a going concern is contingent on obtaining additional capital. If additional capital is not obtained, then going concern basis may not be appropriate, with the result that the Group may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business and at amounts different from those stated in the half-year financial report. No allowance for such circumstances has been made in the half-year financial report.

NOTE 11 – EVENTS SUBSEQUENT TO REPORTING DATE

Other than those contained within this report, there has been no other matter or circumstance that has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

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Directors' Declaration

The Directors of the Company declare that:

1. The Financial Statements and Notes, as set out on pages 14 to 24, are in accordance with the *Corporations Act 2001*, including:
 - a) complying with Accounting Standard AASB 134 Interim Financial Reporting, and
 - b) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Rohan Dalziell
Chairman

Perth
Dated this 3 March 2022

Independent Auditor's Review Report

To the Members of Twenty Seven Co. Limited

Report on the review of the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Twenty Seven Co. Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Twenty Seven Co. Limited does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the [name of entity's] financial position as at 31 December 2021 and of its performance for the half year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 10 in the financial report, which indicates that the Group incurred a net loss of \$394,664 during the half year ended 31 December 2021 and, as of that date, a cash outlay of \$770,402 from operating and investing activities. As stated in Note 10, these events or conditions, along with other matters as set forth in Note 10, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

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

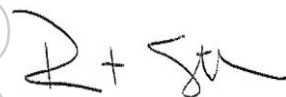
Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B P Steedman
Partner – Audit & Assurance

Perth, 3 March 2022