

LEGACY MINERALS HOLDINGS LIMITED

ABN 43 650 398 897

Interim Financial Report

31 December 2021



Corporate Directory

Directors

Dr David Carland – Non-Executive Chairman
Christopher Byrne – CEO & Managing Director
Matthew Wall – Non-Executive Director
Thomas Wall – Executive Director
Douglas Menzies - Non-Executive Director

Company Secretary and Chief Financial Officer

Ian Morgan

Business Office

Level 7, 1 Margaret Street
Sydney NSW 2000

Telephone

+61 02 8005 7107

Email

info@legacyminerals.com.au

Registered Office

401/54 Miller St
North Sydney NSW 2060

Website

www.legacyminerals.com.au

Securities Exchange

Australian Securities Exchange (ASX)
ASX Code: LGM

Securities Registry

Automic Pty Ltd
Level 5, 126 Phillip Street
Sydney NSW 2000
Telephone
(within Australia): 1 300 288 664
(outside Australia): +61 2 9698 5414

Auditor

BDO Audit Pty Ltd
11/1 Margaret St
Sydney NSW 2000

CONTENTS

CORPORATE DIRECTORY	2
CONTENTS	3
DIRECTORS' REPORT	4
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	17
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	18
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	19
CONSOLIDATED STATEMENT OF CASH FLOWS.....	20
NOTES TO THE INTERIM FINANCIAL STATEMENTS	21
DIRECTORS' DECLARATION	31
AUDITOR'S INDEPENDENCE DECLARATION	32
INDEPENDENT AUDITOR'S REVIEW REPORT	33

DIRECTORS' REPORT

The directors of Legacy Minerals Holdings Limited (**Company** or **Legacy**) and its subsidiary (together referred to as the **Group**) present their report together with the consolidated financial report for the interim period 1 July 2021 to 31 December 2021 and the auditor's review report thereon.

DIRECTORS

The directors of the Company at any time during or since the end of the interim period are:

Dr David Carland	Non-Executive Chairman	Appointed 21 June 2021
Christopher Byrne	CEO & Managing Director	Appointed 21 May 2021
Matthew Wall	Non-Executive Director	Appointed 21 May 2021
Thomas Wall	Executive Director and Exploration Manager	Appointed 21 May 2021
Douglas Menzies	Non-Executive Director	Appointed 21 May 2021

REVIEW OF OPERATIONS

Principal Activities

Legacy Minerals Pty Limited (**Legacy Minerals**), the Company's wholly owned subsidiary, has been involved in the acquisition and exploration of gold and copper projects in the prospective New South Wales (**NSW**) Lachlan Fold Belt (**LFB**) since 2017. Legacy Minerals wholly owns 1,056 km² of granted and unencumbered exploration licences in the LFB spanning six projects. The LFB, also known as the Lachlan Orogen, is a region considered to be a premier exploration and mining district and home to one of the largest gold mines in Australia, Cadia Valley NSW (Newcrest).

The Group's projects contain numerous untested geochemical, geophysical and geological targets. These afford the Group multiple opportunities for gold and copper discoveries. Highlights of the projects include:

1. drill-ready targets that provide immediate opportunities for gold and copper discoveries;
2. projects targeting porphyry-related Cu-Au and low sulphidation epithermal-style systems; and
3. high grade and shallow targets that present an opportunity for near term resource definition.

The Company was incorporated on 21 May 2021 in anticipation of the initial public offering (**IPO**) by the Company and listing of its shares on the Australian Securities Exchange.

On 5 July 2021, the Company acquired all the issued shares of Legacy Minerals by the issue of one (1) ordinary fully paid share for one (1) Legacy Minerals ordinary fully paid share.

During the period ended 30 June 2021, Legacy Minerals received application monies totalling \$180,000 from applicants for the issue of 1,800,000 of the Company's ordinary fully paid shares. The Company's shares were issued on 5 July 2021.

On 13 September 2021, the Company was admitted to the Official List of the Australian Securities Exchange (ASX), completing an IPO of 29,007,500 new shares at an issue price of \$0.20, raising \$5,801,500 before transaction costs.

DIRECTORS' REPORT

Review of Operations

The Group recorded a net loss attributable to members for the interim period ended 31 December 2021 of \$1,628,019. (December 2020: \$126,262).

Exploration

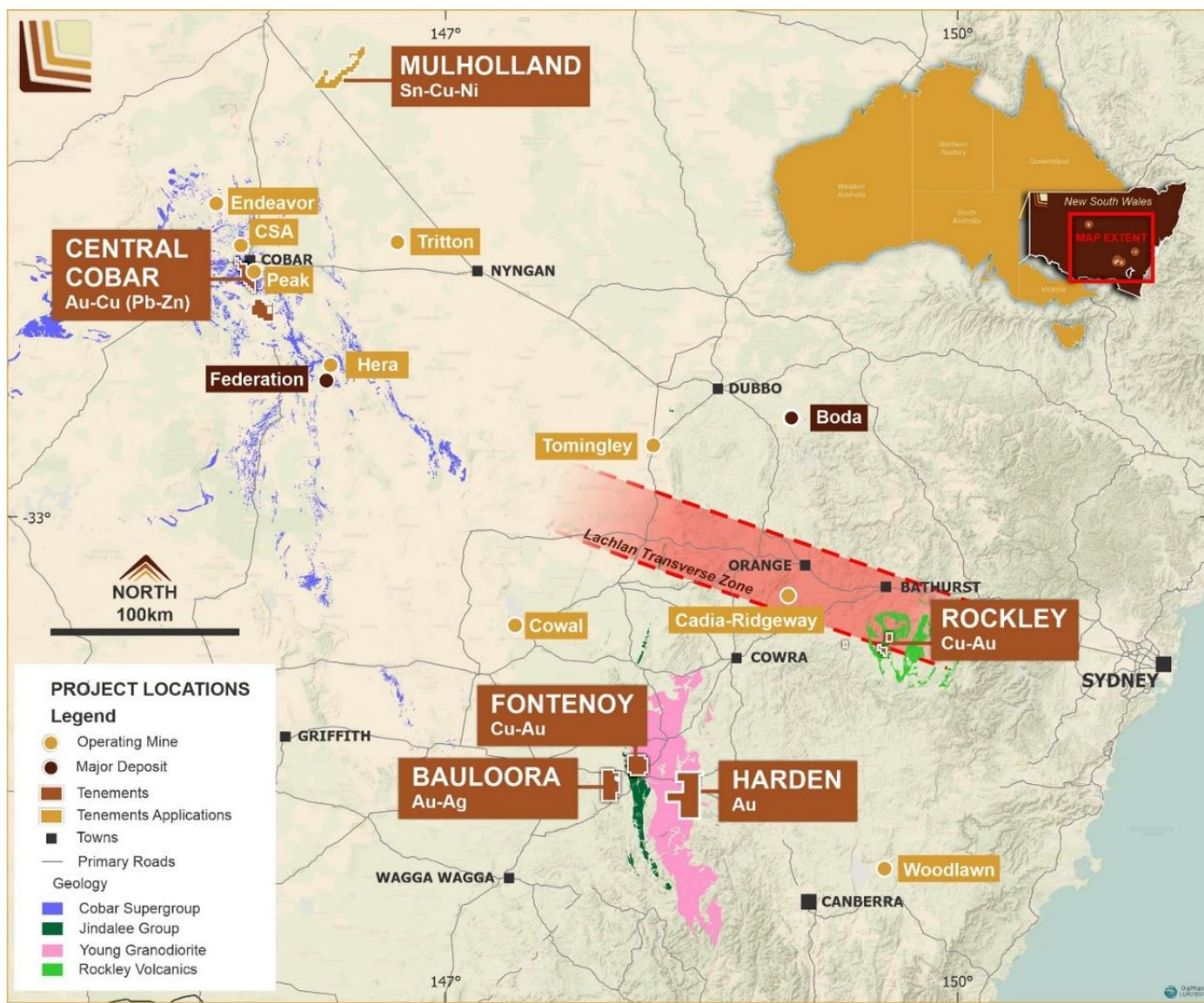


Figure 1: Legacy Minerals' Tenements, Lachlan Fold Belt NSW

DIRECTORS' REPORT

Harden Project

Mineralisation - Orogenic Gold

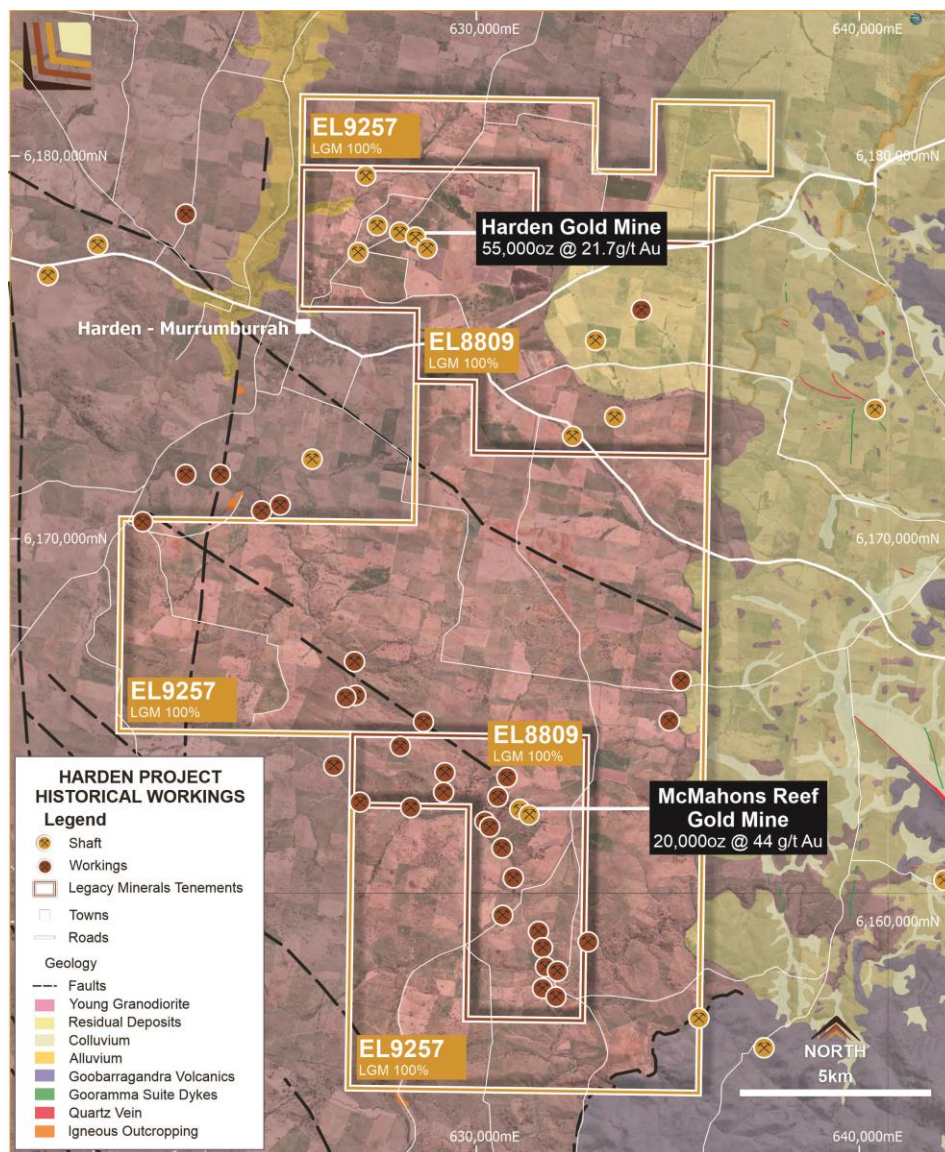


Figure 2: Overview of the Harden Exploration Licences

Project Summary

The Harden Project encompasses several historical high-grade gold mines that were the largest hard-rock mines in a mineral district that produced >460,000oz Au from alluvial and hard rock mining. The mines produced a combined total of ~75,000oz Au at an average grade of 28.6g/t Au – all before 1919. There are two main strikes of mine in the tenement area: the historical Harden Gold Mine corridor and McMahons Reef Gold Mine corridor.

DIRECTORS' REPORT

Significant drilling across the tenement includes:

Harden Gold Mine Prospect

2.0m at 17.2g/t from 111m
3.0m at 10.5g/t Au from 20m¹
4.0m at 4.1/t Au from 79m
6.0m at 3.7g/t Au from 128m

McMahons Reef Gold Mine Prospect

3.6m at 21.7g/t Au from 115m¹
5.8m at 4.7g/t Au from 104m¹
5.2m at 1.9g/t Au from 82m¹
2.6m at 2.1g/t Au from 100m¹

Note 1: Historical drilling

Maiden drill campaign

During the half year, the Harden Gold Mine Prospect delivered exceptional results for Legacy Minerals from its initial 1,550m maiden drill campaign, which was designed to test extensions of historically mined high-grade gold mineralisation.

This is the first drilling to be conducted in over 100 years below the historical Harden Gold Mine that produced 55,000oz gold at an average grade of 21.7g/t Au until 1913. Historical records indicate a mined cut-off grade of 13g/t Au prior to 1919, with Legacy Minerals interpreting that there may be economic concentrations of unmined gold in surrounding quartz veining. Drill holes were planned to test within the mined and unmined stoped areas, down-dip and down-plunge of the historic mine, and along the strike of the Harden Gold Mine Corridor workings.

Wide zones up to 15m of quartz-sericite-pyrite alteration associated with shearing have been identified at the targets similar in style to what was intersected in previously drilled holes.

As a result of the highly encouraging results from the maiden drill campaign at the Harden Gold Mine Prospect, the Company commenced a diamond drill campaign. This was designed to test down-plunge targets. The diamond drill campaign comprises eight holes totalling ~1,600m. From the initial diamond drilling, visible gold has been identified during core cutting in hole HN0013 at 194m.

Geophysical survey

In September, Legacy announced highly encouraging results of a Dipole-Dipole Induced Polarisation (DP-DP) geophysical survey completed at the Harden Gold Mine prospect. A total of nine lines of DP-DP surveyed over the historical mine corridor with the survey lines orientated SW-NE with lines equally spaced 100m apart with 50m spaced dipoles. The survey delivered several highly chargeable anomalies.

DIRECTORS' REPORT

Bauloora Project

Target Mineralisation – low sulphidation epithermal, Au-Ag

Project Summary

The Bauloora Project exhibits one of the largest zones of low sulphidation epithermal-style alteration and mineralisation in NSW. The project hosts numerous targets with shallow high-grade Au-Ag occurrences including the Mee Mar Prospect with veining over 2km and rock samples up to **39.1g/t Au and 267g/t Ag**. The largest working mine, the Mt Felstead Mine, operated until 1915 and is a priority drill target for Legacy. Face samples from an unmined production drive returned assays as high as **3,701g/t Ag, 6.9g/t Au, 29% Pb, 26% Zn and 6.4% Cu**.

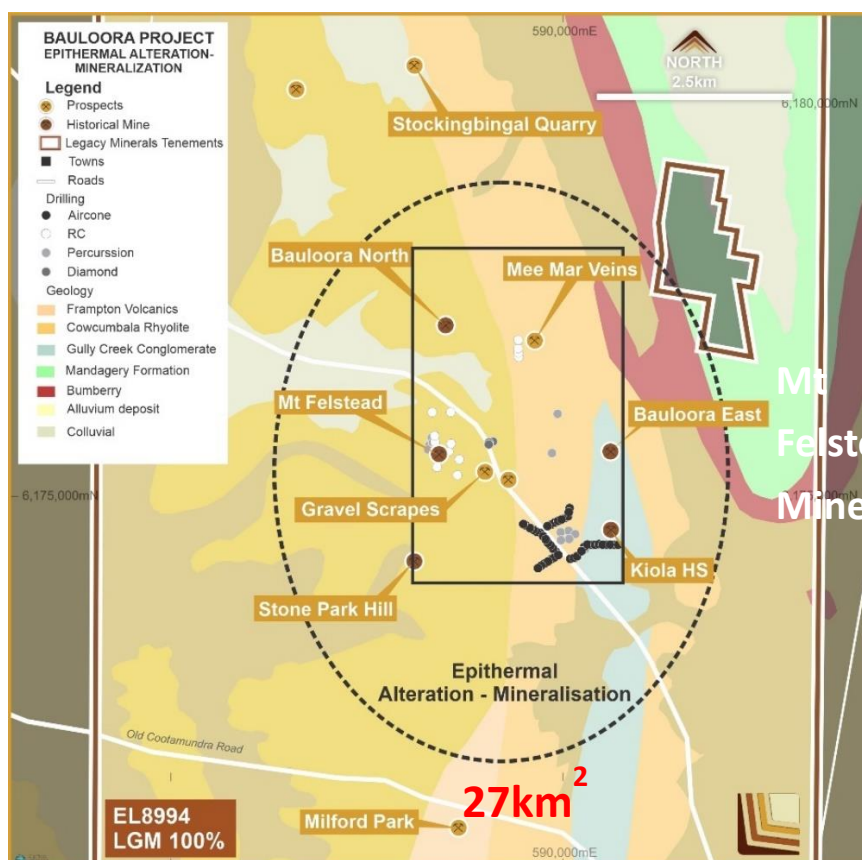


Figure 3: Bauloora epithermal prospect overview

Work completed

Post half, a reverse circulation (RC) drilling campaign designed to test beneath the historical Mt Felstead Mine commenced at site. The campaign, originally planned to commence in September, was deferred due to poor ground conditions resulting from prolonged and intense wet weather conditions in the Cootamundra region. As such, Legacy Minerals mobilised the drill rig from Bauloora to Harden to undertake the maiden RC campaign there instead. The Company then secured an all-weather RC rig for a first phase 10-hole campaign totalling ~1,500m.

DIRECTORS' REPORT

Geophysical activities carried out during the half year and following the period included a large-scale gradient array induced polarisation (GAIP) program, which commenced in November. The GAIP program targeted the Mee-Mar vein system mapped for over 2km with rock samples up to **39.1g/t Au** and **267g/t Ag**. The Company also commenced downhole electrometric (DHEM) planning for the initial RC drill campaign. Post half by mid-February, the GAIP was complete over the northern portion of the 4km x 2km anomalous zone.

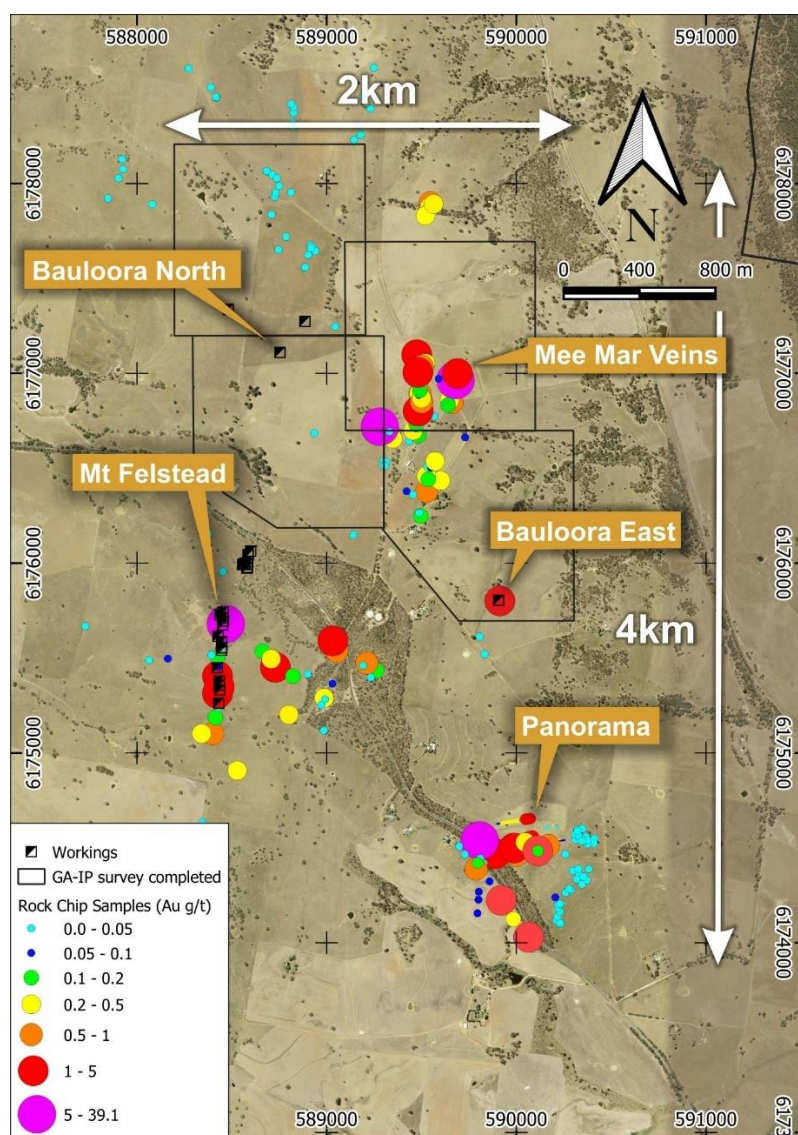


Figure 4: The Bauloora Project Area and prospects showing the anomalous gold zone and recently completed GA-IP Survey Area

On 17 February 2022, the Company announced it had commenced RC drilling at the Bauloora Project and completed a 90-line km GAIP survey at the Bauloora Project.

On 24 February 2022, the Company announced that it had intersected Semi-Massive Sulphides during drilling at the Bauloora Project.

DIRECTORS' REPORT

Cobar Project

Target mineralisation - Cobar-type Au-Cu (Pb-Zn)

Project Summary

Legacy Minerals has control of 45km of strike over major faulting immediately neighbouring the operating Peak Gold Mines within the Cobar Basin, one of Australia's most prominent and prolific base and precious metals production regions. The Cobar Basin has a world-class metal endowment and is home to some of Australia's leading mining and exploration companies.

Across the tenement, shallow transported cover has resulted in a large, shallow, unexplored search space, proximal to world class Au-Cu (Pb/Zn) mines, prospective for world-class Cobar-type Au and base-metal mineralisation. The tenements contain numerous high priority geophysical [airborne electromagnetic (AEM), induced polarisation (IP), and magnetic data] and geochemical anomalies for follow up, including gold in lag samples to **1.55g/t Au & 0.43g/t Au**.

Work completed

Legacy Minerals, in participation with Geoscience Australia (GA) and the Geological Survey of NSW (GSNSW), completed 1,050km of flight lines covering 78% of the project area. The processing and interpretation of this aeromagnetic data has identified 21 high priority targets. Importantly, the data demonstrates the continuity of major structures through both tenements. These structures are a 'key ingredient' to facilitate the emplacement of Cobar-Type mineralisation.

The detailed aeromagnetic data has highlighted several priority AEM targets previously identified through the AEM survey.

The Yarrawonga prospect has been highlighted as an area of significant interest due to interpreted major faulting nearby identified AEM anomalies, zones of elevated IP chargeability and anomalous surface geochemistry including gold in lag up to 1.5g/t Au.

DIRECTORS' REPORT

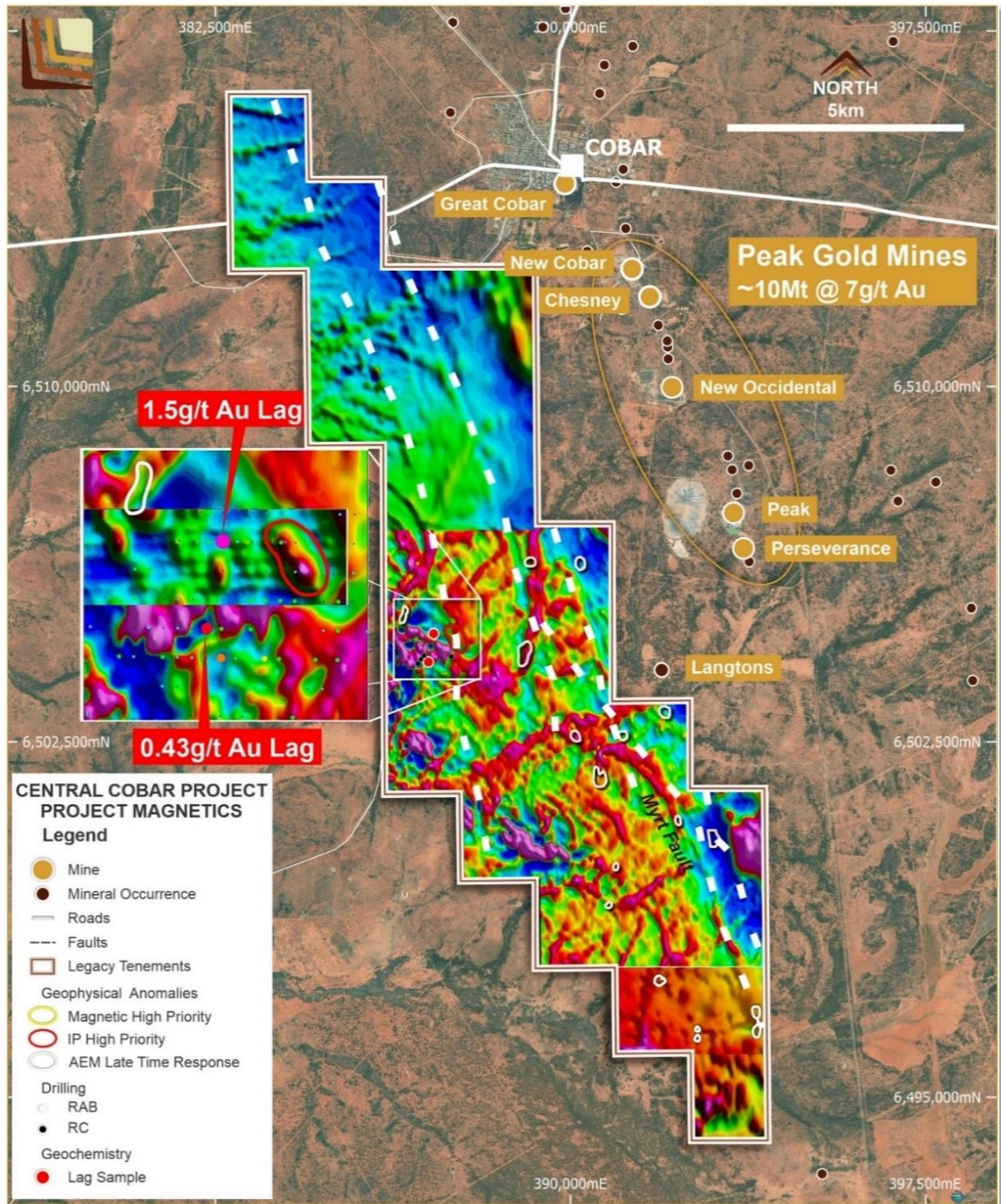


Figure 5: Cobar Project aeromagnetic data (RTP) and interpreted major structures

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DIRECTORS' REPORT

Fontenoy Project

Target mineralisation – Volcanic hosted massive sulphide (Cu-Au) Summary

Project Summary

The Fontenoy Project exhibits an 8km long zone of Au and Cu anomalism defined in soil sampling and drilling. The southern 3.5km extent of this zone is covered by shallow quaternary cover which had limited drill testing that resulted in very encouraging Au-Cu intercepts. Significant drill intersects include: **79m at 0.27% Cu** from 1.5m, **22m at 0.34% Cu and 0.67g/t Au**, and **58m at 0.2% Cu** from 2m.

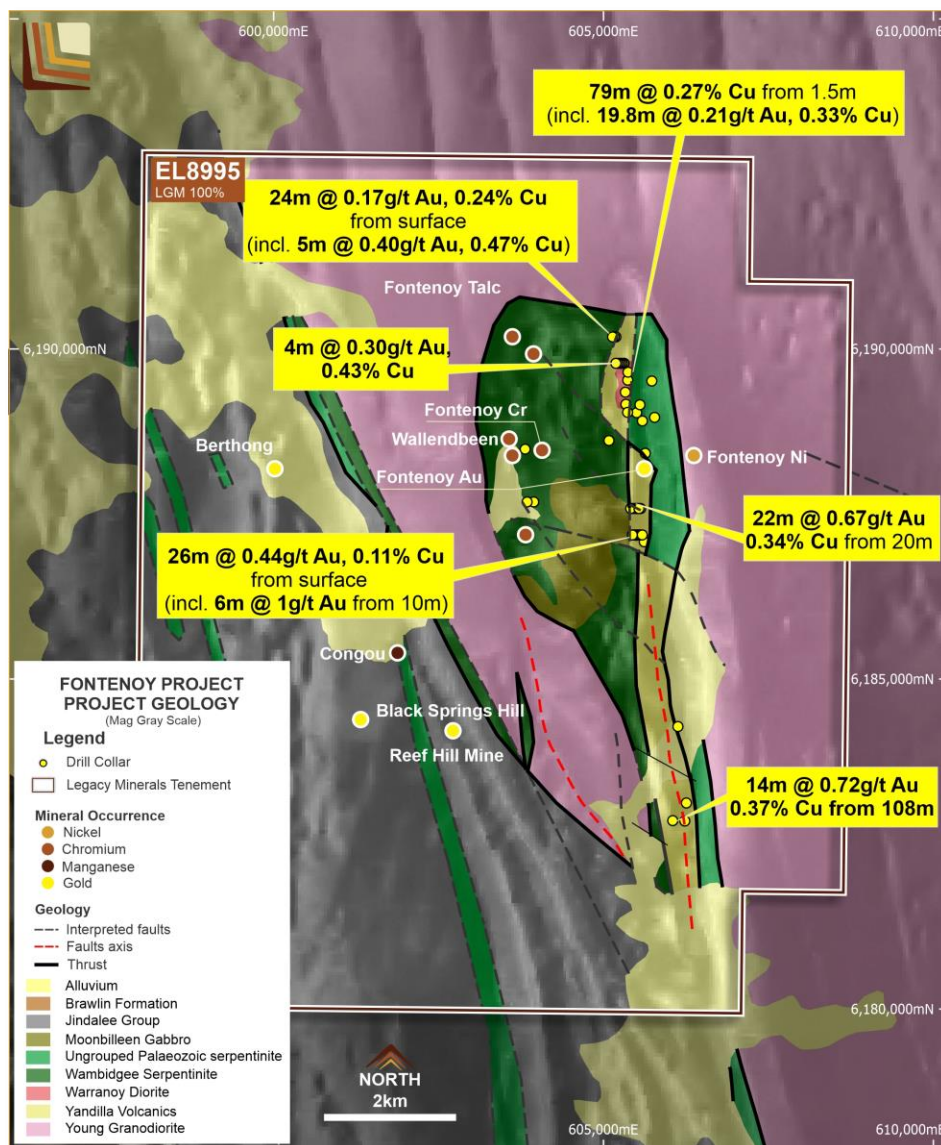


Figure 6: Fontenoy Project Geology and Significant Drilling

Work Completed

No on-ground exploration activities were completed during the period.

DIRECTORS' REPORT

Rockley Project

Target mineralisation - porphyry-related, Cu-Au

Project Summary

The Rockley Project is situated within the highly prospective Ordovician Macquarie Arc, which hosts the world-class Cadia Valley, Northparkes and Cowal Cu and Au orebodies and is coincident with the Lachlan Transverse Zone (LTZ). Recent assessment by the Geological Survey of NSW has found the Company's Rockley Project to be some of the most prospective ground for porphyry-related Cu-Au mineralisation in the Rockley-Gulgong Volcanics. The tenement is also considered highly prospective for shear zone hosted gold and it is located less than 15km from the emerging discovery Bushranger Cu-Au porphyry held by Xtract Resources (LON: XTR).

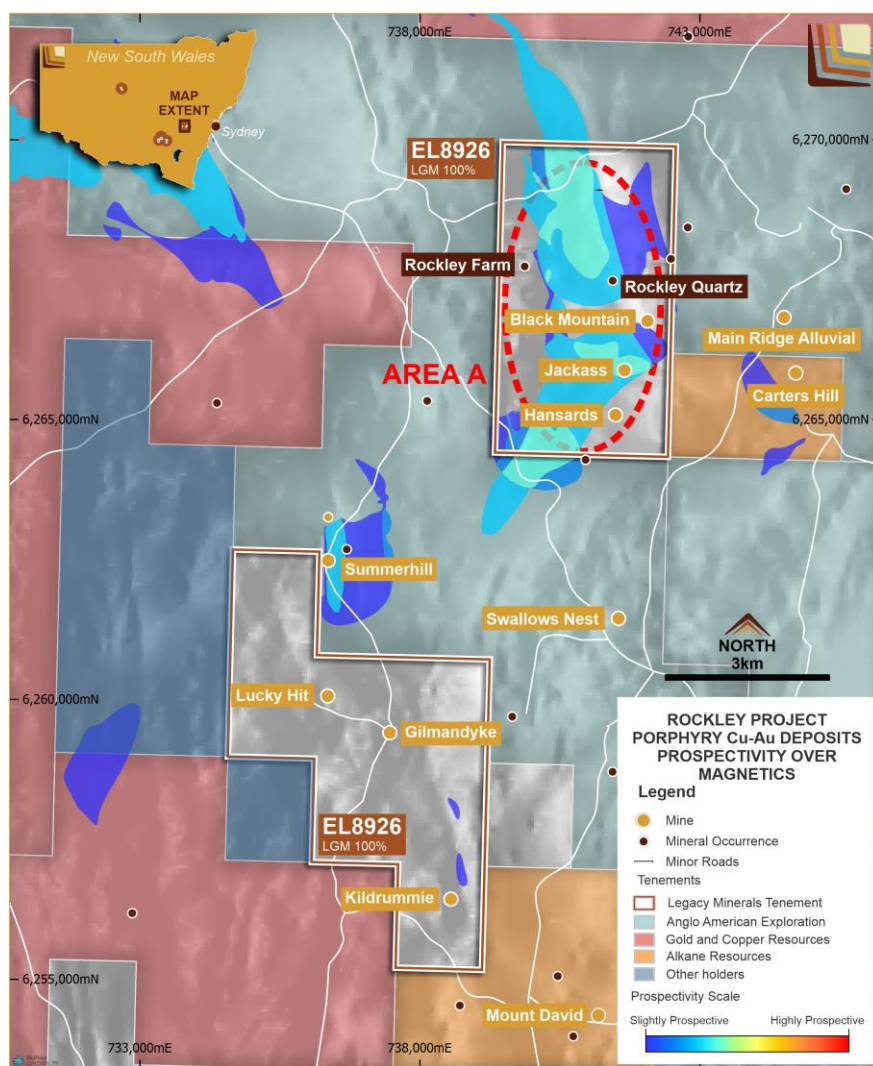


Figure 7: Rockley Project porphyry C-Au prospectivity and magnetics

Work Completed

Rock chip sampling and geological mapping over potential porphyry copper-gold target areas.

DIRECTORS' REPORT

Mulholland Project

Target mineralisation – Polymetallic skarn (Sn, Ni, Cu)

Project Summary

In December, Legacy Minerals was granted the 194km² "Mulholland" tenement for a period of three years (EL9330). Mulholland is located 35km South-East of Bourke, NSW, on the boundary of the Lachlan and Thompson Orogens in a terrain which has demonstrable prospectivity for large and high-grade skarn mineralisation including Sn, Cu, W, Ni, Au and Zn.

The Mulholland Project includes known skarns and untested magnetic and geochemical anomalies suspected of being related to Sn-Cu-W skarn and Ni bearing serpentinites. The Mulholland Project covers several significant drill ready Ni and Sn-W prospects in a prospective land position located 500m south-east of Sky Metals (ASX: SKY) emerging Sn-Cu 3KEL prospect and less than 3km from their Sn-Cu Doradilla Prospect.

Among the multiple targets across the project is the Mulga Nickel Trend. It has proven prospectivity for nickel including 2.6km of nickel mineralisation defined in drilling. From the YTC Resources Limited (YTC) 2008 RAB Campaign at Mulga 10 of the 13 mineralised holes ended in mineralisation. Significant intercepts including:

- **44m at 0.45% Ni** from 42m incl. **27m at 0.55% Ni**
- **54m at 0.40% Ni** from 63m incl. **15m at 0.50% Ni**
- **32m at 0.39% Ni** from 75m incl. **8m at 0.50% Ni**

Tin targets on across the project include the Bob's Tank anomaly. This is a 1.2km ground electromagnetic (EM) anomaly (open to the south) associated with tin mineralisation and sulphides (pyrite and pyrrhotite). The EM anomaly coincident with strong Sn, Cu, Zn and Ni RAB drilling anomaly. Two drill holes, 1,200m apart tested the EM conducted and intersected:

- **6m at 0.21% Sn** from 99.75m
- **2m at 0.17% Sn** from 117m (within 10m at 829ppm Sn)

Work completed

Site visits and land access negotiations, drill hole modelling, data digitisation and drill hole planning.

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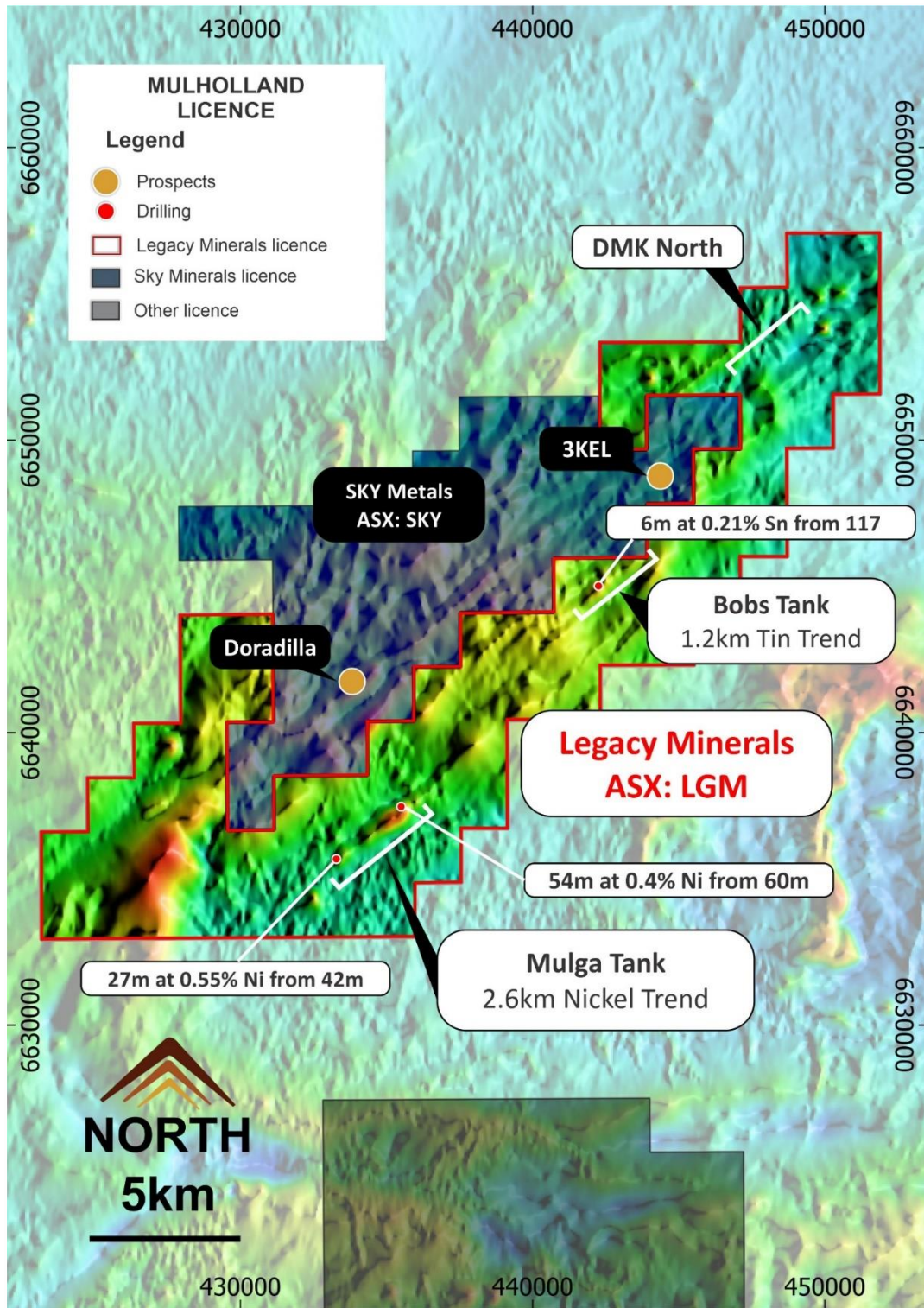


Figure 8: Mulholland Tenement Overview

DIRECTORS' REPORT

SUBSEQUENT EVENTS

There are no matters or circumstances that have arisen since the end of the period which significantly affected, or may significantly affect, the operations of the Group, the results of these operations or the Group's state of affairs in future financial periods.

LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The lead auditor's independence declaration is set out on page 32 and forms part of the Directors' Report for the interim period ended 31 December 2021.

ROUNDING OFF

The Company is not of a kind referred to in *ASIC Corporations Instrument 2016/191* dated 1 April 2016 and as such, amounts in the interim financial statements and directors' report have been reported to the nearest dollar, unless otherwise stated.

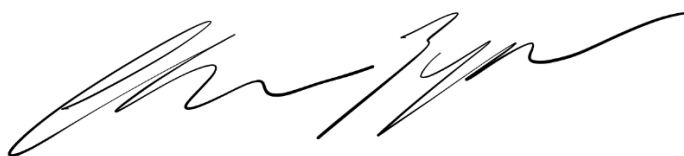
COMPETENT PERSON'S STATEMENT

The Information in this report relating to Mineral Resources and Exploration Results is extracted from reports lodged as market announcements and available to view on the Company's web-site

<https://legacyminerals.com.au/>

The Company confirms that it is not aware of any new information that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Signed in accordance with a resolution of the Board of directors:



Mr Christopher Byrne

CEO and Managing Director

Sydney

14 March 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
INTERIM PERIOD ENDED 31 DECEMBER 2021

	Note	2021 \$	2020 \$
Revenue and other income		-	-
Share based payment expense		506,063	24,061
Administration expenses	1 (f)	1,121,956	102,201
Loss before income tax		1,628,019	126,262
Income tax benefit		-	-
Net loss attributable to members of the parent		1,628,019	126,262
Other comprehensive income for the interim period, net of income tax		-	-
Total comprehensive loss for the interim period		1,628,019	126,262
		Cents	Cents
Loss per share – basic	3	2.49	0.47
Loss per share – diluted	3	2.49	0.47

The condensed notes on pages 21 to 30 are an integral part of these interim financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
INTERIM PERIOD ENDED 31 DECEMBER 2021

	Note	Ordinary fully paid shares \$	Share based payment reserve \$	Accumulated losses \$	Total Equity \$
Balance at 1 July 2020		210,502	-	(29,136)	181,366
Loss for the half year		-	-	(126,262)	(126,262)
Other comprehensive income		-	-	-	-
Total comprehensive income for the half year		-	-	(126,262)	(126,262)
<i>Transaction with owners in their capacity as owners:</i>					
Issue of shares	1 (g)	-	-	-	-
Costs of an equity transaction	1 (g)	-	-	-	-
Share-based payments expense	1 (h)	-	103,712	-	103,712
Balance at 31 December 2020		210,502	103,712	(155,398)	158,816
Balance at 1 July 2021		1,694,902	-	(884,443)	810,459
Loss for the half year		-	-	(1,628,019)	(1,628,019)
Other comprehensive income		-	-	-	-
Total comprehensive income for the half year		-	-	(1,628,019)	(1,628,019)
<i>Transaction with owners in their capacity as owners:</i>					
Issue of shares	1 (g)	5,981,500	-	-	5,981,500
Costs of an equity transaction	1 (g)	(476,022)	111,042	-	(364,980)
Share-based payments expense	1 (h)	-	506,063	-	506,063
Balance at 31 December 2021		7,200,380	617,105	(2,512,462)	5,305,023

The condensed notes on pages 21 to 30 are an integral part of these interim financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	31 December 2021	30 June 2021
		\$	\$
Current assets			
Cash and cash equivalents		4,188,321	752,817
Trade and other receivables		122,642	204,734
Total current assets		4,310,963	957,551
Non-current assets			
Plant and equipment	1 (i)	128,925	85,479
Exploration and evaluation assets	1 (j)	995,322	175,585
Tenement deposits		98,000	70,000
Total non-current assets		1,222,247	331,064
Total assets		5,533,210	1,288,615
Current liabilities			
Trade and other payables		113,945	472,786
Employee benefits		114,242	5,370
Total current liabilities		228,187	478,156
Total non-current liabilities		-	-
Total liabilities		228,187	478,156
Net assets		5,305,023	810,459
Equity			
Issued capital	1 (g)	7,200,380	1,694,902
Share based payment reserve	1 (h)	617,105	-
Accumulated losses		(2,512,462)	(884,443)
Equity		5,305,023	810,459

The condensed notes on pages 21 to 30 are an integral part of these interim financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
INTERIM PERIOD ENDED 31 DECEMBER 2021

	Note	2021	2020
		\$	\$
Cash flows used in operating activities			
Receipts from customers		-	-
Payments to suppliers and employees		(1,203,410)	(7,709)
Net cash used in operating activities		(1,203,410)	(7,709)
Cash flows used in investing activities			
Payments for plant and equipment	1 (i)	(56,893)	-
Payments for exploration and evaluation assets		(773,575)	(18,490)
Payments for tenement deposits		(28,000)	(20,000)
Net cash used in investing activities		(858,468)	(38,490)
Cash flows from financing activities			
Proceeds from capital raising		5,801,500	20,000
Payments for capital raising costs		(304,369)	-
Other		251	-
Net cash generated from financing activities		5,497,382	20,000
Net increase / (decrease) in cash and cash equivalents		3,435,504	(26,199)
Cash and cash equivalents at 1 July		752,817	88,758
Cash and cash equivalents at 31 December		4,188,321	62,559

The condensed notes on pages 21 to 30 are an integral part of these interim financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. KEY FINANCIAL INFORMATION AND PREPARATION BASIS

(a) Reporting Entity

Legacy Minerals Holdings Limited (**Company**) is a company domiciled in Australia. These condensed consolidated interim financial statements (“interim financial statements”) as at and for the interim period ended 31 December 2021 comprise the Company and its subsidiary (together referred to as the “Group”).

Legacy Minerals Pty Limited (**Legacy Minerals**), the Company’s wholly owned subsidiary, has been involved in the acquisition and exploration of gold and copper projects in the prospective New South Wales (**NSW**) Lachlan Fold Belt (**LFB**) since 2017. Legacy Minerals wholly owns 864 km² of granted and pending exploration licence applications in the LFB spanning five projects. The LFB, also known as the Lachlan Orogen, is a region considered to be a premier exploration and mining district and home to one of the largest gold mines in Australia, Cadia Valley NSW (Newcrest).

The Group has a straightforward exploration strategy: to drill and develop a pipeline of prospective targets for gold and copper mineralisation. The work conducted on the tenements has defined drill ready prospects across the Group’s portfolio.

The Group’s projects contain numerous untested geochemical, geophysical and geological targets. These afford the Group multiple opportunities for gold and copper discoveries; commodities which are currently enjoying favourable market conditions. Highlights of the projects include:

- drill-ready targets that provide immediate opportunities for gold and copper discoveries;
- projects with a prime position in the LFB targeting porphyry-related Cu-Au, Cobar-type, and low sulphidation epithermal-style systems; and
- high grade and shallow exploration targets that present an opportunity for near term resource definition.

(b) Group Restructure

For the purpose of the Initial Public Offering of the Company’s shares on the Australian Securities Exchange, Legacy Minerals undertook a group restructure whereby Legacy Mineral’s ownership was transferred to the Company on 5 July 2021 through the Company’s acquisition of all the issued shares of Legacy Minerals by the issue of one (1) ordinary fully paid share for one (1) Legacy Minerals ordinary fully paid share.

As the business were controlled by the same party both before and after, in the opinion of the directors the restructuring represents a business combination of entities under common control and therefore the requirements of AASB 3 Business Combinations do not apply.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

The consolidated financial report of the Group for the half year ended 31 December 2021 has been presented as a continuation of the business of Legacy Minerals. The comparative information presented in the financial statements represents the financial position and financial performance of Legacy Minerals.

(c) Basis of Preparation

These interim financial statements are general purpose financial statements prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001, and with IAS 34 Interim Financial Reporting.

They do not include all of the information required for a full annual financial report. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated annual financial report of the Group as at and for the year ended 30 June 2021.

These interim financial statements were approved by the Board of Directors on 14 March 2022.

The Company is not of a kind referred to in ASIC Corporations Instrument 2016/191 dated 1 April 2016 and, in accordance with the Class Order, amounts in these interim financial statements and directors' report have been rounded to the nearest dollar, unless otherwise stated.

(d) Use of Judgements and Estimates

In preparing these interim financial statements, the Group's management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from those estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company's last annual consolidated annual financial report as at and for the year ended 30 June 2021.

(e) Going Concern

During the interim period to 31 December 2021, the Group incurred a loss of \$1,628,019 (December 2020: \$126,262) and net cash outflows from operating activities of \$1,203,410 (December 2020: \$7,709). At 31 December 2021, cash and cash equivalents were \$4,188,321 (June 2021: \$752,817) and there were net current assets of \$4,082,776 (June 2021: \$479,395). During the period, the Company was admitted to the Official List of the Australian Securities Exchange (ASX), raising \$5,801,500 before transaction costs.

The financial report has been prepared on the basis of a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities will occur in the normal course of business.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

(f) Administration Expenses

	Note	2021 \$	2020 \$
Accounting and tax fees		33,474	-
Audit expense		47,576	-
Compliance: ASX/Share Registry fees/meetings expenses		104,397	-
Corporate advisory		302,472	72,000
Depreciation expense		13,447	-
Exploration expenses written off		35,938	5,867
Freight and courier costs		3,633	-
Insurance expense		14,848	-
Investor relations expenses		58,305	-
Legal expenses		80,686	-
Motor vehicle expenses		17,342	-
Officer and employee costs			
Directors	2 (a)	298,333	-
Non-Directors		140,796	21,024
Capitalised to exploration and evaluation assets		(108,426)	-
Other expenses		28,104	3,310
Subscriptions and memberships		17,503	-
Training and conferences expense		16,725	-
Travel and accommodation expenses		8,643	-
Website and software		8,160	-
		1,121,956	102,201

(g) Ordinary Fully Paid Shares

	Number	\$
Balance at 21 May 2021 (incorporation)	1	1
Balance at 30 June 2021	1	1
Issue of 1 Company share for every 1 Legacy Minerals share - 5 July 2021	44,368,002	1,694,902
Shares issued 5 July 2021 ¹	1,800,000	180,000
Cancel share issued on incorporation on 21 May 2021 - 5 July 2021	(1)	(1)
Cash placement (IPO) - 31 August 2021 ²	28,507,500	5,701,500
Cash placement (IPO) - 1 September 2021 ²	500,000	100,000
Costs of an equity transaction	-	(476,022)
Balance at 31 December 2021	75,175,502	7,200,380

¹ During the year ended 30 June 2021, Legacy Minerals received application monies totalling \$180,000 from applicants for the issue of 1,800,000 of the Company's ordinary fully paid shares. The Company's shares were issued on 5 July 2021.

² On 13 September 2021, the Company was admitted to the Official List of the Australian Securities Exchange (ASX), completing an Initial Public Offering (IPO) of 29,007,500 new shares at an issue price of \$0.20, raising \$5,801,500 before transaction costs.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

(h) Share-Based Payment Reserve

Company for period ended 31 December 2021

4,850,000 unquoted options were granted during the period ended 31 December 2021. Each unquoted option has an exercise price per share of \$0.30. All options vested on the date issued.

Details of options over ordinary shares in the Company that were granted and vested during the financial period are as follows:

Share Based Payment Reserve	Date Granted and Vested	Options expiry Date	ASX Escrow expiry date	Number of Options	Share based payment expense \$
1 July 2021				-	-
Director Options	7 July 2021	22 June 2026	13 September 2023	3,500,000	472,325
Management options	7 July 2021	22 June 2026	7 July 2022	250,000	33,738
				3,750,000	506,063
Joint Lead Manager Options	7 September 2021	7 September 2024	Not applicable	1,100,000	111,042
31 December 2021				4,850,000	617,105

The Company's options expense for the period ended 31 December 2021 was \$506,063. (31 December 2020: \$24,061). The remaining \$111,042 was recorded as costs of equity transaction net of share capital.

The fair value of the unlisted options was calculated at the date of grant using the Black Scholes option pricing model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the options recognised as an expense immediately due to no vesting conditions

(h) Share-Based Payment Reserve (Continued)

Company for period ended 31 December 2021 (Continued)

	Director and Management Options	Joint Lead Manager Options
Number	3,750,000	1,100,000
Grant date	7 July 2021	7 September 2021
Expiry date	22 June 2026	7 September 2024
Share price at grant date (IPO Price)	\$0.20	\$0.20
Exercise price per option	\$0.30	\$0.30
Expected volatility (weighted average)	99.0%	95.0%

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Risk free interest rate (based on government bonds)	0.10%	0.11%
Dividend yield	0.00%	0.00%
Fair value at grant date	\$0.134950	\$0.100948

Legacy Minerals for year ended 30 June 2021

4,828,000 unquoted options were granted by Legacy Mineral during the year ended 30 June 2021. All options vested on the date issued.

Details of options over ordinary shares in Legacy Minerals that were granted, exercised, vested and expired during the financial year were as follows: Unquoted options – each with a \$0.005 exercise price and expiring 5 years after the date of issue.

Vesting Date	Balance at 1 July 2020		Granted and vested during the year	Exercised during the year	Balance at 30 June 2021	
	Vested Number	Unvested Number			Vested Number	Unvested Number
Various: 1 July 2020 to 28 April 2021	-	-	4,828,000	(4,828,000)	-	-
	-	-	4,828,000	(4,828,000)	-	-

Legacy Mineral's options expense for the year ended 30 June 2021 was \$217,260.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

(h) Share-Based Payment Reserve (Continued)

Legacy Minerals for year ended 30 June 2021 (Continued)

Share Based Payment Reserve	Number of Options Granted	\$
Balance at 1 July 2020	-	-
Equity settled share-based payments for the year	4,828,000	217,260
Options exercised during the year	(4,828,000)	-
Transfer to share capital	-	(217,260)
Balance at 30 June 2021	-	-

Each option provides the right for the option holder to be issued one fully paid share by the Legacy Minerals or the Company, as applicable, upon payment of the exercise price of each option. The options do not entitle the holder to participate in any share issue of Legacy Minerals, the Company or any other body corporate.

The Company's accounting policy for the treatment of equity-settled share-based payment arrangements granted to employees

The grant-date fair value of equity-settled share-based payment arrangements granted to employees and consultants is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(i) Plant And Equipment

Balance at 30 June 2020	1,363	\$
Additions during the year	87,838	
Depreciation during the year	(3,722)	
Balance at 30 June 2021	<u>85,479</u>	
Additions during the interim period	56,893	
Depreciation during the interim period	(13,447)	
Balance at 31 December 2021	<u>128,925</u>	

NOTES TO THE INTERIM FINANCIAL STATEMENTS

(j) Exploration and Evaluation Assets

	\$
Balance at 30 June 2020	50,034
Additions during the year	125,551
Balance at 30 June 2021	<u>175,585</u>
Additions during the interim period	<u>819,737</u>
Balance at 31 December 2021	<u><u>995,322</u></u>

(k) Dividends

No dividends were paid by the Company during the interim period to 31 December 2021 (31 December 2020: Nil).

(l) Commitments

Exploration

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet the minimum expenditure requirements specified by the New South Wales Government. These obligations are subject to renegotiation when application for a mining lease is made and at other times.

As at 31 December 2021, these obligations are not provided for in the financial report and are payable as follows:

	31 December 2021	30 June 2021
	\$	\$
Exploration expenditure commitments		
Within one year	572,917	360,000
One year or later and not later than five years	2,418,056	2,010,000
Later than five years	-	250,000
	<u>2,990,973</u>	<u>2,620,000</u>

All the Group's licences are in good standing at the date of this report.

(m) Segment Reporting

Business and geographical segments

The results and financial position of the Group's single operating segment are prepared on a basis consistent with Australian Accounting Standards and thus no additional disclosures in relation to the revenues, profit or loss, assets and liabilities and other material items have been made. Entity-wide disclosures in relation to the Group's product and services and geographical areas are detailed below.

Products and services

The Group has been involved in the acquisition and exploration of gold and copper projects in the prospective New South Wales (**NSW**) Lachlan Fold Belt (**LFB**) since 2017. The Group wholly owns 864 km² of granted and pending exploration licence applications in the LFB spanning five projects.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Geographical Areas

The Group's exploration activities are located solely in Australia.

(n) **Contingent Liabilities**

There are no contingent liabilities at 31 December 2021 (December 2020: Nil).

(o) **Subsequent Events**

There are no matters or circumstances that have arisen since the end of the period which significantly affected, or may significantly affect, the operations of the Group, the results of these operations or the Group's state of affairs in future financial periods.

2. **KEY MANAGEMENT PERSONNEL AND RELATED PARTY DISCLOSURES**

(a) **Related Party Transactions**

The following related party transaction charges for Directors' salaries and fees were made with the Group on normal terms and conditions and in the ordinary course of business:

	Note	31 December 2021 \$	31 December 2020 \$
Cash remuneration			
Salaries plus superannuation		223,330	-
Directors' fees and superannuation		60,000	-
Consulting		15,003	-
	1 (f)	298,333	-
Non-cash Remuneration			
Share based payments expense		472,325	24,061

Unlisted Options

On 7 July 2021, a total of 3,500,000 unlisted options were granted to Directors or their related entities. Details relating to the options are below.

The options were granted at no cost to the recipient. The fair value of the options at the Grant Date is determined using the Black Scholes model. The options expense for the interim period to 31 December 2021 totals \$472,325 (31 December 2020: \$24,061).

No terms of equity settled share-based payment transactions (including options granted as compensation to key management persons) have been altered or modified by the issuing entity during the interim period.

There are no entitlements for the Company's option holders to participate in new issues of capital which may be offered to the Company's existing ordinary shareholders.

The Group prohibits those that are granted share-based payments as part of their remuneration from entering other arrangements that limit their exposure to losses that would result from share price decreases. Entering such arrangement is prohibited by law.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

3. OTHER DISCLOSURES

(a) Loss Per Share

Basic earnings or loss per share (**EPS**) is calculated by dividing the net profit or loss attributable to members of the parent entity for the interim period, after excluding any costs of servicing equity (other than ordinary shares and converting preference shares classified as ordinary shares for EPS calculation purposes), by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after-tax effect of financial costs associated with dilutive ordinary shares and the effect on revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares, by the weighted average number of ordinary and dilutive potential ordinary shares adjusted for any bonus issue.

The calculation of basic and diluted losses per share for the interim period ended 31 December 2021 was based on the net loss attributable to ordinary shareholders of \$ 1,628,019 and a weighted average number of ordinary shares outstanding during the interim period ended 31 December 2021 of 65,349,604 ordinary shares (31 December 2020: 27,110,002), calculated as follows:

	2021	2020
	\$	\$
Loss for the interim period attributable to ordinary shareholders	1,628,019	126,262
(b) Weighted average number of ordinary shares		
Undiluted Number of Shares	Number	Number
Issued ordinary shares at 1 July	44,368,002	27,110,002
Cash placement - 5 July 2021	1,751,087	-
Cancel share issued on incorporation on 21 May 2021 - 5 July 2021	(1)	-
Cash placement (IPO) - 31 August 2021	18,901,712	-
Cash placement (IPO) - 1 September 2021	328,804	-
Weighted average number of ordinary shares used in calculating basic and diluted loss per share	65,349,604	27,110,002
	Cents	Cents
Loss per share – basic	2.49	0.47
Loss per share – diluted	2.49	0.47

4,294,837 potential shares were excluded from the calculation of diluted earnings per share because they are antidilutive for the interim period ended 31 December 2021 as the Group is in a loss position.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

(c) Significant Accounting Policies

The accounting policies and methods of computation adopted in the preparation of the financial report are consistent with those adopted and disclosed in in the Group's consolidated financial statements as at and for the year ended 30 June 2021.

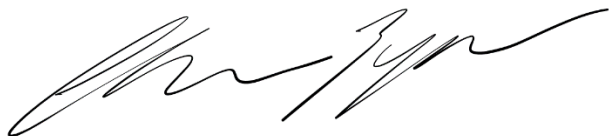
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DIRECTORS' DECLARATION

In the opinion of the directors of Legacy Minerals Holdings Limited:

- (a) the condensed consolidated financial statements and notes set out on pages 17 to 30 are in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the interim period 1 July 2021 to 31 December 2021; and
 - ii. complying with Australian Accounting Standards *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



Mr Christopher Byrne

CEO & Managing Director

Sydney

14 March 2022

DECLARATION OF INDEPENDENCE BY GARETH FEW TO THE DIRECTORS OF LEGACY MINERALS HOLDINGS LIMITED

As lead auditor for the review of Legacy Minerals Holdings Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Legacy Minerals Holdings Limited and the entities it controlled during the period.



Gareth Few
Partner

BDO Audit Pty Ltd

Sydney, 14 March 2022

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Legacy Minerals Holdings Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Legacy Minerals Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, 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 the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and
- (ii) 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 the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibility of the directors for the 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.

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Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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.

BDO Audit Pty Ltd

A stylized, handwritten-style logo of the letters 'BDO' in a light grey color.A handwritten signature in black ink that reads 'Gareth Few'.

Gareth Few
Director

Sydney, 14 March 2022

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