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ABN: 75 633 936 526

**AUSTRALIAN GOLD AND COPPER LIMITED
INTERIM FINANCIAL REPORT**

31 DECEMBER 2021

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CORPORATE DIRECTORY

DIRECTORS

Mr Glen Diemar	Managing Director
Mr David Richardson	Non-Executive Chairman
Mr Ranko Matic	Non-Executive Director

COMPANY SECRETARY

Mrs Andrea Betti

REGISTERED OFFICE & CONTACTS

Suite 7, 55 Hampden Road

NEDLANDS WA 6009

Ph: +61 8 9322 6009

Web: www.austgoldcopper.com.au

Securities Exchange Listing - ASX Code: AGC

ABN: 75 633 936 526

SOLICITORS

HopgoodGanim Lawyers

Level 8 Waterfront Place

1 Eagle Street

Brisbane QLD 4000

Ph: +61 7 3024 0000

Fax: +61 7 3024 0300

AUDITORS

RSM Australia Partners

Level 32, 2 The Esplanade

PERTH WA 6000

SHARE REGISTRY

Computershare Investor Service Pty Limited

Level 11, 172 St Georges Terrace

PERTH WA 6000

Ph: +61 8 9323 2048

Fax: +61 8 9323 2033

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DIRECTORS' REPORT

Your directors present their report, together with the half-year financial report on the Company, Australian Gold and Copper Limited at the end of, or during the half-year ended 31 December 2021.

DIRECTORS

The names of directors in office at any time during or since the end of the period are listed below. Directors have been in office during the whole of the financial half-year and up to the date of this report unless otherwise stated.

NAME OF PERSON	POSITION
Mr Glen Diemar	Managing Director
Mr David Richardson	Non-Executive Chairman
Mr Ranko Matic	Non-Executive Director

PRINCIPAL ACTIVITIES

During the financial half year, the principal activities of the Company consisted of mineral exploration.

REVIEW OF OPERATIONS

Operating result

The loss from continuing operations for the half year ended 31 December 2021 after providing for tax amounted to \$333,440 (31 December 2020: \$1,554,666).

Exploration

During the half year, the Company's three projects were explored.

Moorefield Project

The Moorefield project comprises two exploration licences covering 481.5km² (EL7675 'Moorefield' and EL8669 'Derriwong'). The project includes the 15km long Boxdale - Carlisle Reefs orogenic gold trend defined by strong surface geochemical anomalism and significant existing drill results.

During the reporting period, RC drilling and a ground magnetics survey was undertaken after a thorough review of historic data defined encouraging drill targets.

The style of gold deposits being explored are Orogenic gold deposits whereby gold has a strong correlation with arsenic and the gold mineralisation is hosted in brittle fractures in the rock. The fractures are cemented with quartz/carbonate and sulphides such as pyrite and arsenopyrite. This cementing process creates mineralised veins which host gold.

Such deposits include the World-class, multimillion ounce Victorian gold deposits, the biggest being Bendigo and Fosterville (Kirkland Lake Gold).

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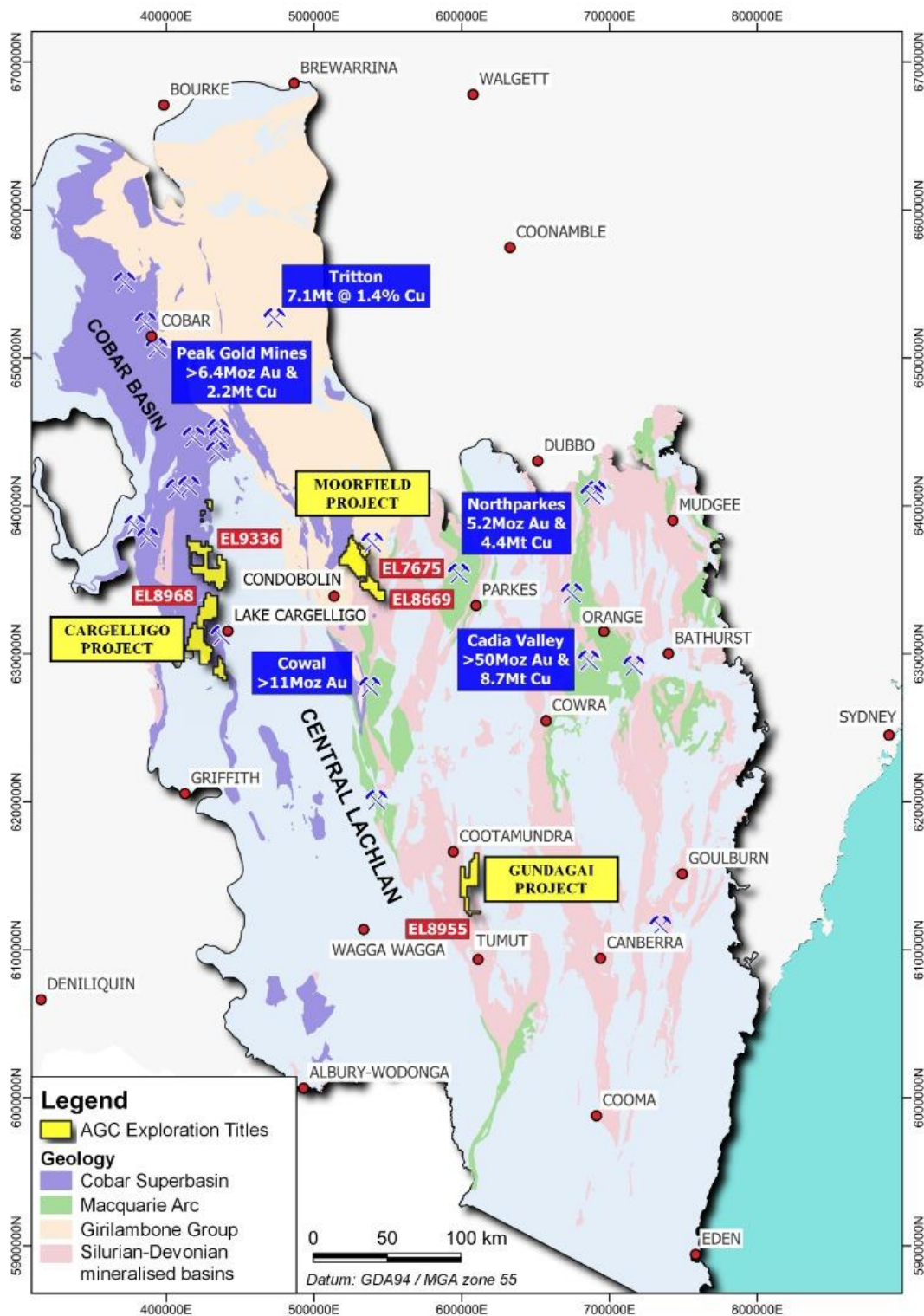


Figure 1: Location of the Cargelligo, Moorefield and Gundagai Projects in relation to major mines and deposits within the Lachlan Fold Belt, see p100 AGC ASX prospectus lodged 18th November 2020.

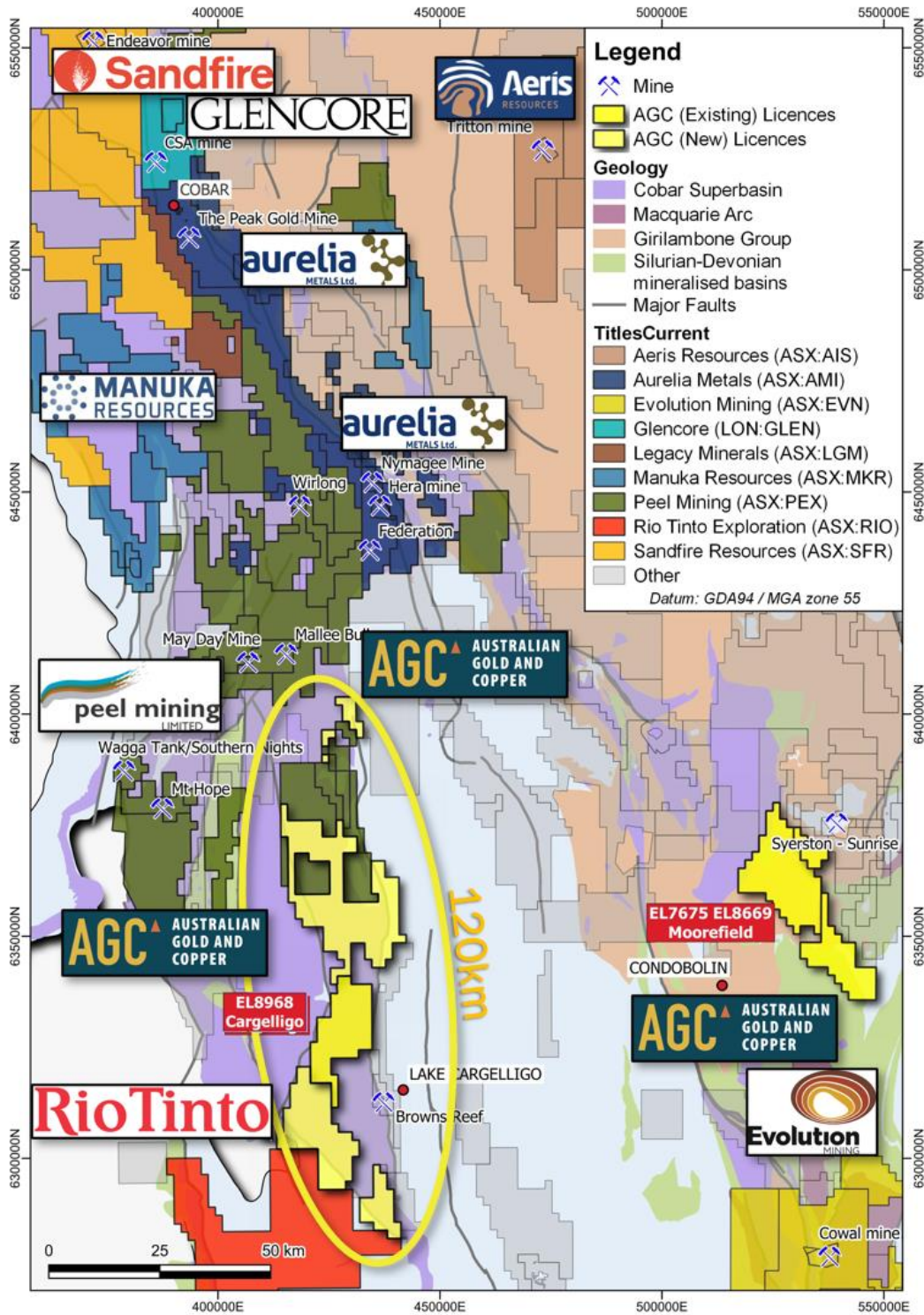


Figure 2: Map of the Cobar Basin showing the Company's Cargelligo and Moorefield Projects in yellow and the newly granted licence.

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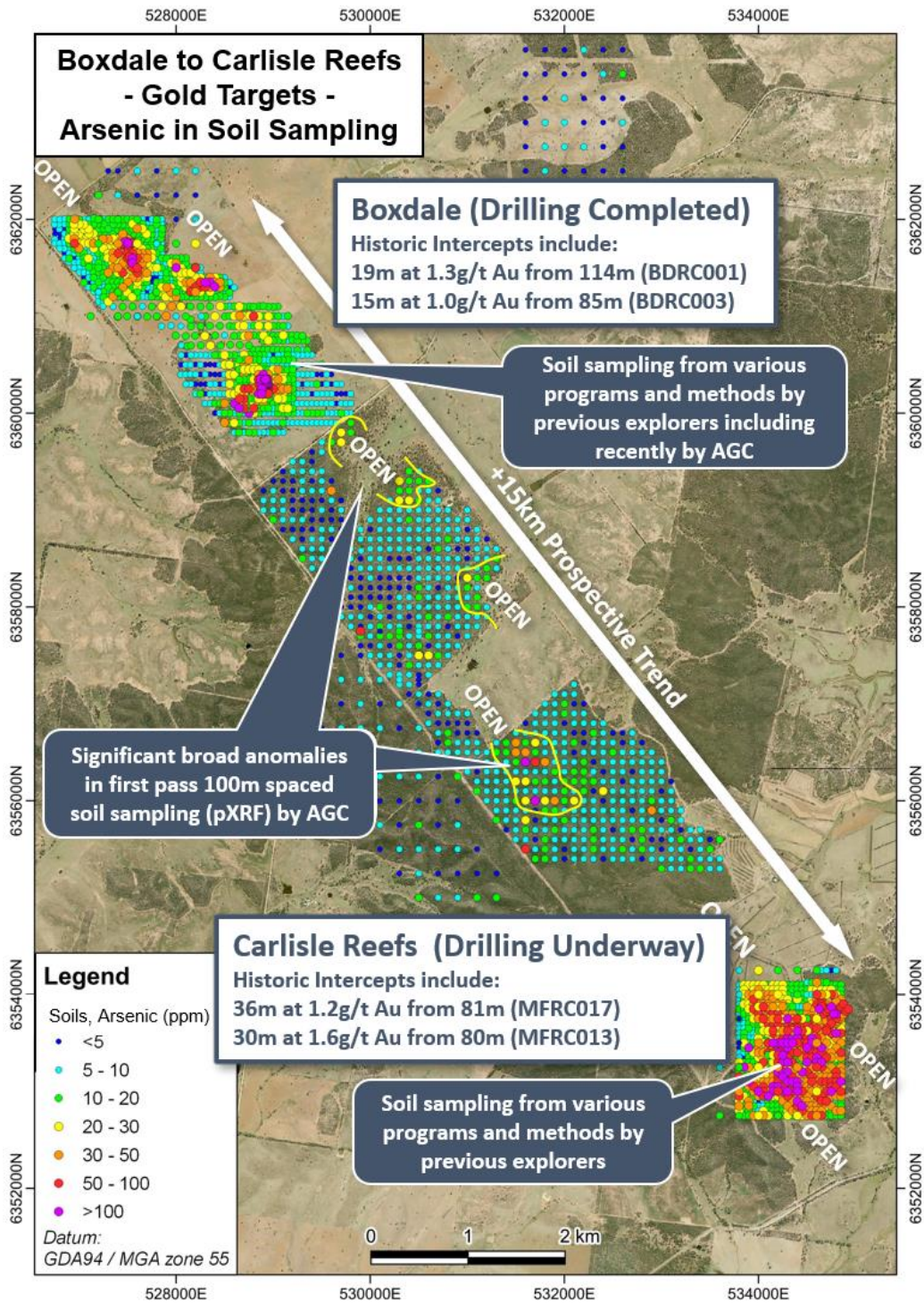


Figure 3: The +15km prospective trend from Boxdale to Carlisle Reefs (AGC IPO Prospectus 18 Nov 2020).

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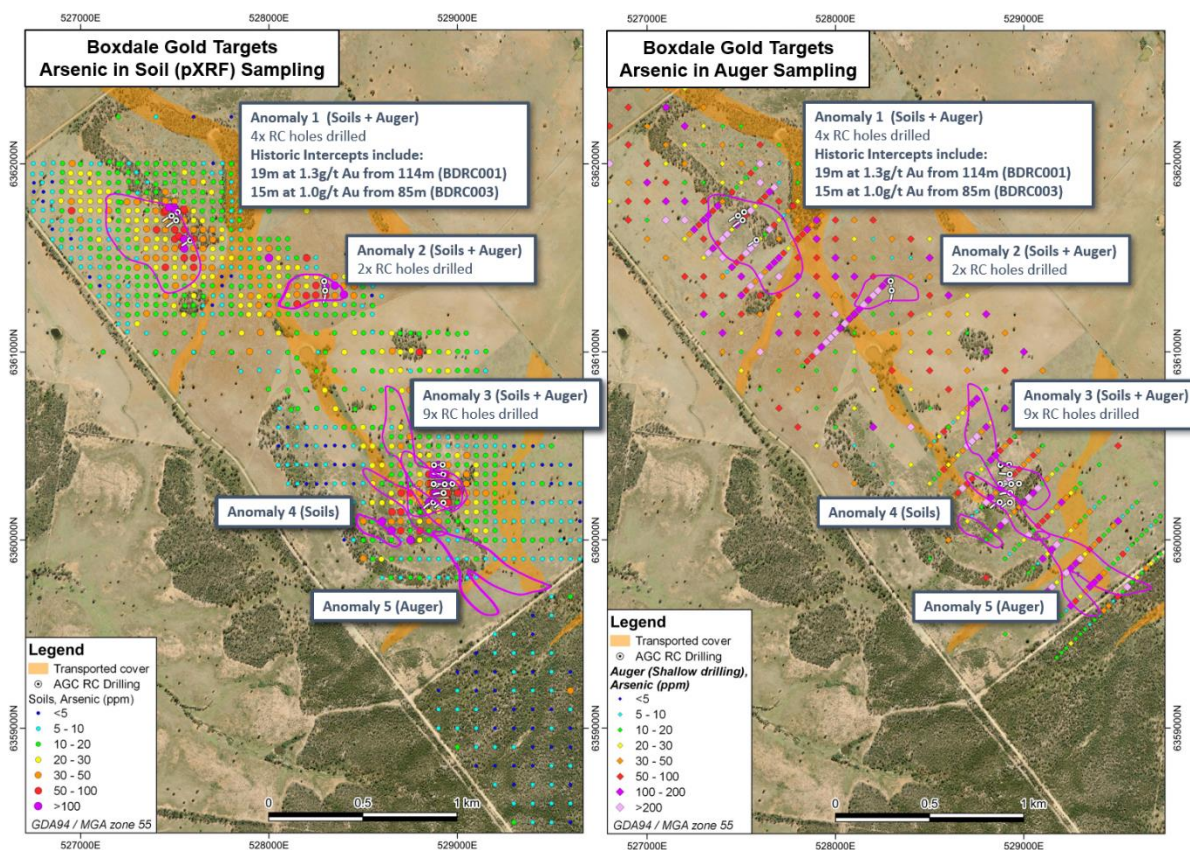


Figure 4: The Boxdale area showing prospective areas over soil sampling (left) and auger sampling (right) and the recently completed RC drill holes, assays pending.

Cargelligo Project

The Cargelligo project consists of two exploration licences (EL) covering 1,075km² (EL8968 'Cargelligo') and a new licence (EL9336 'Rast'), of 120km length north to south and centred 15km west of the town of Lake Cargelligo in NSW.

At Cargelligo, AGC is searching for large, high-grade Cobar-style copper-gold and base-metals deposits. The Hera gold/base-metals mine and recent Federation discovery are examples of modern Cobar style deposits discovered using lead pathfinders in pre discovery holes under lead in soils, (Cooper, 2017; McKinnon and Munroe 2019). To date, the Achilles and Mount B drill results are highly encouraging in comparison.

The new EL (EL9336 'Rast') granted during the half year expanded AGC's land holding in the Cobar Basin by 840km² to 1,075km². The new exploration license positions AGC with an enhanced portfolio of targets, within a short distance of other significant discoveries including Mallee Bull (20km), Federation (35km), Wirlong (43km), and along strike from the Hera Mine (45km).

During the reporting period, an aeromagnetic and radiometric survey was flown over the Cargelligo licence as well as further RC drilling at Achilles across 12 holes (2,821m) was completed and a single diamond drill hole to 546m depth (refer ASX Announcement Achilles Phase 2 Drilling Identifies Copper Zone 20 August 21).

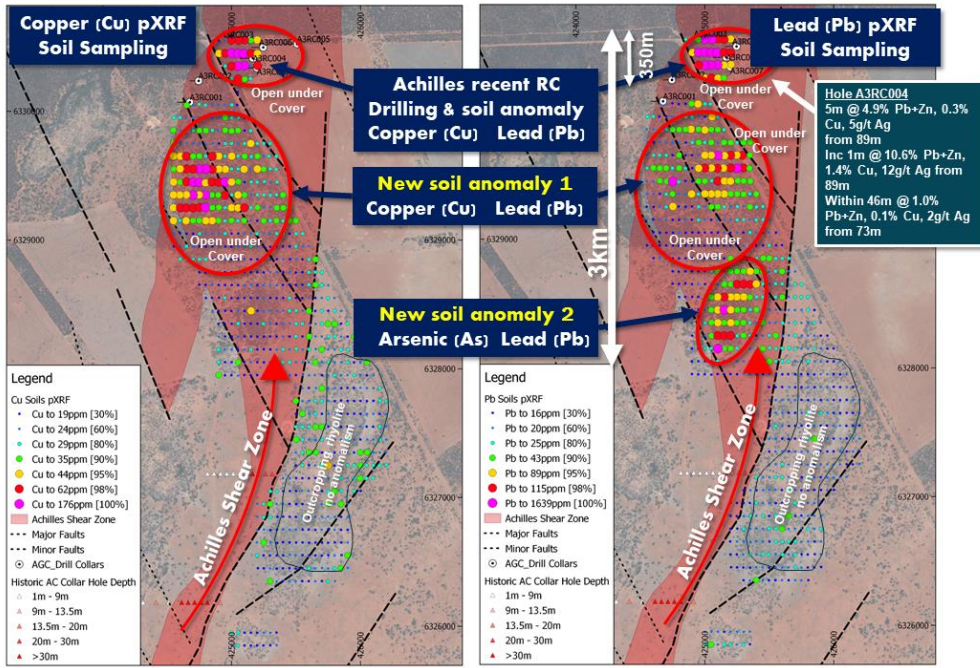


Figure 5: Satellite images of Achilles with copper (left) and lead (right) pXRF soil results showing their prominent locations along the Achilles shear zone. Structural mapping and interpretation demonstrate the 3km strike of anomalies are controlled by splay faults off the primary fault.

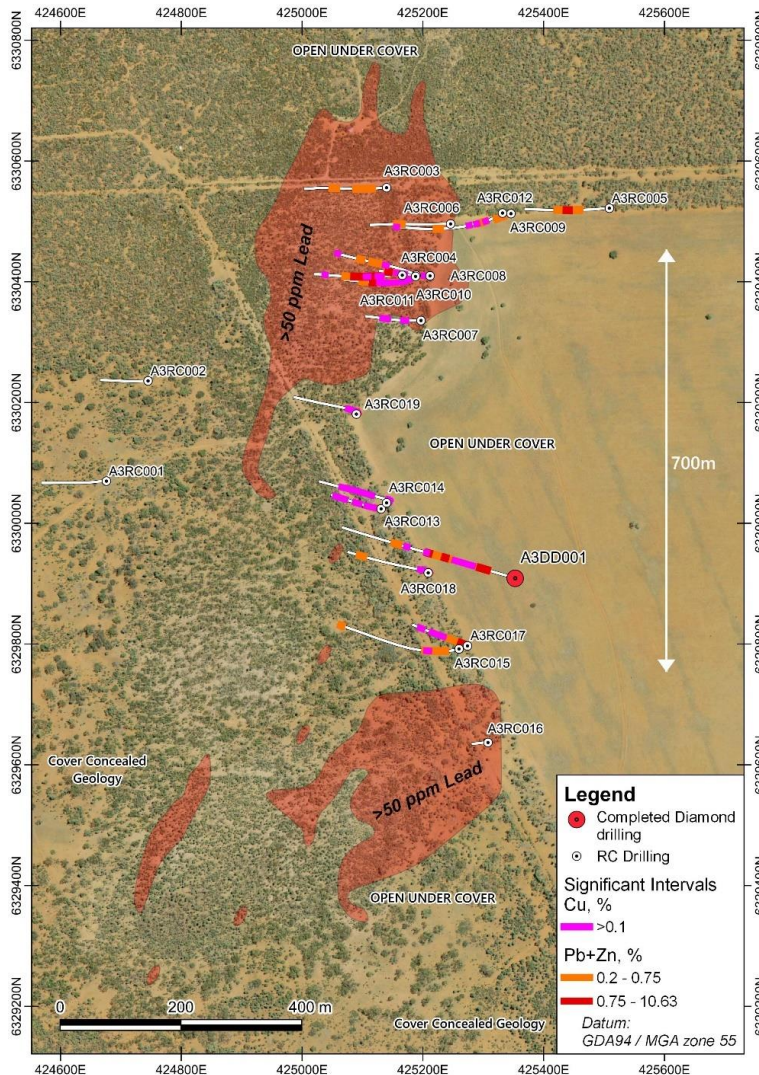


Figure 6: Achilles map showing drill collars and traces drilling underneath a >50ppm lead in soil anomaly) which continues south along the hills and fades underneath the transported cover to the east.

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DIRECTORS' REPORT

Gundagai Project

The Gundagai project consists of an exploration licence covering 265km² (EL8955 'Gundagai') and comprises multiple drill ready prospects considered prospective for McPhillamys-style gold (e.g. Grandview), epithermal gold-copper (e.g. Rosehill) and large-tonnage zinc-lead-silver prospects (e.g. Bongongalong).

Gold prospects show similarities to the Late Silurian hosted McPhillamys 2.3Moz Gold Deposit (ASX:RRL). The drill ready Grandview Gold Prospect is characterised by a zone of sheared quartz-sericite-carbonate-pyrite altered volcanics returning up to 35g/t Au in composite rockchips and represents a near term high-grade gold discovery opportunity.

During the period, drill planning was undertaken.

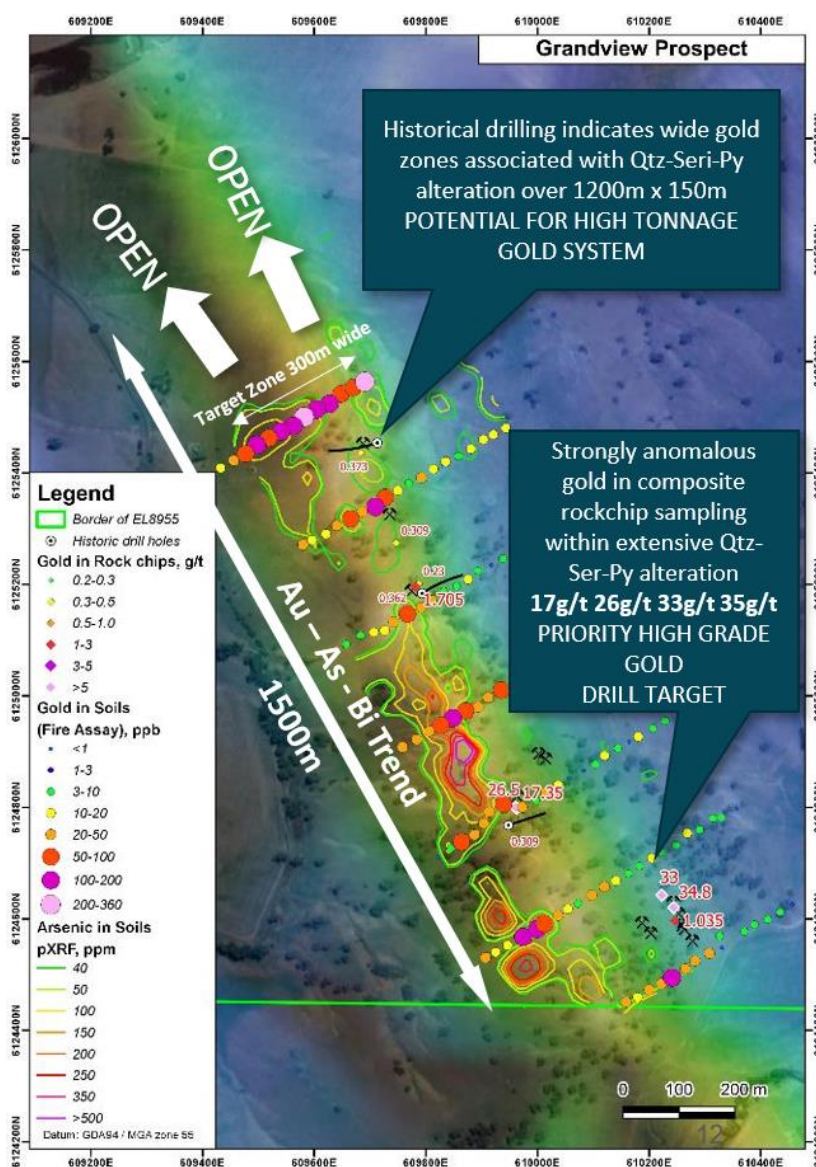


Figure 7: Grandview gold target at Gundagai to be drilled in 2022.

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DIRECTORS' REPORT

EVENTS AFTER THE REPORTING DATE

Exploration

On 21 January 2022, the Company announced it had completed the RC drilling at the Boxdale target, with 1,560m drilled across fifteen holes.

On 7 February 2022, the Company announced it had completed drilling at the Carlisle Reefs target, with 1,070m drilled across nine holes.

On 2 March 2022, the Company announced new surface gold intersected along the 15km Boxdale-Carlisle Trend.

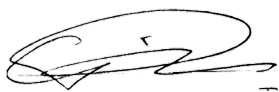
Whilst exploration activities have been able to continue, the impact of the Coronavirus (COVID-19) pandemic is ongoing. It is not practical to estimate the potential impact, positive or negative, after the reporting date. The situation is continually developing and is dependent on measures imposed by Australian Governments, and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and economic stimulus that may be provided.

The directors are not aware of any other matters or circumstances that have arisen since the end of the financial year, which significantly affected or may significantly affect the operations of the Company the results of those operations, or the state of affairs of the Company in future financial years.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditors' Independence declaration as required under section 307C of the *Corporations Act 2001* is included within this half-year financial report.

This directors' report is signed in accordance with a resolution of the Board of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.



Glen Diemar
Managing Director

Date: 4 March 2022
Perth

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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

	Notes	31 December 2021 \$	31 December 2020 \$
Interest income		5,654	-
Other income		27,010	-
Total income		32,664	-
Accounting and company secretary fees		(71,083)	-
Audit fees		(9,056)	(5,210)
Depreciation		(12,063)	-
Directors' fees		(96,874)	(52,890)
Exploration and project assessments		(24,330)	-
Share based payments	7	(5,640)	(1,325,000)
Employee benefit expense		(25,104)	-
Regulatory fees		(37,986)	(10,033)
Other expenses		(83,968)	(161,533)
Loss before income tax		(333,440)	(1,554,666)
Income tax expense		-	-
Loss for the period		(333,440)	(1,554,666)
Other comprehensive income		-	-
Total comprehensive loss for the period		(333,440)	(1,554,666)
Loss per share			
- Basic and diluted loss per share (cents)	11	(0.33)	(409)

The accompanying notes form part of this financial report.

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

	Notes	31 December 2021 \$	30 June 2021 \$
ASSETS			
Current assets			
Cash and cash equivalents	2	5,455,340	7,236,269
Trade and other receivables		-	768
Other assets	3(a)	8,209	50,278
Total current assets		5,463,549	7,287,315
Non-current assets			
Property, plant and equipment		97,672	109,735
Exploration and evaluation	4	12,470,653	11,064,459
Other assets	3(b)	43,000	30,000
Total non-current assets		12,611,325	11,204,194
Total assets		18,074,874	18,491,509
LIABILITIES			
Current liabilities			
Trade and other payables	5	106,179	213,641
Provisions		38,155	19,528
Total current liabilities		144,334	233,169
Total liabilities		144,334	233,169
Net assets		17,930,540	18,258,340
EQUITY			
Issued capital	6	18,720,731	18,720,731
Reserves	8	1,564,547	1,558,907
Accumulated losses		(2,354,738)	(2,021,298)
Total equity		17,930,540	18,258,340

The accompanying notes form part of this financial report.

**STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**



	Issued capital \$	Share based payment reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2021	18,720,731	1,558,907	(2,021,298)	18,258,340
Loss for the period	-	-	(333,440)	(333,440)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	(333,440)	(333,440)
Transactions with owners in their capacity as owners				
Share based payments	-	5,640	-	5,640
Balance at 31 December 2021	18,720,731	1,564,547	(2,354,738)	17,930,540

	Issued capital \$	Share based payment reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2020	-	-	(7,000)	(7,000)
Loss for the period	-	-	(1,554,666)	(1,554,666)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	(1,554,666)	(1,554,666)
Transactions with owners in their capacity as owners				
Issue of capital	10,000,000	-	-	10,000,000
Share issue costs	(52,061)	-	-	(52,061)
Share based payments	-	1,554,250	-	1,554,250
Balance at 31 December 2020	9,947,939	1,554,250	(1,561,666)	9,940,523

The accompanying notes form part of this financial report.

**STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

Notes	31 December 2021	31 December 2020
	\$	\$
Cash flows from operating activities		
Interest received	6,422	-
Other income	27,010	-
Payments to suppliers and employees	(293,957)	-
Net cash outflow from operating activities	(260,525)	-
Cash flows from investing activities		
Purchase of bonds	(13,000)	-
Payments for exploration and evaluation	(1,507,404)	-
Net cash outflow from investing activities	(1,520,404)	-
Cash flows from financing activities		
Proceeds from issue of shares	-	7,976,625
Share issue costs paid	-	-
Net cash inflow from financing activities	-	7,976,625
Net (decrease)/ increase in cash held	(1,780,929)	7,976,625
Cash at the beginning of the financial period	7,236,269	-
Cash at the end of the financial period	5,455,340	7,976,625

The accompanying notes form part of this financial report.

1. Summary of significant accounting policies

Basis of preparation

The half-year financial report is a general purpose financial report that have been prepared in accordance with *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Accounting Standard 34 *Interim Financial Reporting*.

The half-year financial report does not include full disclosures of the type normally included in an annual financial report. It is recommended that this half-year financial report be read in conjunction with the annual financial report for the period ended 30 June 2021 and any public announcements made by Australian Gold and Copper Limited during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New and revised accounting standards and interpretations

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021 (continued)**



	31 Dec 2021 \$	30 June 2021 \$
2. Cash and cash equivalents		
Cash at bank	5,455,340	7,236,269

	31 Dec 2021 \$	30 June 2021 \$
3. Other assets		
(a) Current		
Prepayments	8,209	50,278
(b) Non-current		
Security bonds	43,000	30,000
	<u>51,209</u>	<u>80,278</u>

	31 Dec 2021 \$	30 June 2021 \$
4. Exploration and evaluation		
Opening balance	11,064,459	-
Acquisitions during the period(i)	-	10,000,000
Expenditure incurred during the period	1,406,194	1,064,459
Closing balance	<u>12,470,653</u>	<u>11,064,459</u>

- (i) The Company held four projects (Moorefield, Gundagai and Cargelligo) located in the Central Lachlan, New South Wales. During the 30 June 2021 financial year, the Company entered into agreements to acquire the Projects from Modelling Resources Pty Ltd (MR) (a wholly owned subsidiary Magmatic Resources Ltd (ASX:MAG)), the original parent company of Australia Gold and Copper Limited, and New South Resources Pty Ltd (NSR), an unrelated entity. As consideration for these projects, Magmatic Resources Ltd received 29,999,999 fully paid ordinary shares in the Company at a deemed issue price of \$0.20 and NSW received 20,000,000 fully paid ordinary shares in the Company at a deemed issue price of \$0.20.

	31 Dec 2021 \$	30 June 2021 \$
5. Trade and other payables		
Trade creditors	89,201	178,503
Accrued expenses	16,978	35,138
	<u>106,179</u>	<u>213,641</u>

	31 Dec 2021 No. of shares	30 June 2021 No. of shares	31 Dec 2021 \$	30 June 2021 \$
6. Issued capital				
Ordinary shares – fully paid	100,000,000	100,000,000	18,720,731	18,720,731

Ordinary shares

	No. of shares	Issue price \$	\$
Date			
At the beginning of the reporting period	<u>100,000,00</u>	\$	<u>18,720,731</u>
At the end of the reporting period	<u>100,000,00</u>	\$	<u>18,720,731</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021 (continued)**



	31 Dec 2021 \$	31 Dec 2020 \$
7. Share based payment transactions		
Options – recognised in equity (share issue costs)	-	229,250
Options – recognised as a share based payment expense(i)	5,640	1,325,000
	<u>5,640</u>	<u>1,554,250</u>

(i) The expense realised in respect to the options is intended to reflect the best available estimate of the number of options expected to vest. The expense of \$5,640 recognised, is in relation to options that were granted in previous periods that are expensed over the vesting period.

	31 Dec 2021 \$	30 June 2021 \$
8. Reserves		
Reserves		
Share based payments reserve	1,564,547	1,558,907
	<u>1,564,547</u>	<u>1,558,907</u>
Movements		
Balance at beginning of period	1,558,907	-
Share based payments expense for the period	5,640	1,329,657
Share based payments recognised in equity as share issue costs	-	229,250
Balance at end of period	<u>1,564,547</u>	<u>1,558,907</u>

9. Related party transactions

During the period, Consilium Corporate Pty Ltd, a Company that Mr. Ranko Matic is a director, invoiced the Company \$67,083 for CFO and Corporate Secretarial Fees. As at 31 December 2021, the amount owing to Consilium Corporate was nil.

10. Commitments for expenditure

Exploration and evaluation

The Company is required to maintain current rights of tenure to tenements, which require outlays of expenditure in future financial periods. Under certain circumstances, these commitments are subject to the possibility of adjustment to the amount and/or timing of such obligations, however they are expected to be fulfilled in the normal course of operations.

	31 Dec 2021 \$	30 June 2021 \$
The Company has tenement rental and expenditure commitments payable of:		
- Not later than 12 months	510,000	480,000
- Between 12 months and 5 years	720,000	890,000
- More than 5 years	-	100,000
	<u>1,230,000</u>	<u>1,470,000</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021 (continued)**



	31 Dec 2021	31 Dec 2020
	\$	\$
11. Earnings per share		
Loss after income tax	(333,440)	(1,554,666)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	100,000,000	380,436
Basic and diluted loss per share (cents)	(0.33)	(409)

12. Events after the reporting date

Exploration

On 21 January 2022, the Company announced it had completed the RC drilling at the Boxdale target, with 1,560m drilled across fifteen holes.

On 7 February 2022, the Company announced it had completed drilling at the Carlisle Reefs target, with 1,070m drilled across nine holes.

On 2 March 2022, the Company announced new surface gold intersected along the 15km Boxdale-Carlisle Trend.

Whilst exploration activities have been able to continue, the impact of the Coronavirus (COVID-19) pandemic is ongoing. It is not practical to estimate the potential impact, positive or negative, after the reporting date. The situation is continually developing and is dependent on measures imposed by Australian Governments, and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and economic stimulus that may be provided.

The directors are not aware of any other matters or circumstances that have arisen since the end of the financial year, which significantly affected or may significantly affect the operations of the Company the results of those operations, or the state of affairs of the Company in future financial years.

13. Contingent assets and liabilities

The Company had no contingent assets and no contingent liabilities as at 31 December 2021 (30 June 2021: Nil).

14. Company details

The registered office and principal place of business is:

Suite 7, 55 Hampden Road
Nedlands WA 6009
Telephone: +61 8 9322 6009
Email: info@austgoldcopper.com.au

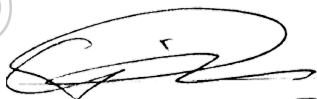
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In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Glen Diemar
Managing Director

Date: 4 March 2022

Perth

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RSM Australia Partners

Level 32 Exchange Tower, 2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9111

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Australian Gold and Copper Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 4 March 2022

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RSM Australia Partners

Level 32 Exchange Tower, 2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100

F +61 (0) 8 9261 9111

www.rsm.com.au

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
AUSTRALIAN GOLD AND COPPER LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Australian Gold and Copper Limited which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 company'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*. As the auditor of Australian Gold and Copper Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Australian Gold and Copper Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Australian Gold and Copper Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company'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 *Corporations Regulations 2001*.

RSM

RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 4 March 2022

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