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**CULPEO**  
**MINERALS**

**ABN 72 627 735 531**

**Half-Year Financial Report**  
**for the half-year ended 31 December 2021**

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## CORPORATE DIRECTORY

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Culpeo Minerals Limited is an Australian listed company focused on the acquisition, exploration and development of commercially significant resource projects in Chile, with a focus on copper. For more details visit [www.culpeominerals.com.au](http://www.culpeominerals.com.au).

### **DIRECTORS**

Mr Geoffrey McNamara  
(Non-Executive Chairman)

Mr Maxwell Tuesley  
(Managing Director)

Mr Zeffron Reeves  
(Non-Executive Director)

Mr Paul Schmiede  
(Non-Executive Director)

### **JOINT COMPANY SECRETARIES**

Ms Shannon Coates  
Ms Sarah Wilson

### **REGISTERED OFFICE**

Suite 5  
62 Ord Street  
WEST PERTH WA 6005

### **AUDITORS**

RSM Australia Partners  
Level 32 Exchange Tower  
2 The Esplanade  
PERTH WA 6000

### **SHARE REGISTRAR**

Computershare Investor Services Pty Ltd  
Level 11, 172 St Georges Terrace  
PERTH WA 6000  
Telephone: (08) 9323 2000  
Website: [www.computershare.com.au](http://www.computershare.com.au)

### **SECURITIES EXCHANGE LISTING**

Australian Securities Exchange Limited  
(Home Exchange: PERTH, Western Australia)  
Code: CPO

The Directors present their report, together with the financial statements, of the consolidated entity (referred to hereafter as the "consolidated entity" or the "Group") consisting of Culpeo Minerals Limited (referred to hereafter as the "Company", "Culpeo" or "parent entity") and the entities it controlled at the end of, or during the half-year ended 31 December 2021.

#### **Directors**

The following persons were Directors of Culpeo Minerals Limited who held office during or since the end of the half-year and until the date of this report are as below. Directors were in office for this entire period.

Mr Geoffrey McNamara	Non-Executive Chairman
Mr Maxwell Tuesley	Managing Director
Mr Zeffron Reeves	Non-Executive Director
Mr Paul Schmiede	Non-Executive Director

#### **Principal activities**

The principal activities of the Company and its subsidiaries are the acquisition, exploration and development of commercially significant resource projects in Chile, with a focus on copper.

#### **Operating results**

The loss, after tax, attributable to the Group for the financial half-year ended 31 December 2021, amounted to \$1,175,744 (2020: \$526,223).

## REVIEW OF OPERATIONS

### Overview

Culpeo Minerals Limited is a copper exploration and development company whose interests are focused in Chile, the world's largest copper producing country (Figure 1). The Company is focussed on the exploration of potential high grade copper systems in the coastal Cordillera region.

Culpeo's key activities during the half-year period ended 31 December 2021 have been the completion of the Initial Public Offering (IPO) in the Company to the Australian Securities Exchange (ASX), the subsequent listing on the ASX and exploration programs at both the Las Petacas Project (Las Petacas) and the Quelon Project (Quelon).



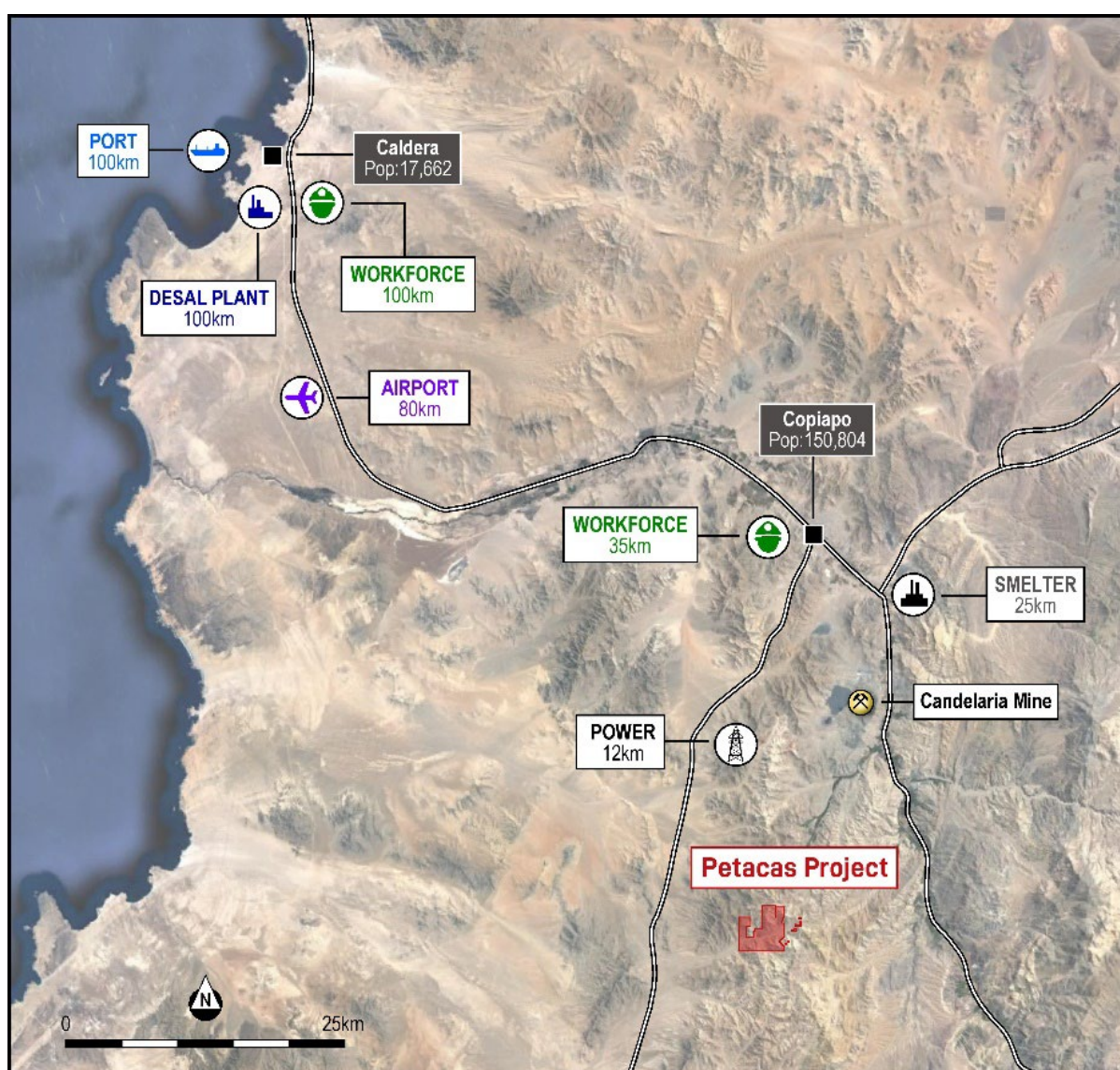
Figure 1 - Location of Culpeo Minerals Projects in Chile.

### Initial Public Offering (IPO)

During the period, the Company commenced trading on the ASX under the code 'CPO' after successfully raising \$6 million (before costs) via an IPO. Budgeted funds have been focused on an initial 3,000m diamond drilling program at Las Petacas and high-resolution geophysical surveys at both Las Petacas and Quelon.

### Las Petacas Project

Las Petacas is located near the city of Copiapo, in the Atacama Region of Chile, approximately 760km north of Santiago, the capital of Chile, and approximately 55km east of the Pacific Ocean coast (Figure 2). Access to Las Petacas is via an unsealed secondary road in good condition, approximately 10km from the main national highway.



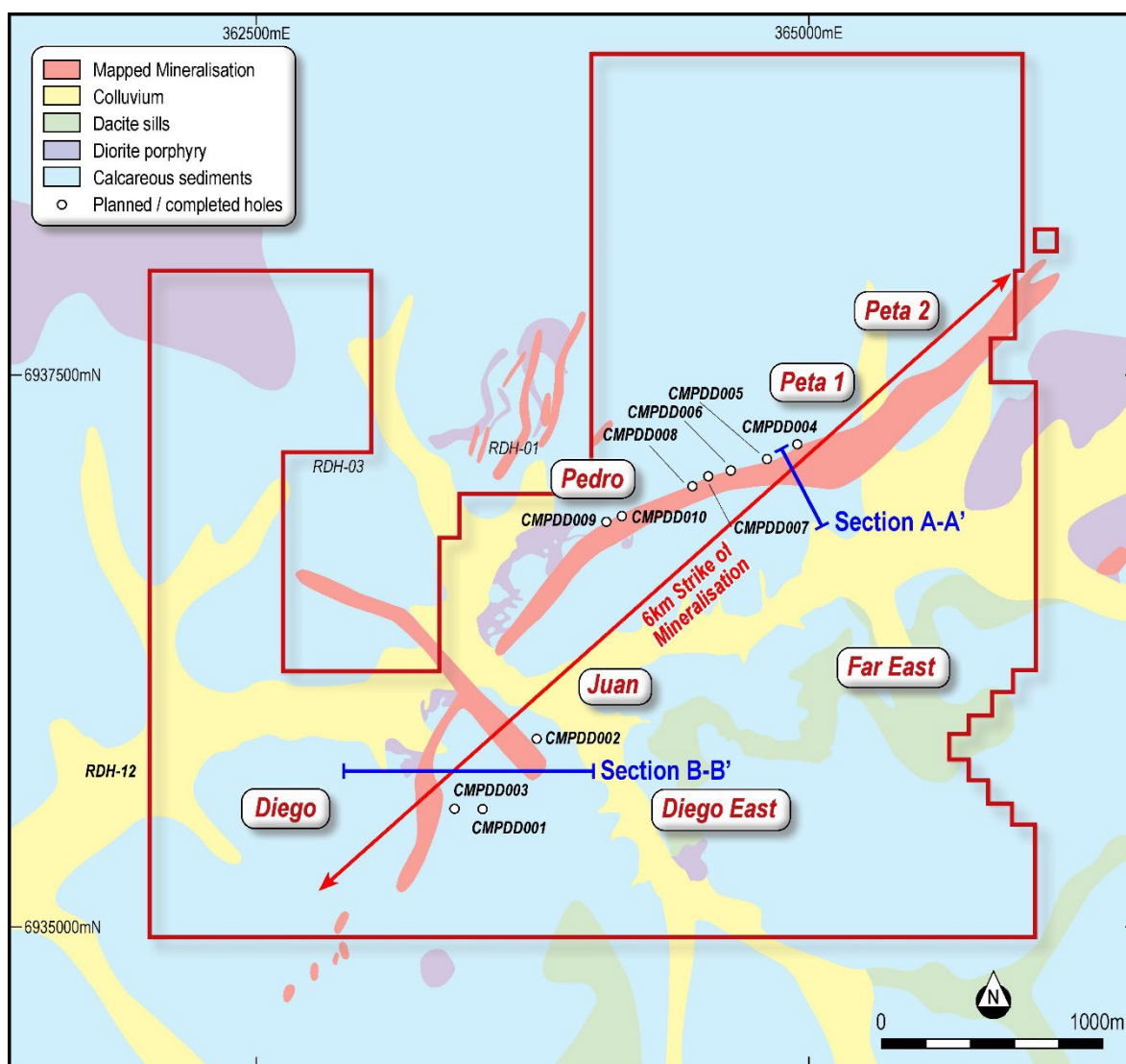
**Figure 2 - Location of Las Petacas and Proximity to Infrastructure.**

Las Petacas lies approximately 20km south south-west of the world-class Candelaria Iron Oxide Copper Gold (IOCG) deposit and within a well-recognised IOCG belt along the Atacama Fault zone.

Culpeo commenced an initial 3,000m diamond drilling program (Figure 3) at Las Petacas on 17 September 2021. The drilling program was designed to test zones of known high-grade copper mineralisation and recently defined, high priority geophysical targets.

Historic work at Las Petacas produced high quality mapping and surface geochemical targets and >17 km of drilling has to date identified five highly prospective areas. Significant historical intercepts include (refer the Company's Prospectus dated 23 June 2021):

- 6m at 1.26% copper from 20 m in hole RCP-16 (no gold assays)
- 6m at 2.34% copper from 140 m in hole RDH-17 (no gold assays)
- 26m at 1.24% copper and 0.17 g/t gold from 178m in hole DDH-19
- 66m at 0.31% copper and 0.52 g/t gold from 58m in hole DDH-16



**Figure 3 – Plan View of Las Petacas Project Showing Recent Drillhole Locations.**

The drilling program at Las Petacas has confirmed the presence of copper mineralisation (Figure 4) over a strike length of >500m within the >6km mineralised trend. Assay results are particularly significant at Peta 1 Prospect where mineralisation remains open at depth and along strike.

During the reporting period, eight diamond drillholes totalling approximately 2,740m were drilled at Las Petacas, with five holes completed on the Peta 1 Prospect and three holes at the Diego Prospect targeting geophysical anomalies

At the end of the reporting period, assay results had been received for two holes, returning encouraging copper and gold results including:

**Drillhole - CMPDD003**

- 3.5m @ 0.74% Cu and 0.55g/t Au from 71.5m
- 3.5m @ 0.43% Cu and 0.25g/t Au from 79.5m
- 1.0m @ 1.00% Cu and 0.10g/t Au from 324.2m

**Drillhole - CMPDD004**

- 21m @ 0.41% Cu and 0.10g/t Au from 41m
- 5m @ 0.49% Cu and 0.03g/t Au from 68m
- 11m @ 0.32% Cu and 0.02g/t Au from 85m
- 37m @ 0.23% Cu and 0.02g/t Au from 99m
- 20m @ 0.23% Cu and 0.01g/t Au from 168m

(see ASX Announcement dated 17 December 2021)



**Figure 4: Visual Copper Mineralisation (malachite and chrysocolla) Intersected in Drillhole CMPDD006 at 16m Downhole.**

The visible mineralisation is based solely on a visual inspection and has not been assayed.



### Peta 1 Prospect Drilling

To date all holes have intercepted broad visible copper mineralisation present as copper oxide and sulphide minerals with drilling at the Peta 1 Prospect confirming visual copper mineralisation over a strike length of 500m and up to 200m deep (refer Figure 5).

The drillholes at the Peta 1 Prospect have intercepted skarn-style breccias with elevated copper grades consistently over the length of the drillhole. Dacite intrusive rocks are intimately associated with the skarn alteration and exhibit strong stock-work mineralisation with visible sulphides.

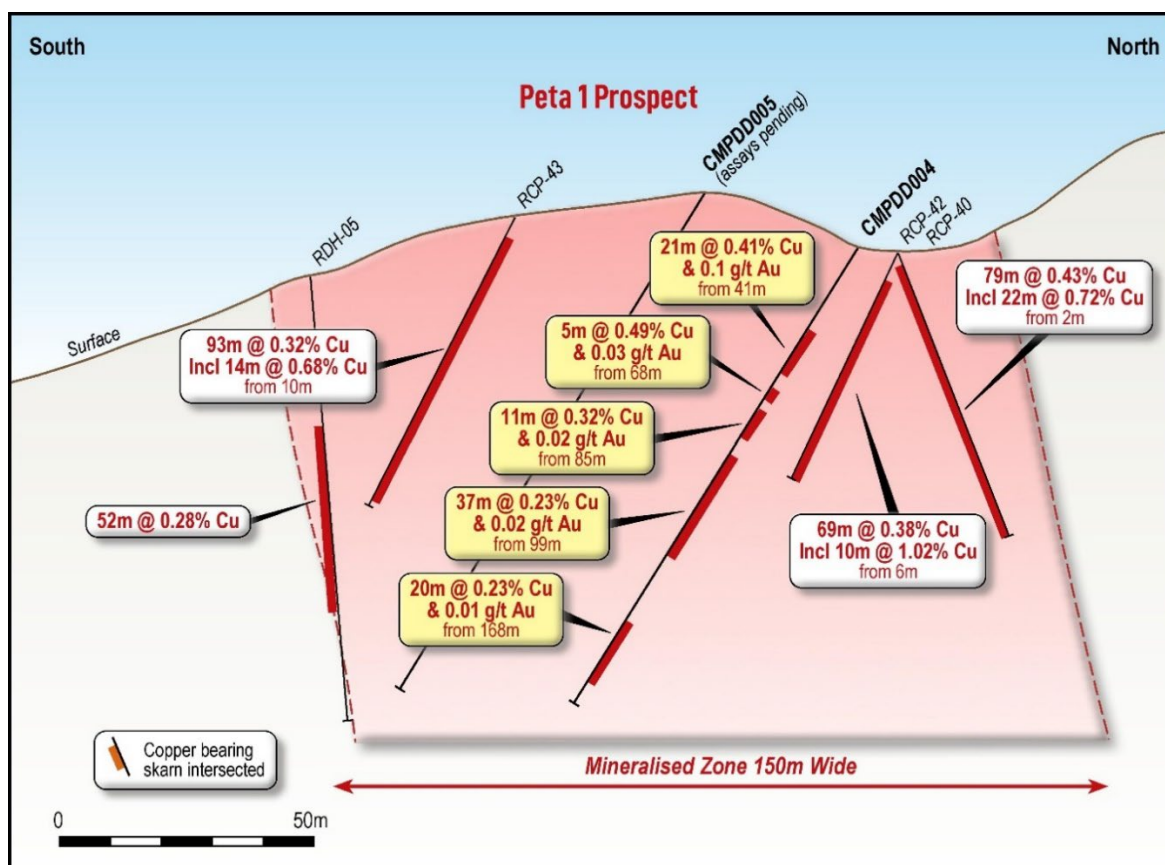


Figure 5: Peta 1 Prospect Cross – Section (A-A') Looking West, Section Window +/- 100 metres<sup>1</sup>.

### Diego Prospect Drilling

The drillhole CMPDD003 at the Diego Prospect intersected numerous skarn and breccia style mineralised intervals (Figure 6), associated with dacitic intrusives and encouragingly, the gold to copper ratio was higher than expected. This data will be incorporated into the geological model for the prospect and will allow Culpeo to vector in on key controlling mineralised structures and more importantly, wider and higher-grade zones of copper and gold mineralisation.

The recently completed detailed ground magnetic survey at the Diego Prospect (Figure 7) has identified two additional untested copper targets which have IOCG characteristics.

Planning is underway to test these new targets and final collar positioning will be subject to the completion of modelling of this ground magnetic data and the integration of the induced polarisation survey data completed over the prospect.

<sup>1</sup>For further details on previous drilling assay results, refer to Culpeo Minerals Limited Prospectus dated 23 June 2021.

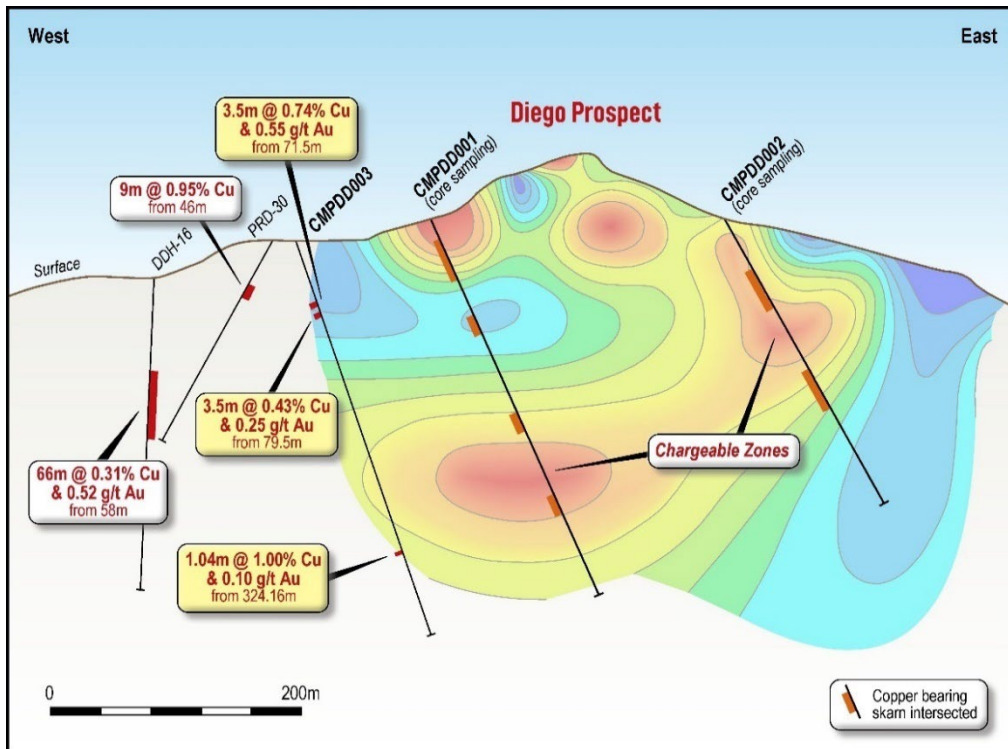
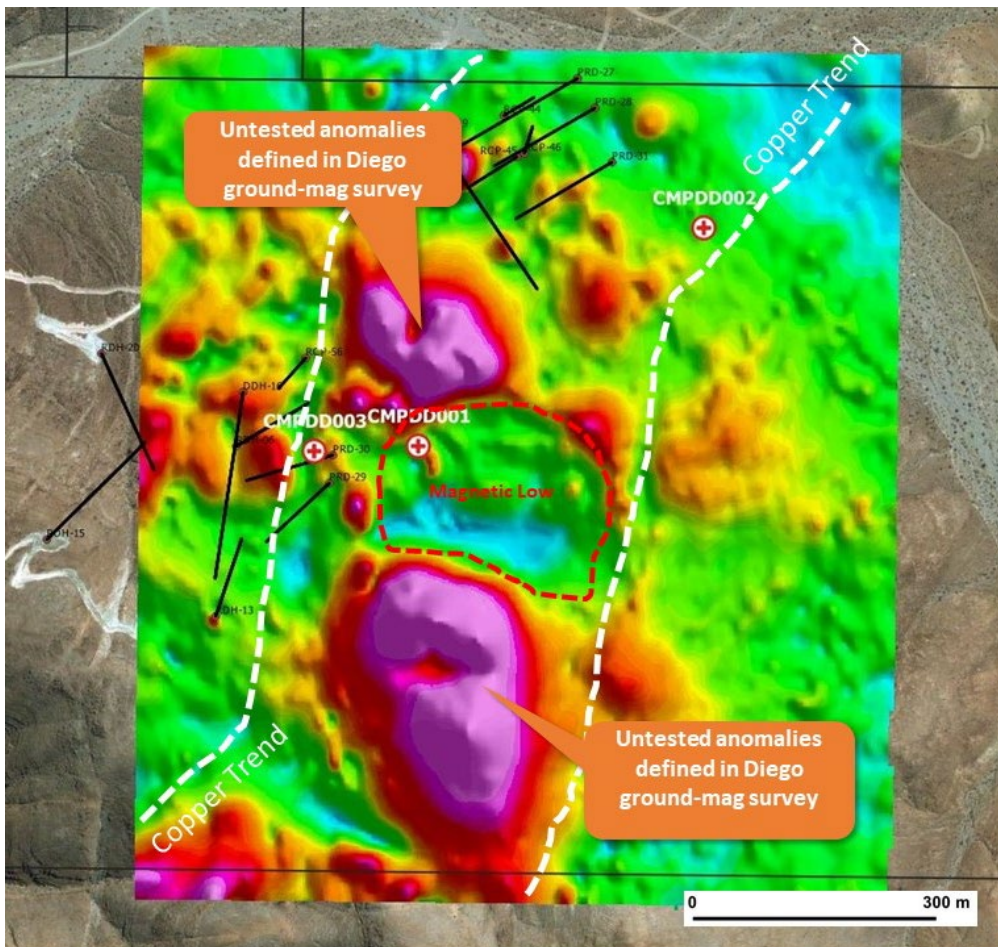


Figure 6: Diego Prospect Cross – Section (B-B') Looking North, Section Window +/- 200 metres<sup>1</sup>.



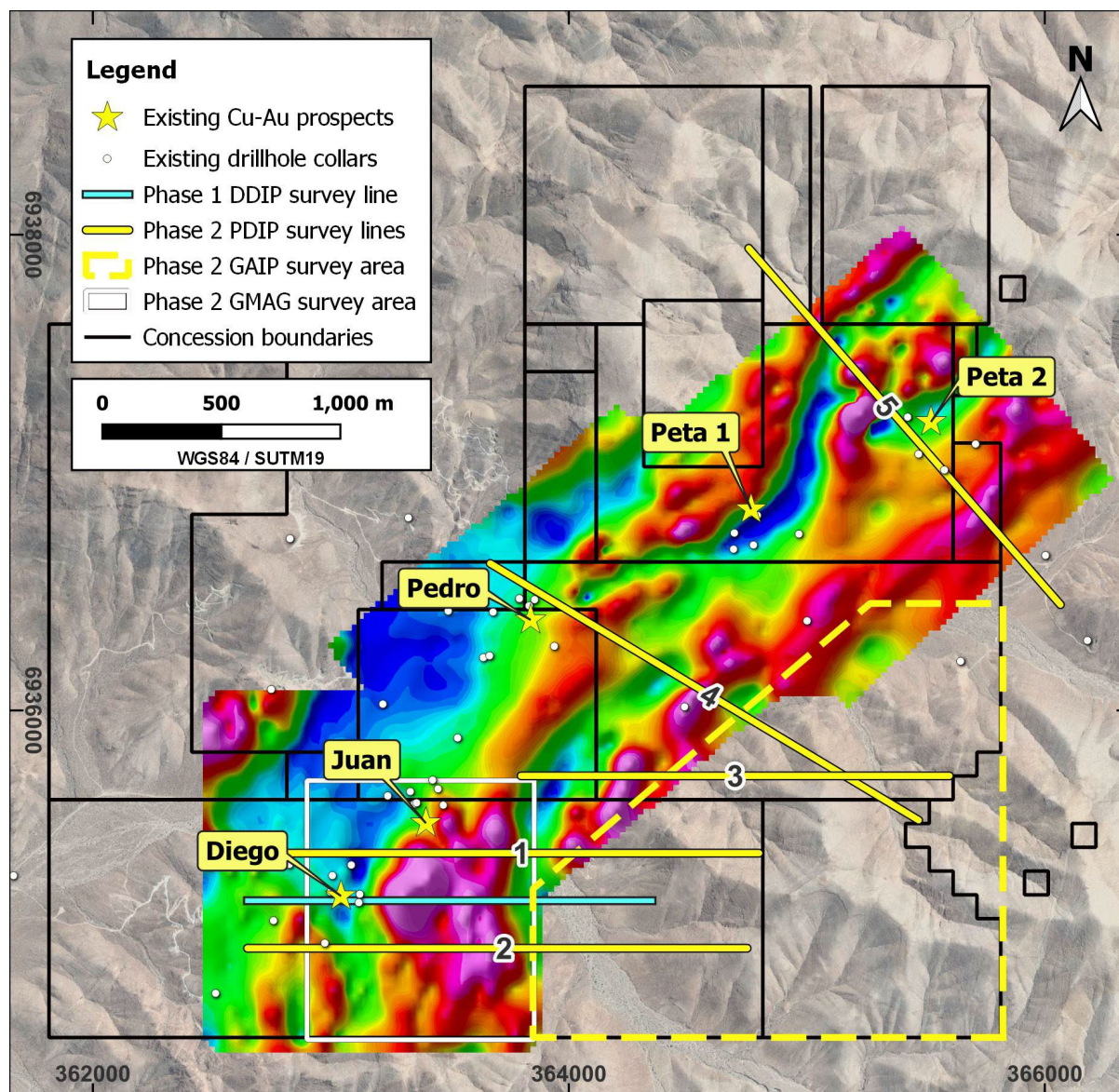
<sup>1</sup>For further details refer to Culpeo Minerals Limited Prospectus dated 23 June 2021.

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### Regional Geophysical Surveys

During the reporting period, the Company engaged Quantec Geoscience to expand the coverage of Gradient Array Induced Polarisation (**GAIP**) and Pole-Dipole Induced Polarisation (**PDIP**) geophysical surveys at Las Petacas.

This Phase 2 geophysical work (Figure 8) was comprised of 3 GAIP survey blocks to adjoin the Phase 1 GAIP survey blocks and providing data coverage over the southeastern portion of the project (dashed yellow outline), as well as 5 lines of PDIP (solid yellow lines) and a trial high-resolution ground magnetic survey over the Diego-Juan prospect area (solid white outline).

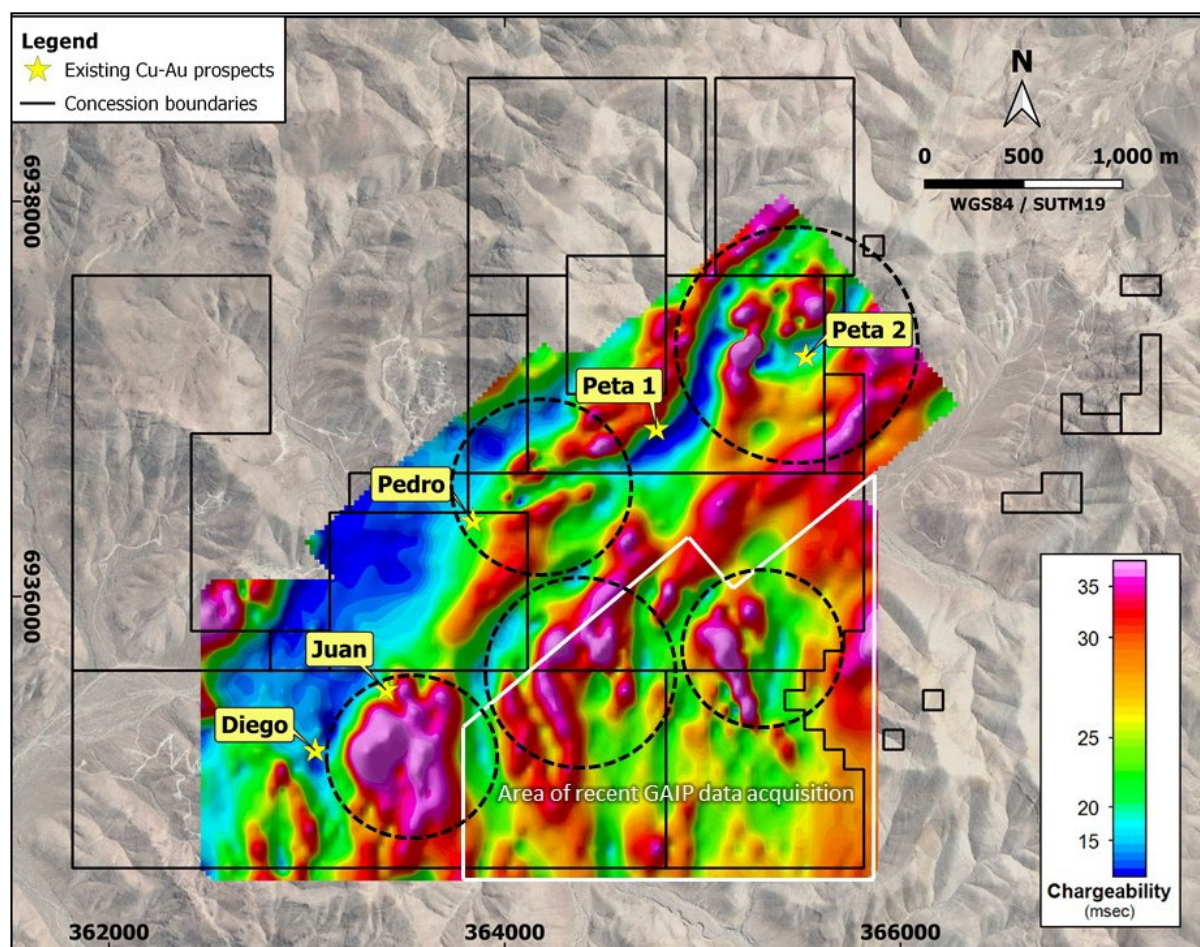


**Figure 8: Summary Map Showing Recent Geophysical Survey Coverage (Refer ASX announcement 29 September 2021).**

Several new GAIP anomalies were identified from the survey (Figure 9) likely related to sources within 200m from surface, with modeling of the data underway. These survey lines covered the higher amplitude GAIP chargeability and conductivity anomalies.

Two of these completed survey lines add to the existing Dipole-Dipole Induced Polarisation(**DDIP**) coverage over the Diego Prospect. The DDIP/PDIP coverage over this prospect will allow for the

construction of 3D models of IP chargeability and resistivity/conductivity anomalism, which will be integrated with drilling data and results of the ground-based magnetic survey to improve geological knowledge and potentially identify new drill targets.



**Figure 9: The Results of the Recent GAIIP Survey Merged with the Previous Dataset, Identified Anomalies Circled in Black (Refer ASX announcement 20 October 2021).**

### Quelon Project

The Quelon Project is located approximately 20km north of the City of Illapel and 240km north of Santiago (Figure 10).

Quelon is approximately 8km west of the El Espino Copper-Gold Project (123Mt @ 0.66% Cu and 0.24g/t Au, López et al., 2014) which is owned by the Chilean mining company Pucobre. Quelon consists of multiple outcropping copper targets with surface rock chip sampling having reported up to 3.0% Cu. Previous explorers conducted ground magnetic and IP surveys, with several drill ready targets identified, over a prospective strike length of 10km.

During the Quarter ended 31 December 2021, Culpeo completed a PDIP geophysical survey at the Quelon Project (Figure 11). The program consisted of 8 lines, each approximately 2km long for a total coverage of 16km.

These results of this geophysical survey are currently being interpreted with the aim of generating sub-surface targets in areas of outcropping copper mineralisation within a mineralised trend extending for approximately 10km along strike. Several high priority targets have been defined by the survey and the results of the completed modelling will be used for drill hole planning and design.

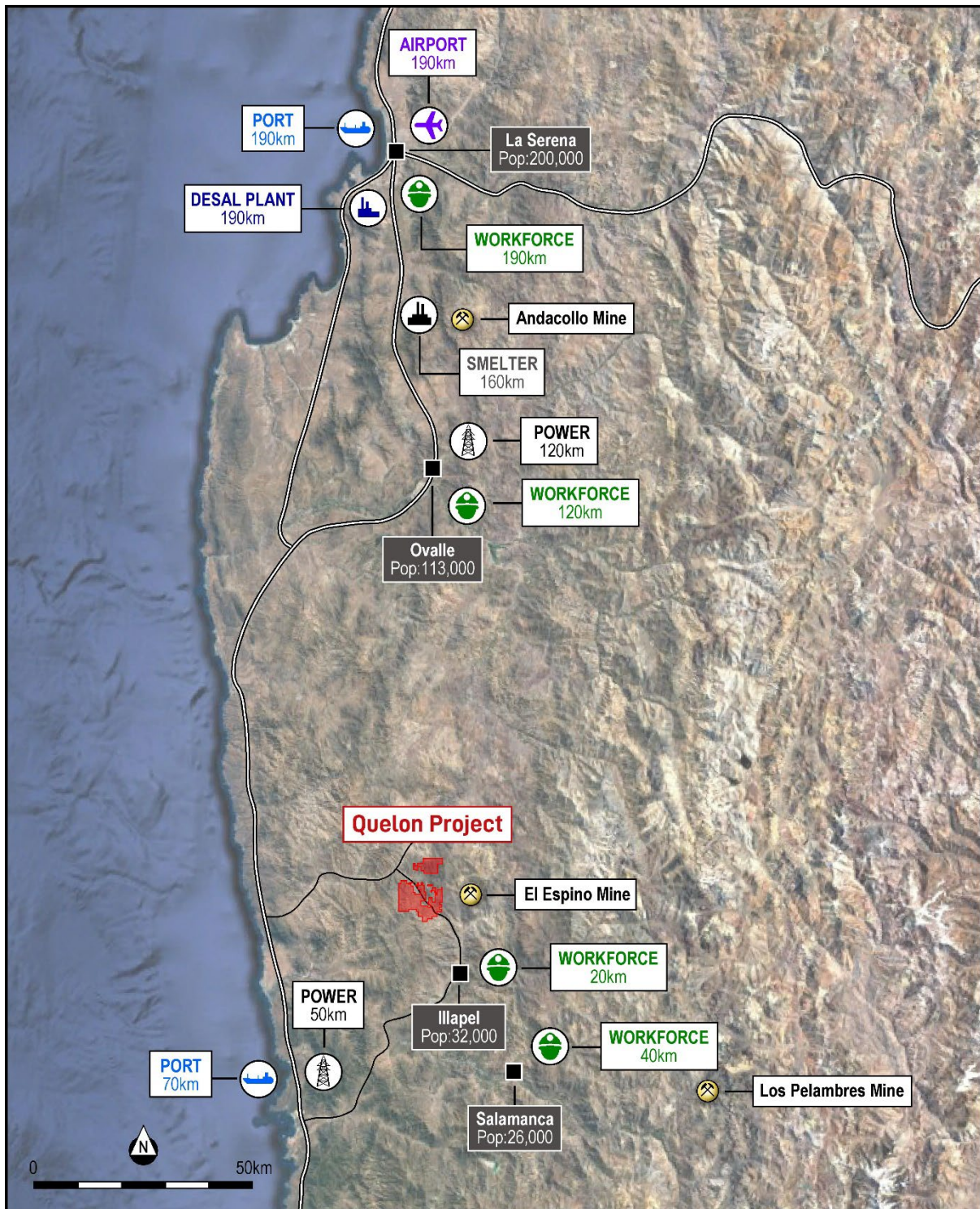


Figure 10 - Location of Quelon Showing Proximity to Infrastructure

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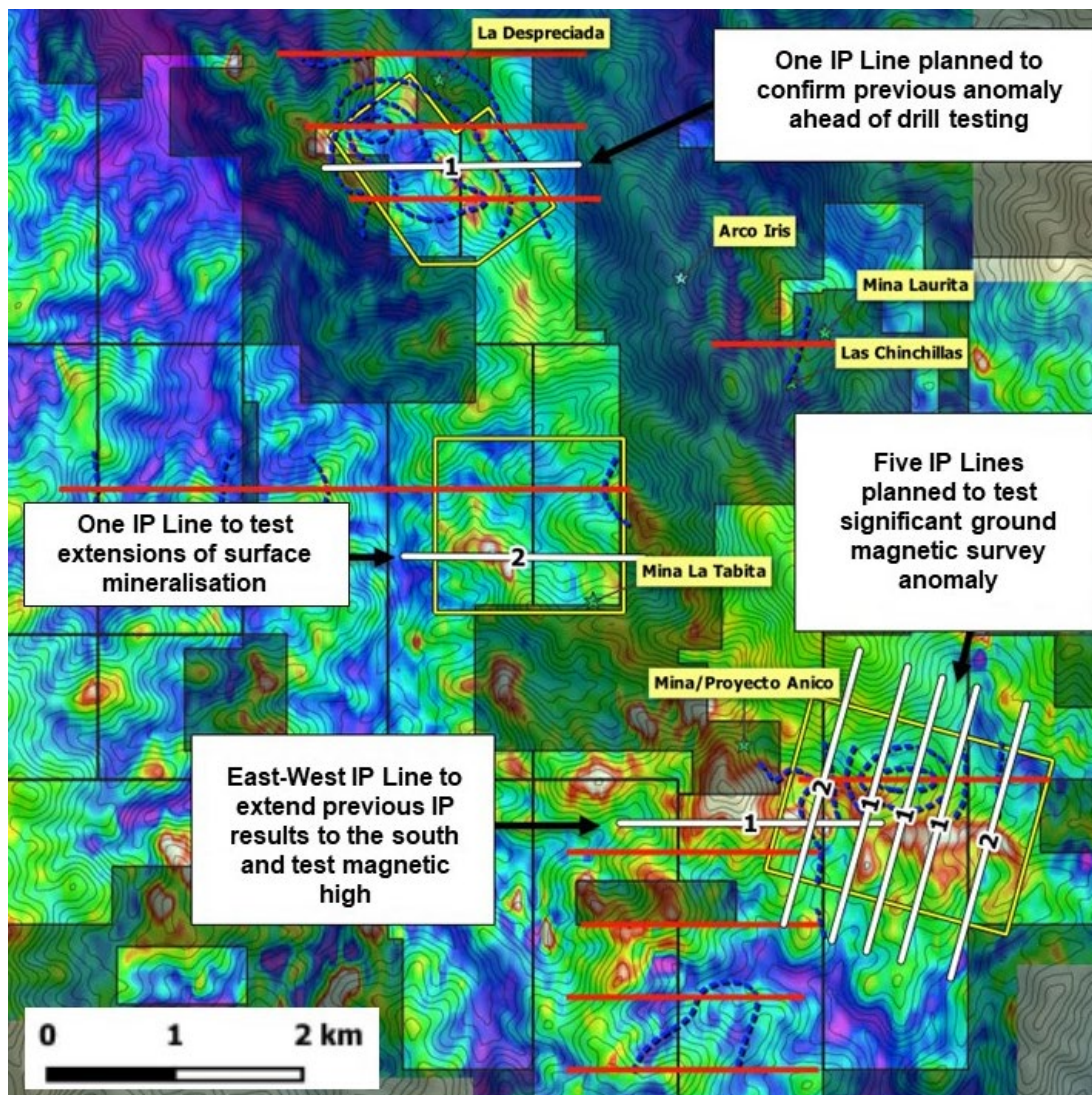


Figure 11: Quelon IP Geophysical Survey  
(refer to the Company's Prospectus dated 23 June 2021)

**San Sebastian Project**

No exploration activities were undertaken at San Sebastian during the reporting period.

### **Competent Persons Statement**

The information in this report that relates to Exploration Results released to ASX subsequent to the Company's listing on ASX is based on information compiled by Mr Maxwell Donald Tuesley, BSc (Hons) Economic Geology, MAusIMM (No 111470). Mr Tuesley is a member of the Australian Institute of Mining and Metallurgy and is a shareholder and Director of the Company. Mr Tuesley has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Tuesley consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

The information in this report that relates to historical Exploration Results is based on information compiled by Mr Jason Froud BSc (Hons), Grad Dip (Fin Mkts), MAIG) and was reviewed by Christine Standing BSc (Hons), MSc, MAusIMM, MAIG, who are both full time employees of Optiro Pty Ltd, acting as independent consultant to Culpeo Minerals Limited. Mr Froud and Ms Standing have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The information is extracted from the Company's Prospectus dated 23 June 2021 which is available from the Company's website at [www.culpeominerals.com.au](http://www.culpeominerals.com.au) or on the ASX website [www.asx.com.au](http://www.asx.com.au). The Company confirms that it is not aware of any new information or data that materially affects the Exploration Results information included in the Prospectus and confirms that the form and context in which the applicable Competent Persons' findings are presented have not been materially modified from the Prospectus.

The information in this disclosure that relates to Geophysical Results is based on information compiled by Nigel Cantwell. Mr Cantwell is a Member of the Australian Institute of Geoscientists (AIG) and the Australian Society of Exploration Geophysics (ASEG). Mr Cantwell is a consultant to Culpeo Minerals Limited. Mr Cantwell has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources & Ore Reserves. The Company confirms that it is not aware of any new information or data that materially affects the Geophysical Results and confirms that the form and context in which the applicable Competent Persons' findings are presented have not been materially modified from the original announcement.

#### References

López, G.; Hitzman, M.; Nelson, E. 2014. Alteration patterns and structural controls of the El Espino IOCG mining district, Chile. *Mineralium Deposita* 49 (2): 235

### **COVID-19 impact**

All the Company's staff and contractors, including those on site at the Petacas Project in Chile are safe. The Company has implemented procedures to ensure all staff and contractors remain safe and healthy during the COVID-19 pandemic, including regular testing, altered rosters and strict quarantining procedures. As at the date of this report, the Company's operations at the Petacas Project have not been directly affected by COVID-19 restrictions in Chile, however the Company continues to monitor this closely with the health and wellbeing of all staff and contractors a priority.

### **Corporate Activities**

During the half-year ended 31 December 2021, the Company issued a total of 36,212,531 fully paid ordinary shares as follows:

- o 204,700 shares in lieu of Managing Director fees accrued
- o 1,295,300 shares to the Managing Director as a Sign-on bonus
- o 1,866,392 shares for conversion of loan with Tanamera Resources Pte Ltd
- o 30,000,000 shares in Initial Public Offering at \$0.20 per share raising \$6,000,000 before costs; and
- o 2,846,139 shares to lead manager.

In addition, 5,200,000 Performance Rights were issued to Directors, employees and consultants of the Group under the Company's Incentive Performance Rights Plan.

### **Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the Group during the half-year.

### **Matters subsequent to the end of the half-year**

On 6 January 2022, the Company announced increased interest in the Las Petacas Project to 66%.

On 13 January 2022, the Company announced assay results from a drilling program at its Las Petacas Project.

On 11 February 2022, the company announced the completion of geophysical surveys at its Las Petacas Project.

As the impact of the Coronavirus (COVID-19) pandemic is ongoing, 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.

Other than as discussed above, no other matter or circumstance 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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**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

**Auditors**

RSM Australia Partners continues in office in accordance with section 307C of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



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Mr Geoff McNamara  
Non-Executive Chairman  
10 March 2022

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**RSM Australia Partners**

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2 The Esplanade Perth WA 6000  
GPO Box R1253 Perth WA 6844

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[www.rsm.com.au](http://www.rsm.com.au)


**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Culpeo Minerals 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: 10 March 2022

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AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

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**Culpeo Minerals Limited**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For the half-year ended 31 December 2021**

		<b>Consolidated</b>	
		<b>Half-Year Ended 31 December 2021 \$</b>	<b>Half-Year Ended 31 December 2020 \$</b>
Other revenue		2,431	11
Administration expenses		(92,935)	(7,673)
Consulting expenses		(81,497)	(41,255)
Corporate and compliance expenses		(201,431)	(44,161)
Depreciation expense		(493)	-
Employee related expenses		(95,555)	(46,500)
Equity based payments	6	(312,668)	(98,054)
Financial expenses		(6,169)	(8,413)
Legal and professional fees		(18,078)	(38,915)
Impairment of assets		(118,422)	(7,292)
Impairment of exploration assets		-	(225,180)
Foreign exchange loss		(250,927)	(8,791)
<b>Loss before income tax</b>		<b>(1,175,744)</b>	<b>(526,223)</b>
<b>Income tax expense</b>		-	-
<b>Loss after tax</b>		<b>(1,175,744)</b>	<b>(526,223)</b>
<b>Other comprehensive (loss)/income</b>			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		(28,152)	26,670
<b>Other comprehensive (loss)/income for the period, net of tax</b>		<b>(28,152)</b>	<b>26,670</b>
<b>Total comprehensive loss for the period</b>		<b>(1,203,896)</b>	<b>(499,553)</b>
<b>Profit/(loss) attributable to:</b>			
Non-controlling interests		739	(5,852)
Members of the parent		(1,176,483)	(520,371)
		<b>(1,175,744)</b>	<b>(526,223)</b>
<b>Total comprehensive (loss)/income attributable to:</b>			
Non-controlling interests		(64,029)	4,469
Members of the parent		(1,139,867)	(504,022)
		<b>(1,203,896)</b>	<b>(499,553)</b>
Basic and diluted loss per share attributable to members of the parent	7	(2.13)	(0.73)

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

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**Culpeo Minerals Limited**  
**Consolidated Statement of Financial Position**  
**As at 31 December 2021**

		Consolidated	
		As at 31 December 2021 \$	As at 30 June 2021 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
		4,492,134	442,761
		127,257	90,300
		<b>4,619,391</b>	<b>533,061</b>
<b>NON-CURRENT ASSETS</b>			
		3,525	-
	2	1,464,057	678,968
		<b>1,467,582</b>	<b>678,968</b>
		<b>6,086,973</b>	<b>1,212,029</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
		484,498	678,422
	3	-	192,657
		<b>484,498</b>	<b>871,079</b>
		<b>484,498</b>	<b>871,079</b>
<b>NET ASSETS</b>			
		<b>5,602,475</b>	<b>340,950</b>
<b>EQUITY</b>			
	4	8,772,903	2,320,150
	5	32,455	(16,829)
		(3,317,497)	(2,141,014)
		<b>5,487,861</b>	<b>162,307</b>
		114,614	178,643
		<b>5,602,475</b>	<b>340,950</b>

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

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**Culpeo Minerals Limited**  
**Consolidated Statement of Changes in Equity**  
**For the half-year ended 31 December 2021**

	Issued Capital	Accumulated Losses	Equity Based Payment Reserve	Foreign Currency Reserve	Non- controlling Interest	Total Equity
CONSOLIDATED	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>	<b>2,320,150</b>	<b>(2,141,014)</b>	-	<b>(16,829)</b>	<b>178,643</b>	<b>340,950</b>
Loss for the period	-	(1,176,483)	-	-	739	(1,175,744)
Exchange differences arising on translation of foreign currency	-	-	-	36,616	(64,768)	(28,152)
<b>Total comprehensive loss for the period</b>	-	<b>(1,176,483)</b>	-	<b>36,616</b>	<b>(64,029)</b>	<b>(1,203,896)</b>
Shares issued at Initial Public Offering	6,000,000	-	-	-	-	6,000,000
Shares issued to Managing Director (Note 6)	300,000	-	-	-	-	300,000
Shares issued to Lead Manager (Note 6)	569,228	-	-	-	-	569,228
Shares issued on loan conversion (Note 6)	190,372	-	-	-	-	190,372
Performance rights issued, vesting expense for period (Note 5)	-	-	12,668	-	-	12,668
Costs of share issues	(606,847)	-	-	-	-	(606,847)
<b>Balance at 31 December 2021</b>	<b>8,772,903</b>	<b>(3,317,497)</b>	<b>12,668</b>	<b>19,787</b>	<b>114,614</b>	<b>5,602,475</b>

	Issued Capital	Accumulated Losses	Equity Based Payment Reserve	Foreign Currency Reserve	Non- controlling Interest	Total Equity
CONSOLIDATED	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2020</b>	<b>371,333</b>	<b>(966,670)</b>	-	<b>(6,187)</b>	-	<b>(601,524)</b>
Loss for the period	-	(520,371)	-	-	(5,852)	(526,223)
Exchange differences arising on translation of foreign currency	-	-	-	16,349	10,321	26,670
<b>Total comprehensive loss for the period</b>	-	<b>(520,371)</b>	-	<b>16,349</b>	<b>4,469</b>	<b>(499,553)</b>
Non-controlling interest at acquisition date	-	-	-	-	206,982	206,982
Shares issued in lieu of salaries	200,000	-	-	-	-	200,000
Acquisition of Petacas project	125,000	-	-	-	-	125,000
Shares issued on partial loan conversions	176,184	-	-	-	-	176,184
Placement	806,000	-	-	-	-	806,000
<b>Balance at 31 December 2020</b>	<b>1,678,517</b>	<b>(1,487,041)</b>	-	<b>10,162</b>	<b>211,451</b>	<b>413,089</b>

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

**Culpeo Minerals Limited**  
**Consolidated Statement of Cash Flows**  
**For the half-year ended 31 December 2021**

	Half-Year Ended 31 December 2021 \$	Half-Year Ended 31 December 2020 \$
<b>Cash flows from operating activities</b>		
Interest revenue	147	-
Payments to suppliers and employees	(901,114)	(183,782)
<b>Net cash flows used in operating activities</b>	<b>(900,967)</b>	<b>(183,782)</b>
<b>Cash flows from investing activities</b>		
Payments for plant and equipment	(3,598)	-
Payments for exploration and evaluation	(877,059)	(15,662)
Payments for acquisition of Petacas project	-	(413,964)
Cash received on acquisition of Petacas project	-	106,830
<b>Net cash flows used in investing activities</b>	<b>(880,657)</b>	<b>(322,796)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issues of shares – IPO	6,000,000	-
Proceeds from share issue	-	806,000
Share issue costs	(143,479)	-
<b>Net cash flows from financing activities</b>	<b>5,856,521</b>	<b>806,000</b>
<b>Net increase in cash and cash equivalents</b>	<b>4,074,897</b>	<b>299,422</b>
Cash and cash equivalents at beginning of the financial period	442,761	10,222
Effect of exchange rate changes on cash and cash equivalents	(25,524)	9,558
<b>Cash and cash equivalents at end of the financial period</b>	<b>4,492,134</b>	<b>319,202</b>

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes*

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## Note 1. Statement of Significant Accounting Policies

### Statement of compliance

The half-year consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134: Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB"). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

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

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2021 and any public announcements made by Culpeo Minerals Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and ASX Listing Rules.

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

### Basis of preparation

The half-year report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

### New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the 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.

**Note 2. Exploration and evaluation expenditure**

	<b>31 December 2021</b>	<b>30 June 2021</b>
	\$	\$
Costs carried forward in respect of areas of interests:	1,464,057	678,968
Opening balance	678,968	-
Exploration and evaluation	929,082	372,927
Acquisition of Petacas Project <sup>1</sup>	145,348	307,957
Acquisition of Panga Project	-	225,180
Impairment of exploration and evaluation	-	(227,096)
Foreign currency translation	(289,341)	-
	<b>1,464,057</b>	<b>678,968</b>

1. On 29 December 2021, the Company exercised the second tranche of the Share Purchase Agreement in the Las Petacas SpA to increase its interest in the Las Petacas Project to 66%.

**Note 3. Borrowings**

	<b>31 December 2021</b>	<b>30 June 2021</b>
	\$	\$
Loan - Tanamera Resources Pte Ltd	-	192,657
	<b>-</b>	<b>192,657</b>

On 4 November 2018, the Company entered into a Loan Agreement with Tanamera Resources Pte Ltd ("Tanamera"), an entity in which Mr McNamara is a director, by which Tanamera would make available up to \$500,000 by way of an unsecured loan for a period of 12 months and interest accrued at a rate of 10% per annum on total outstanding principal. On 8 September 2021, the Company issued 1,866,392 fully paid ordinary shares as full settlement of the loan outstanding including interest accrued. Interest expense for the period of \$5,864 (2020: \$6,399) has been included in profit or loss for the period.

**Note 4. Issued capital**

	<b>31 December 2021</b>	<b>30 June 2021</b>
	\$	\$
55,191,688 (30 June 2021: 18,979,157) issued and fully paid ordinary shares	8,772,903	2,320,150
	<b>8,772,903</b>	<b>2,320,150</b>



**Note 4. Issued capital (cont.)**

	<b>30 June 2021 Number</b>	<b>30 June 2021 \$</b>
<i>Movement in ordinary shares on issue</i>		
Balance at 1 July 2020	20,000,000	371,333
Placement	32,240,000	806,000
Shares issued to Director for director's fee	4,000,000	100,000
Shares issued to In-Country Manager for salary	4,000,000	100,000
Consideration for the acquisition of Atacama Holdings (Minera Panga SpA)	5,000,000	125,000
Shares issued on conversion of borrowings	7,047,360	176,184
Pre-IPO Placement	30,250,001	770,000
Shares issued in lieu of capital raising fees	1,848,000	46,200
Consolidation of issued capital ratio 11:2	(85,406,204)	-
Share issue costs	-	(174,567)
<b>Balance as at 30 June 2021</b>	<b>18,979,157</b>	<b>2,320,150</b>

	<b>31 December 2021 Number</b>	<b>31 December 2021 \$</b>
<i>Movement in ordinary shares on issue</i>		
Balance as at 1 July 2021	18,979,157	2,320,150
Shares issued on Initial Public Offering	30,000,000	6,000,000
Shares issued to Lead Manager <sup>(Note 6)</sup>	2,846,139	569,228
Shares issued to Managing Director <sup>(Note 6)</sup>	1,500,000	300,000
Shares issued on conversion of borrowings <sup>(Note 6)</sup>	1,866,392	190,372
Share issue costs	-	(606,847)
<b>Balance as at 31 December 2021</b>	<b>55,191,688</b>	<b>8,772,903</b>

	<b>31 December 2021 \$</b>	<b>30 June 2021 \$</b>
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**Note 5. Reserves**

Equity based payment	12,668	-
Foreign currency translation	19,787	(16,829)
Balance at end of the period/year	<u>32,455</u>	<u>(16,829)</u>
<i>Movement in Equity Based Payment Reserve</i>		
Opening balance	-	-
Performance rights issued, vesting expense for period <sup>(Note 6)</sup>	12,668	-
Balance at end of the period	<u>12,668</u>	<u>-</u>

**Note 5. Reserves (cont.)**

	31 December 2021 \$	30 June 2021 \$
<i>Movement in Foreign Currency Reserve</i>		
Opening balance	(16,829)	(6,187)
Foreign currency translation	36,616	(10,642)
Balance at end of the period	<u>19,787</u>	<u>(16,829)</u>

*Equity Based Payment Reserve:*

This reserve is used to record the value of equity benefits provided to directors and employees as part of their remuneration. Refer to Note 6.

*Foreign Currency Translation Reserve:*

Foreign currency translation reserve records exchange differences arising on translation of the subsidiaries' functional currency (Chilean Dollars) into presentation currency at balance date.

**Note 6. Equity-based payments**

During the period the following equity-based payments were issued:

Equity-based payments included in the Statement of Financial Position for the half-year are as follows:

	31 December 2021 \$	31 December 2020 \$
Shares issued to Lead Manager – 2,846,139 fully paid shares @ \$0.20 per share	569,228	-
Shares issued to Tanamera Pte Lte, an entity related to Geoffrey McNamara as full settlement of borrowings – 1,866,392 fully paid shares at fair value of \$0.102 per share <sup>1</sup>	190,372	-
Shares issued to the vendor of the Panga project included in exploration and evaluation expenditure at fair value of \$0.025 per share	-	125,000
Shares issued in lieu of accrued remuneration to a director <sup>1</sup> at fair value of \$0.025 per share	-	100,000
Shares issued to Tanamera Pte Lte, an entity related to Geoffrey McNamara as partial settlement of borrowings at fair value of \$0.025 per share <sup>1</sup>	-	119,773
Shares issued to Walz Superannuation as settlement of borrowings at fair value of \$0.025 per share <sup>2</sup>	-	56,411

**Note 6. Equity-based payments (cont.)**

1. On 4 November 2018, the Company entered into a Loan Agreement with Tanamera Resources Pte Ltd ("Tanamera"), an entity in which Mr McNamara is a director, by which Tanamera would make available up to \$500,000 by way of an unsecured loan for a period of 12 months and interest accrued at a rate of 10% per annum on total outstanding principal. On 24 November 2020, the Company issued 4,790,920 fully paid ordinary shares as partial settlement of the loan outstanding including interest accrued.

On 8 September 2021, the Company issued 1,866,392 fully paid ordinary shares as full settlement of the loan outstanding including interest accrued. Interest expense for the period of \$5,864 (2020: \$6,399) has been included in profit or loss for the period.

2. On 15 August 2019, the Company entered into a Loan Agreement with Walz Super Pty Ltd ("Walz"), by which Walz would make available up to \$50,000 by way of an unsecured loan for a period of 12 months and interest accrued at a rate of 10% per annum on total outstanding principal. On 24 November 2020, the Company issued 2,256,440 fully paid ordinary shares as full settlement of the loan outstanding including interest accrued. Interest expense for the period of \$nil (2020: \$2,014) has been included in profit or loss for the period.

Equity-based payments included in the Statement of Profit or Loss and Other Comprehensive Income for the period are detailed below:

	<b>31 December 2021 \$</b>	<b>31 December 2020 \$</b>
Shares issued to Managing Director in lieu of accrued salary – 204,700 fully paid shares @ \$0.20 per share	40,940	-
Shares issued to Managing Director as bonus – 1,295,300 fully paid shares @ \$0.20 per share	259,060	-
Performance rights on issue, vesting expense for period	12,668	-
Shares issued in lieu of remuneration to the In-Country Manager	-	98,054
Total included in profit or loss as equity-based payments expense	<u>312,668</u>	<u>98,054</u>

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**Note 6. Equity-based payments (cont.)**

Performance Rights

On 8 September 2021, the Company issued 5,200,000 Performance Rights to Directors, employees and consultants of the Group under the Company's Incentive Performance Rights Plan and as summarised below:

Class	Number Issued	Vesting Conditions	Expiry date
Class A	750,000	Vesting upon twelve (12) months continuous service to the Company and on the Company announcing a JORC compliant Inferred Resource of ≥10 million tonnes @ 0.6% copper or copper equivalent.	31/08/2024
Class B	1,400,000	Vesting upon twenty-four (24) months continuous service to the Company and on the Company announcing a JORC compliant Inferred Resource of ≥30 million tonnes @ 0.6% copper or copper equivalent.	31/08/2024
Class C	1,650,000	Vesting upon thirty-six (36) months continuous service to the Company and on the Company announcing a JORC compliant Inferred Resource of ≥50 million tonnes @ 0.6% copper or copper equivalent.	31/08/2026
Class D	1,400,000	Vesting upon twenty-four (24) months continuous service to the Company and on the Company announcing completion of a positive Scoping and/or Feasibility Study at any one of the Company's projects.	31/08/2026

The fair value of the Performance Rights on issue, and granted during the period, are estimated at the date of grant based on the assumptions set out below:

	Class A	Class B	Class C	Class D
<b>Assumptions:</b>				
Grant date	26/08/2021	26/08/2021	26/08/2021	26/08/2021
Issue date	31/08/2021	31/08/2021	31/08/2021	31/08/2021
Expiry date	31/08/2024	31/08/2024	31/08/2026	31/08/2026
Share price at grant date – fair value of performance right at grant date	\$0.20	\$0.20	\$0.20	\$0.20
Probability	30%	15%	5%	10%
Vesting period	36 months	36 months	60 months	60 months
Number of performance rights	750,000	1,400,000	1,650,000	1,400,000
<b>Amount recognised as equity-based payment expense for the half-year ended 31 December 2021</b>	5,014	4,679	1,103	1,872

As at 31 December 2021, management has provided the best estimate of the probability of performance rights expected to vest. The performance rights have been valued in accordance with AASB 2 Share Based Payments, and are bought to account over their vesting periods. Equity-based expenditure of \$12,668 (30 June 2021: nil) has been included in the profit or loss for the period.

	31 December 2021 \$	31 December 2020 \$
<b>Note 7. Loss Per Share</b>		
Loss after income tax	(1,175,744)	(520,371)
Non-controlling interest	739	(5,852)
Loss after income tax attributable to the owners of the parent used in the calculation of basic and diluted loss per share	(1,176,483)	(526,223)
	Number of Shares	Number of Shares
(a) Weighted average number of ordinary shares outstanding during the reporting period used in calculation of basic loss per share:	41,217,262	45,790,353
Basic and diluted loss per share (cents per share)	(2.13)	(0.73)

Basic earnings per share is calculated as net profit or loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit or loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

## Note 8. Segment reporting

Culpeo Minerals Limited operates predominantly in one industry being the mining exploration and evaluation industry in Chile, with its corporate function located in Australia.

### Segment information

#### *Identification of reportable segments*

The Company has identified its operating segments based on the internal reports that are reviewed and used by the chief operating decision maker (being the Board of Directors) in assessing performance and determining the allocation of resources.

The Company is managed primarily on the basis of evaluation of its gold and copper exploration tenements in Chile and its corporate activities. Operating segments are therefore determined on the same basis.

## Note 8. Segment reporting (cont.)

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics.

### Types of reportable segments

#### (i) Exploration and evaluation

Segment assets, including acquisition cost of exploration licenses and all expenses related to the licenses in Chile are reported in this segment.

#### (ii) Corporate

Corporate, including treasury, corporate and regulatory expenses arising from operating an entity. Segment assets, including cash and cash equivalents and trade and other receivables are reported in this segment.

### Basis of accounting for purposes of reporting by operating segments

#### Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief operating decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

#### Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

#### Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Segment liabilities include trade and other payables.

31 December 2021

#### (i) Segment performance

	Corporate \$	Exploration and Evaluation \$	Total \$
<b>Segment revenue</b>	2,431	-	2,431
<b>Segment results</b>	(710,531)	(465,213)	(1,175,744)
Included within segment results:			
• Interest expense	(6,169)	-	(6,169)
<b>Segment assets</b>	3,725,400	2,361,573	6,086,973
<b>Total assets</b>			6,086,973
<b>Segment liabilities</b>	(64,427)	(420,071)	(484,498)
<b>Total liabilities</b>			(484,498)

**Note 8. Segment reporting (cont.)**

31 December 2020

	Corporate	Exploration and Evaluation	Total
	\$	\$	\$
<b>(i) Segment performance</b>			
Segment revenue	-	11	11
Segment results	(109,002)	(417,221)	(526,223)
Included within segment results:			
• Interest expense	(8,413)	-	(8,413)
Segment assets	121,261	1,005,740	1,127,001
Total assets			1,127,001
Segment liabilities	(347,291)	(366,621)	(713,912)
Total liabilities			(713,912)

**(ii) Revenue by geographical region**

There was no revenue attributable to external customers for the half-year ended 31 December 2021 (2020: Nil).

**(iii) Assets by geographical region**

Non-current assets by geographical region are as follows.

	31 December 2021	31 December 2020
	\$	\$
Australia	2,778	-
Chile	1,464,804	805,068
	<u>1,467,582</u>	<u>805,068</u>

**Note 9. Contingent assets**

All purchases in Chile are subject to the payment of the Impuesto al Valor Agregado ("IVA") which is a Value Added Tax. Culpeo Minerals is entitled to claim back the IVA tax it has paid on all Chilean purchases. As at 31 December 2021, the IVA tax receivable is approximately \$369,780. The contingent asset was not recognised as a receivable at 31 December 2021 as receipt of the amount is dependent upon the Company meeting the IVA refund conditions stipulated by the relevant taxation authorities in Chile. The expense of \$118,422 has been included in the Profit or Loss and Other Comprehensive Income Statement for the half-year.

**Note 10. Contingent liabilities**

There are no contingent liabilities as at 31 December 2021 (30 June 2021: Nil).

**Note 11. Commitments for expenditure**

	31 December 2021 \$	30 June 2021 \$
The exploration commitments are as follows:		
Not longer than 1 year	64,427	50,827
Longer than 1 but not longer than 5 years	-	-
Longer than 5 years	-	-
Total	<u>64,427</u>	<u>50,827</u>

Exploration commitments consist of annual rents payable on mineral concessions.

**Note 12. Events after reporting period**

On 6 January 2022, the Company announced increased interest in the Las Petacas Project to 66%.

On 13 January 2022, the Company announced assay results from a drilling program at its Las Petacas Project.

On 11 February 2022, the company announced the completion of geophysical surveys at its Las Petacas Project.

As the impact of the Coronavirus (COVID-19) pandemic is ongoing, 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.

Other than as discussed above, no other matter or circumstance 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.



In the opinion of the Directors of Culpeo Minerals Limited (the "Company"):

1. the attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
  - a) complying with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - b) giving true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year then ended; and
2. there are reasonable grounds to believe that the Company and the Group will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5)(a) of the Corporations Act 2001.



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Geoffrey McNamara  
Non-Executive Chairman  
10 March 2022

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

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Culpeo Minerals Limited which comprises the consolidated statement of financial position as at 31 December 2021, 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, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

*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 consolidated entity'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 Culpeo Minerals 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 Culpeo Minerals 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 Culpeo Minerals Limited is not in accordance with the *Corporations Act 2001* including:

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

RSM

RSM AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 10 March 2022

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