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MARQUEE RESOURCES
LIMITED

Interim Financial Report
31 December 2021

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DIRECTORS' REPORT

Your directors submit the financial report of the Group for the half-year ended 31 December 2021. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of directors who held office during or since the end of the interim period and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated.

Charles Thomas	Executive Chairman
George Henderson	Non Executive Director
Daniel Moore	Non Executive Director

Review of Operations

Clayton Valley Project (USA)

The Company continues its strategy to extract the maximum value from its Clayton Valley Lithium Project that covers approximately ~12 square kilometres of claims endowed with both lithium-rich brines and clays and is located on the north-east side of the southern end of the Clayton Valley Basin and neighbours to the south the only producing lithium mine in North America – Silver Peak.

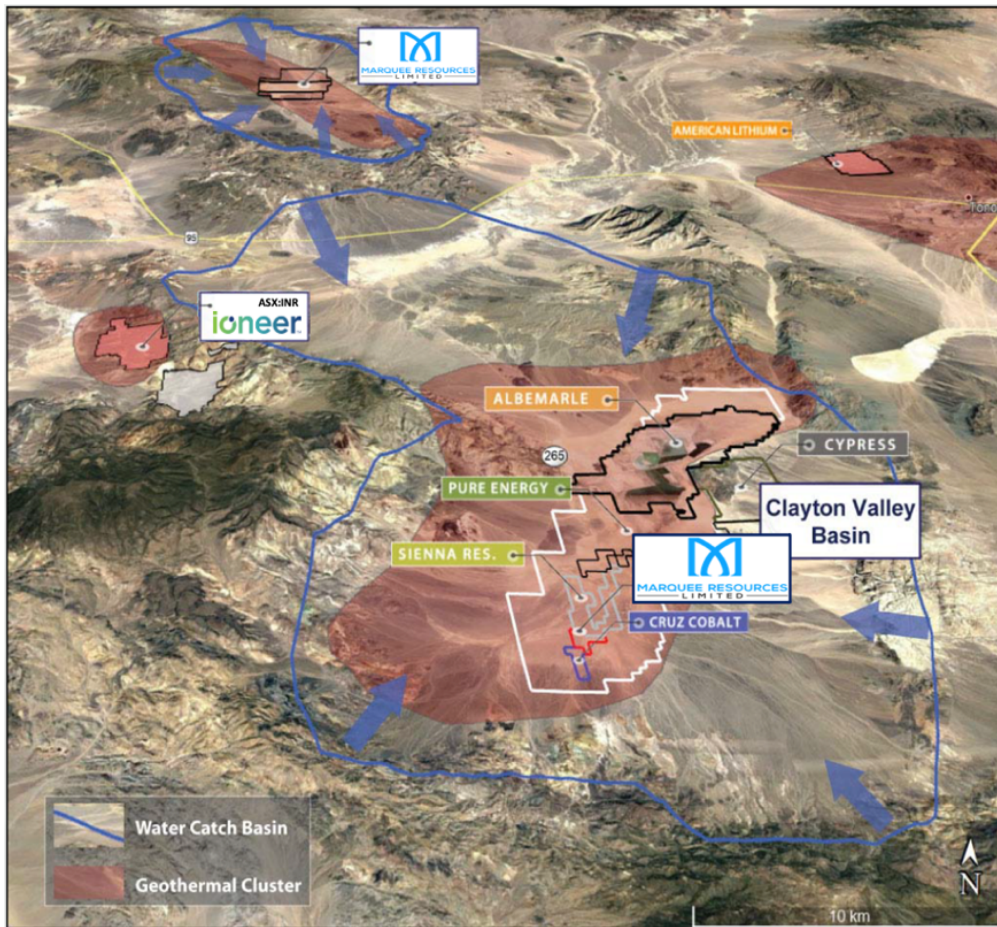
The Company announced in November 2021 the positive outcome from the recently commissioned geological review on its highly prospective Clayton Valley Lithium project, completed by experienced North American geological consultants Kangari Consulting LLC. Refer ASX release 16 November 2021.

The company's property lies on a gravity high which has the potential to represent a graben (uplifted basin sediments) formed as a result of normal faulting, to the east of Pure Energy's current mineral resource.

Results from the Company's initial drillhole (refer ASX release 26 September 2017) confirmed the presence of lithium brine and lithium hosting formation on the Western side of the property. Whilst numerous academic writings suggest that the Marquee Clayton Valley Lithium project sits on the eastern most edge of the Clayton Valley basin (capable of hosting lithium brines), drilling has proven that the basin extends further east than previously considered. This information, combined with the surface sampling results to the north in the Spearmint Resources claims, highlights the strong potential for economic lithium mineralisation on the Marquee claims.

The identification of the lithium hosting formation in the Marquee Clayton Valley claims is a critical observation and is key to the progression of the Project. As a result of this observation, it has been recommended that detailed geophysics and geological mapping is required to define the edge of the sub-basin and identify the lithium bearing tertiary volcanic source rocks.

Further to the above, there is potential for the lithium bearing aquifers present on the Pure Energy Minerals property to extend laterally onto the Marquee claims at depth and further drilling will be undertaken to confirm this theory.



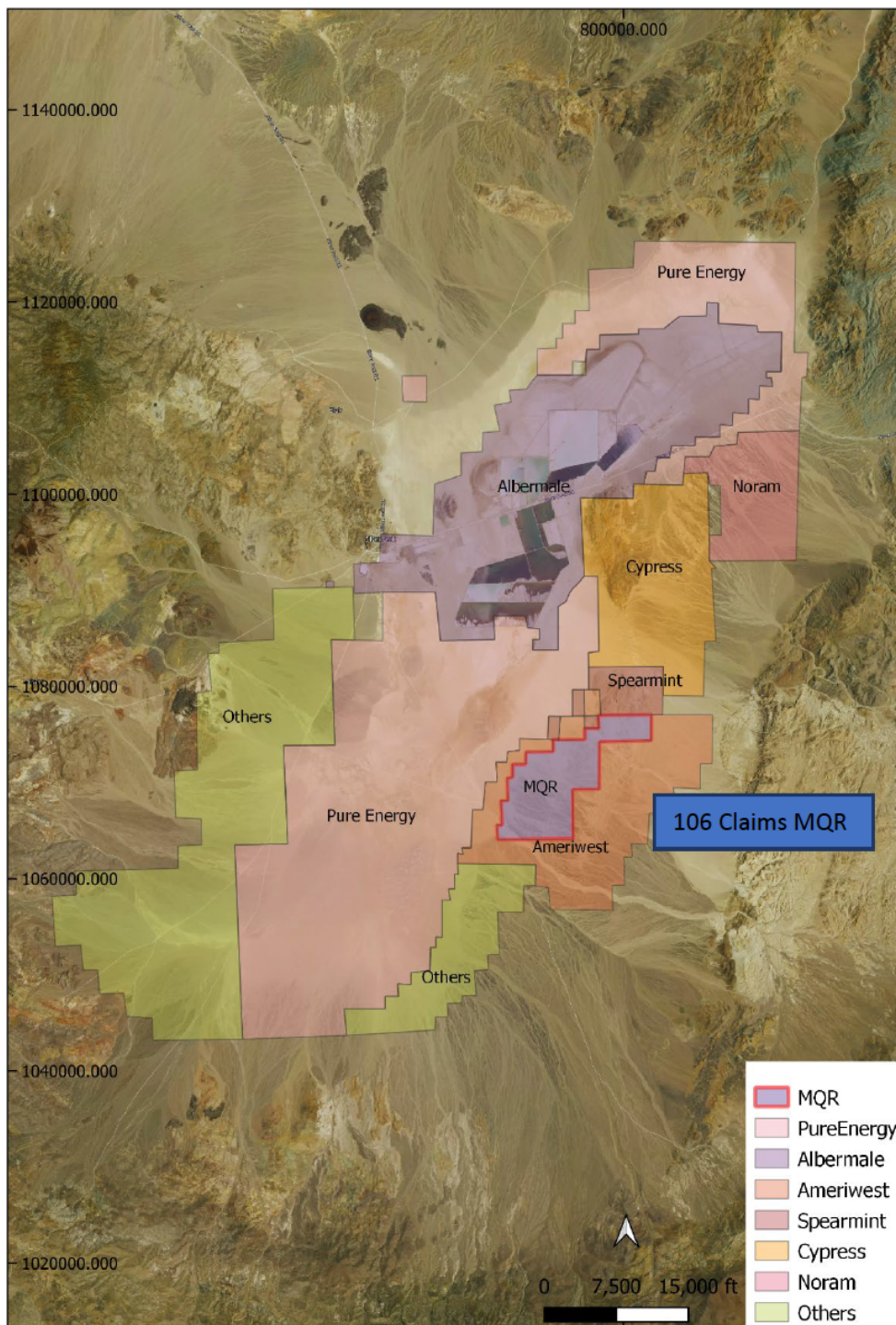
MQR Clayton Valley Lithium Project Location in Esmeralda County, Nevada, USA.

Marquee Resources Clayton Valley Lithium Project is well suited to service the US domestic market with lithium brines exploited by scalable, staged development that can be expanded with increasing demand. The project is approximately 3.5 hours away from Tesla's Gigafactory 1, a large lithium-ion battery factory.

The Clayton Valley project area covers approximately ~12sqkm of claims, recently identified to be endowed with both lithium-rich brines and clays, located at the south end of the Clayton Valley Basin and proximal to the only producing lithium mine in North America, Silver Peak, owned by the world's largest Lithium producer, Albemarle.

The project is also located 60kms south of Marquee's recent, fully permitted and drill ready, Kibby Basin Lithium Project acquisition (refer MQR ASX release dated 4th Nov 2021) and 10km east of ASX-listed Ioneer Ltd's (ASX: INR) flagship Rhyolite Ridge Lithium-Boron Project, recently Joint Ventured with Sibanye Stillwater Limited.

Marquee will commence a two-phase exploration program H2 2022, consisting of detailed geological mapping and drilling.



Exploration Phase-One

Phase one of the exploration program is planned to focus on detailed geological mapping of the 106 licenses. This will assist the company in determining the surface expressions of the tertiary formations and that of the basin formations in order to further help drill hole targeting.

Geological mapping will be completed by a geologist with extensive knowledge of the area and understanding of basin geology. Phase one geological mapping is planned to be complemented with ground gravity geophysics surveys. Surveys are planned to be orientated in an east-west direction, perpendicular to the basin strike, and will define the depth and lateral extent of the recently interpreted sub-basin. Initial geophysics will outline the edge of the basin and identify basin bounding normal faults on the company's property. Closer spaced gravity surveys would then be conducted to further refine the basin margin.

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Phase-Two

Phase two of the program is planned to focus on drilling key target areas identified during phase one exploration.

Phase two is planned to consist of Aircore ("AC") drilling and/or Sonic drilling and sampling depending on ground conditions and rig availability.

Sampling will be conducted to collect brines filtered from the host formations and downhole sampling of brines will be completed via submersible pumps at different times of the year to allow the company to record seasonal variation in the brine content.

Previous downhole sampling for lithium has been conducted on 10-foot intervals. It is Kangari's suggestion that this be increased to every one-metre intervals.

When testing brine samples with suspected lithium content, the following items will be tested:

- Total Dissolved Solids (TDS)
- Total Suspended Solids (TSS)
- pH
- Electrical Conductivity (EC)
- Density
- Total alkalinity
- Carbonates (CO₃ equivalent)
- Bicarbonates
- Chlorides
- Sulfates
- Ions - B, Ba, Ca, Fe, K, Li, Mg, Na, Si, Sr.

Returned sediment samples will be analysed using a total acid digest (total content) and weak acid digest (weakly bound content) and a water digest for soluble content.

Once holes have been drilled to completion, downhole gamma geophysics is planned to be used to create a 3D model of potentially lithium bearing formations which will be used to develop further drilling campaigns up to resource definition.

The Company will update the market once the appropriate geologists and contractors have been found to undertake the planned works.

Lone Star Copper - Gold Mine (Washington State, USA) and Kibby Basin Lithium Project (Nevada USA)

In early November 2021 MQR announced that it has increased its exposure to the future metals sector by entering into earn-in agreements to acquire two significant North American projects, The Kibby Basin Lithium Project and The Lone Star Copper-Gold Project.

Transaction Summary

The Company has entered into binding agreements with Belmont Resources Inc. (**Belmont Resources**) pursuant to which the Company may acquire up to an 80% interest in each of the Kibby Basin Lithium Project (**Kibby Project**) and Lone Star Copper-Gold Project (**Lone Star Project**).

Pursuant to the agreement for the acquisition of the Kibby Project (**Kibby Earn-In**), the Company can acquire up to an 80% interest in the Kibby Project over a 15-month earn-in period (commencing on 1 November 2021) for maximum consideration comprising:

- up to C\$100,000 (Canadian Dollars) cash consideration;
- up to C\$2,500,000 expenditure on the Kibby Project; and
- the issue of up to 3,000,000 ordinary shares in the Company (Shares).

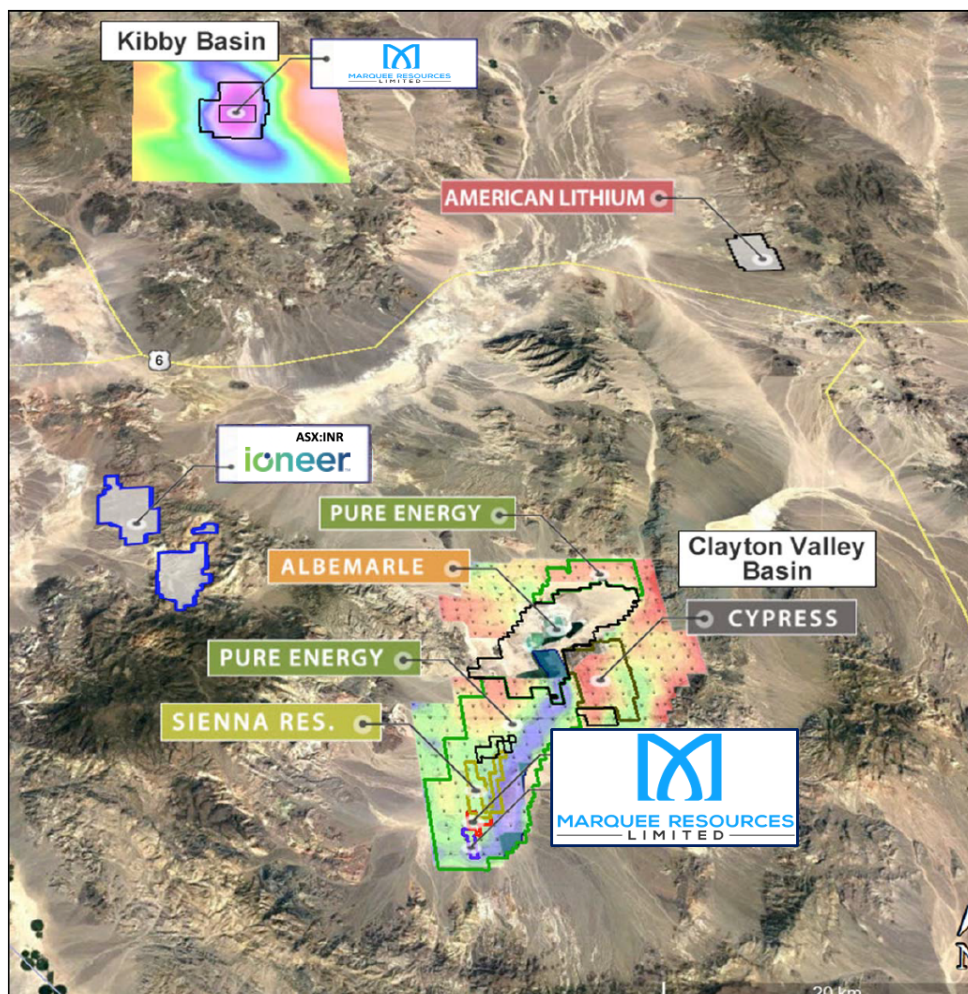
Pursuant to the agreement for the acquisition of the Lone Star Project (**Lone Star Earn-In**), the Company can acquire up to an 80% interest in the Lone Star Project over a 24-month earn-in period (commencing on 1 November 2021) for maximum consideration comprising:

- up to C\$250,000 cash consideration;
- up to C\$2,550,000 expenditure on the Lone Star Project; and
- the issue of up to 3,000,000 Shares.

Material terms of the Kibby Earn-In and Lone Star Earn-In are set out in ASX release dated 5 November 2021.

Shareholder approval for the acquisition and issues of shares was obtained at the AGM held 30 November 2021.

Kibby Basin Lithium Project



Location of the Kibby and Clayton Valley Lithium Projects

Summary¹

The Kibby Basin Lithium Project is a highly prospective asset located within a 60km radius of North America's only producing Lithium mine, owned by the world's largest Lithium producer, Albemarle. The Kibby Project contains potentially favourable conditions for the development of lithium-rich brines and has similar features as Clayton Valley which hosts Albemarle's Silver Peak Lithium mine.

¹ Kibby Basin Property Gavity Survey Basin Model, James L. Wright M.Sc. 26 June 2016

This Kibby Basin Project is a fully permitted and drill-ready project that significantly adds to and is complimentary to Marquee's own existing Clayton Valley Lithium Project and both will be the subject of aggressive Lithium exploration campaigns to be embarked on by the company.

The company believes the Kibby Basin Lithium Project fits the criteria for a potentially Large-Scale Lithium Project and is also located within a 50km radius of ASX-listed Loneer Ltd's (ASX: INR) flagship Rhyolite Ridge Lithium-Boron Project which has recently been Joint Ventured with Sibanye Stillwater Limited ("Sibanye-Stillwater") to develop the project, with Sibanye-Stillwater contributing US\$490 million for a 50% interest in the Joint Venture.

Adding further excitement to the 2,560 acres (~10sqkm) project is the fact the Project is fully permitted for water extraction for brine processing and production of lithium compounds - a very scarce commodity in the immediate area and will prove extremely valuable should exploration success lead to lithium production.

The company is buoyed by the 7.4km long structure identified in Kibby Valley with characteristics interpreted to be akin to major structures bounding the south side of Clayton Valley, that forms a pull-apart drop-down closed basin within a 700sqkm drainage catch basin.

Next Steps

Marquee is currently planning a drill program for the Kibby Basin Lithium Project consisting of:

1. Two phase 4,000m drill program.
2. Phase I – 2,050m: Drill holes MQR01 (850m) and MQR02 (1,200m) will test the large conductive anomaly at depth.
3. Phase II – Depending upon Phase I results will focus on infilling between MQR01 and MQR02 to determine brine volume estimation.

Lone Star Copper-Gold Project

Summary²

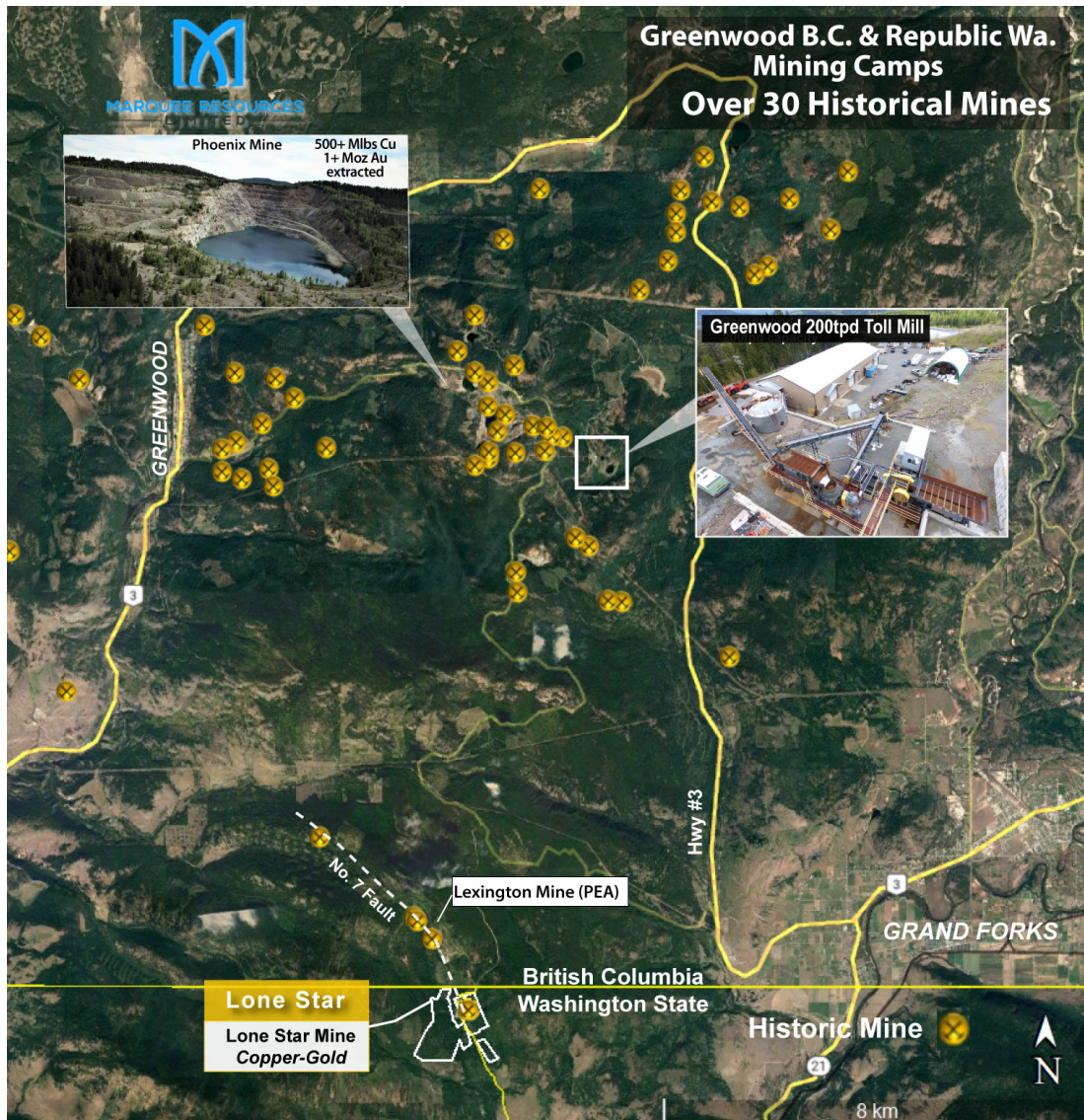
The Lone Star Property and deposit is located in Ferry County, Washington, USA. It is adjacent to Golden Dawn Minerals Inc's. Lexington Property on the British Columbia side of the Canada - United States border where Golden Dawn is actively developing the Lexington-Grenoble deposit. Exploration across the Lone Star property to date includes 252 diamond and percussion drill holes for a total of 23,702 metres of drilling.

The Lone Star deposit is interpreted as a series of eight shallow to moderately dipping en-echelon overlapping zones hosted within a dacitic and minor serpentinite unit. Zones are composed of sheeted and stockwork pyrite-chalcopyrite veins, veinlets and disseminations carrying gold.

The 234-hectare Lone Star copper-gold Project is centered on an area 40 kilometres north north-west of Republic, Washington and adjacent to the Canada-USA border. The property is 12 kilometres west south-west of Grand Forks, British Columbia and 12 kilometres south-east of Greenwood, British Columbia, Canada. The claims are currently only accessible from the USA side although in the mid 1970's an active haul road linked the Lone Star deposit north to the Phoenix Mine in Canada.

For further information see ASX release 5 November 2021.

² P&E Mining Consultants Inc. ("P&E") was engaged by Merit Mining Corp. ("Merit") to prepare a 2007 resource estimate for the Lone Star deposit, Lone Star Property, Ferry County, Washington, USA



Location of the Lone Star Copper-Gold Project

Lone Star Diamond Drilling Program

Forty-two drill holes for approx. 6,000m of diamond drilling will be completed at the Lone Star Copper-Gold Project which is expected to be completed in Q2-2022. The drilling program has been designed to satisfy three key objectives:

- Validate the historical drill hole database and resource model;
- Deliver a JORC compliant mineral resource estimate; and
- Test for extensions to the historical resource.

The first drill hole, LS21-001, was completed to a depth of 230.1m (755ft) and was designed to validate historical high-grade intercepts in the core of the mineralised system. Two main zones of chalcopyrite-pyrite mineralisation were observed in drill core, a shallow dacite hosted Upper Zone from 65.8-110m, and a Lower Zone of mineralisation from 115.8-162.5m hosted on the margin of and within a serpentinite unit. Significant results from Upper Zone mineralisation include 44.2m @ 1.3% Cu from 65.8m inc. 19.8m @ 2.4% Cu from 65.8m with significant results from Lower Zone mineralisation including 22.1m @ 1.15% Cu from 140.4m inc. 8.5m @ 2.1% Cu from 140.4m. The individual zones comprise a package of massive sulphide veins, veinlets and disseminations. The veins are predominantly chalcopyrite and subordinate pyrite with magnetite present in the veins hosted in serpentinite. Upper Zone mineralisation in LS21-001 correlates to the interpreted position of high-grade, dacite hosted copper mineralisation intersected in historical drilling. Lower Zone serpentinite hosted mineralisation has been intersected in historical drilling 30m east of LS21-001. No gold assays have been completed historically adjacent to LS21-001.

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The second drill hole, LS21-002, was collared 13m east of LS21-001 and was drilled to a depth of 224.3m (736ft). Disseminated polymetallic Upper Zone sulphide mineralisation was encountered from 48.3m-62.3m with significant results including 15.54m @ 3.7% Cu, 1.8g/t Au & 23g/t Ag from 48.3m inc. 2.6m @ 18.5% Cu, 10.4g/t Au & 106g/t Ag. Lower Zone mineralisation was intersected from 120.7-176.1m with results including 53.6m @ 0.8% Cu from 120.7m inc. 7.6m @ 2.1% Cu & 1.4g/t Au from 167.6m

Please refer to ASX release dated 3 December 2021 for further details.

Werner Lake Project Canada

The Company did not conduct any on ground exploration work on the project during the quarter however the JV parties continue to explore the best way to unlock value from this cobalt project.

Redlings REE Project

The Redlings Project (formerly called Jungle Well) is 100% owned by Marquee and comprises exploration licences E 37/1311 and E 37/1376. The Project is located approximately 40km west of Leonora, and 77km north of Menzies. Lynas Corporation's Mt Weld Project lies approximately 150km east of the project.

Marquee has decided to fast-track a regional geochemical sampling program at the Project aimed at delineating additional rare-earth element (REE) bearing carbonatitic dykes. Marquee's focus at Redlings will now shift to assessing the REE mineralisation potential over the rest of the 108 km² of prospective tenure that has historically had no exploration works completed. Specifically, the Company will focus on the potential laterite REE mineralisation similar to the mineralisation style encountered at the Mount Weld (LYC) and Yangibana (HAS) deposits.

A regional ~1,500-hole geochemical sampling program at the Redlings Rare-Earth Element Project (Redlings) began on 25th January 2022 (refer to MQR announcement on that date). This program is now complete and the Company awaits the assay results from the laboratory which are yet to be received.

West Spargoville Project (Gold & Nickel)

The West Spargoville Project is located 20km SW of Kambalda, at the northern end of the Widgiemooltha Greenstone Belt and in the core of the Southern Yilgarn Lithium Belt, an area that is well known for spodumene deposits including the Bald Hill Mine, Mt Marion Mine, Buldania Project and Essential Metals Pioneer Dome Project. The world-class Earl Grey deposit and the Mt Cattlin Mine are located further west and south respectively.

Marquee enlisted Ultramag Geophysics to complete a Deep Ground Penetrating Radar (DGPR) survey on the West Spargoville Project. DGPR is a breakthrough state-of-the-art technique that is used to produce high-resolution images of the sub-surface up to 200m depth. Ultramag Geophysics completed the DGPR survey at the West Spargoville Project between the 30th Sept and 15th Oct 2021.

The Company announced results from the first batch of assays following completion of a 3,146 hole auger geochemistry program. The results have identified a 2.4 kilometre long Li-Cs-Ta-Nb anomaly associated with a prominent northwest trending structural zone. Importantly, the geochemical anomaly is situated in an ideal location from a mineral systems perspective, 4 kilometres from the margin of the Connolly Gneiss and within the hypothesized 'Goldilocks Zone'. The geochemical anomaly was identified in an area devoid of outcrop with the underlying Black Flag Bed sediments, the host unit to the nearby Dome North lithium project (Refer ESS Quarterly dated 22nd Oct 2021), obscured by transported overburden.

After the recent DGPR results (Refer ASX Release dated 8th Dec 2021) the results from the auger geochemistry sampling program will further enhance the Company's understanding of the lithium potential of the Project. The Company has begun follow-up drill testing of high priority targets at the Project (Refer ASX release dated 22nd February 2022).

Mt Clement Project

The Mt Clement Project consists of exploration license applications E08/3214 and E08/3301. The Mt Clement Deposit (ASX:NST) is situated in the middle of the tenement package and numerous other historical gold and base metal mines and prospects surrounding the tenure. The Project consists of 360 square kilometers of tenure prospective for syngenetic gold-antimony mineralisation, a poorly understood and underexplored mineralisation style in the Ashburton Basin. This Project represents a genuine greenfields opportunity in one of Australia's most unexplored regions.

Detailed aeromagnetic surveys are planned to be completed over the package with ground gravity data being collected in particular areas of interest. Once targets have been further refined a decision will be made to test the targets either with surface geochemical techniques or by undertaking targeted drilling.

Centenario Lithium Project

The Company previously reported the execution of a Share Purchase Agreement with the Canadian based company, Vertex Lithium Corporation (Vertex) which acquired Marquee's 30% interest in the lithium exploration properties on the Centenario Salar ("Centenario") in Argentina. Lithium Power International Ltd (ASX:LPI) also entered into the same agreement with Vertex to sell its 70% interest in the Project.

The Centenario transaction with Vertex allowed for the sale of 100% of Centenario, releasing MQR from any future exploration spending requirements. It also removed the cost of holding the asset in a foreign jurisdiction in which the Company has struggled to conduct any meaningful exploration on, due to the nature of the ownership structure and Covid-19 restrictions.

The sale transaction completed in November 2021 with the balance of funds outstanding received. The total AUD amount received was \$687,413.

New Project Opportunities

Marquee continues to review a number of complimentary projects that would be a strategic fit for the Company and would add substantial value for shareholders.

Corporate

Capital Raising

A Placement took place in August 2021 utilising the Company's existing capacity under ASX Listing rule 7.1 and 7.1A. A total of \$1,487,500 was raised before costs resulting in the issue of 29,750,000 shares at 5 cents per share.

In November 2021, the company completed a further capital raising, having secured binding loan commitments for AUD\$3,000,000.00. The Loans were approved by shareholders at the AGM held 30 November 2021 and converted into fully paid ordinary shares at a conversion price of \$0.08 per Share, together with free attaching options on the basis of 1 option for every 2 Shares, exercisable at \$0.12 each and expiring on 30 November 2022. A total of 37.5 million shares were issued on 6 December 2021 with 18,750,000 free attaching options. GTT Ventures acted as Lead Manager and was paid fees of 6% plus GST of all funds raised under the offer and received 3,750,000 options exercisable at \$0.12 each, expiring on 30 November 2022 as approved at the AGM.

Options conversion

During the December 2021 half, a total of \$1.26 million was raised via shareholders electing to exercise their options resulting in the issue of 15,750,000 MQR fully paid shares.

Annual General Meeting

The annual general meeting was held on 30 November 2021 and all resolution were passed via a poll.

Events subsequent to reporting date

No other matters or circumstances have occurred subsequent to reporting date that would have a material impact on the consolidated financial statements.

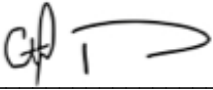
Financial Position

The cash balance at the end of the half-year was \$5,011,459 (30 June 2021: \$1,233,817). Net loss for the 6 months to December 2021 was \$2,116,664 (Dec 2020: \$2,193,665) which includes total impairment costs of \$1,386,604 (Dec 2020: \$1,299,879).

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, BDO Audit (WA) Pty Ltd, to provide the directors of the company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 5 and forms part of this directors' report for the half-year ended 31 December 2021.

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



Charles Thomas
Executive Chairman
16 March 2022

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AUDITOR'S INDEPENDENCE DECLARATION



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DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF MARQUEE RESOURCES LIMITED

As lead auditor for the review of Marquee Resources 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 Marquee Resources Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Phillip Murdoch', is written over a horizontal line.

Phillip Murdoch
Director

BDO Audit (WA) Pty Ltd
Perth, 16 March 2022

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

		31 December 2021	31 December 2020
	Notes	\$	\$
Continuing operations			
Interest income		193	687
ATO Cashflow boost			23,787
Other income	6	27,767	-
Administrative expenses		(377,905)	(217,140)
Staff expenses		(328,992)	(237,414)
Share based payment	8	(28,750)	(423,699)
Impairment Exploration	3	(1,386,604)	(989,801)
Impairment Investment in Associate	6	-	(310,078)
Finance cost lease		(2,839)	(952)
Share (30%) loss investment in associate	6	-	(20,474)
Depreciation and amortisation expense		(19,534)	(18,581)
Loss before income tax		(2,116,664)	(2,193,665)
Income tax expense		-	-
Net loss for the period		(2,116,664)	(2,193,665)
Other comprehensive income/(loss), net of income tax			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		48,628	(241,045)
Other comprehensive income/(loss) for the period, net of income tax		48,628	(241,045)
Total Comprehensive loss attributable to owners of the parent		(2,068,036)	(2,434,710)
Basic loss per share (cents per share)		(1.407)	(2.31)

The accompanying notes form part of these consolidated financial statements

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

	Notes	31 December 2021 \$	30 June 2021 \$
Assets			
Current assets			
Cash and cash equivalents		5,011,459	1,233,817
Trade and other receivables		127,358	37,348
Prepayments		1,390	8,812
Asset held for sale (Centenario)		-	659,644
Total current assets		5,140,207	1,939,621
Non-current assets			
Property, plant and equipment		21,786	18,394
Right-of-use asset		40,046	56,065
Deferred exploration and evaluation expenditure	3	4,980,354	3,528,723
Total non-current assets		5,042,186	3,603,182
Total assets		10,182,393	5,542,804
Liabilities			
Current liabilities			
Trade and other payables	7	537,018	108,356
Lease liability		33,198	22,000
Accruals		17,500	31,284
Total current liabilities		587,716	161,640
Non-Current Liabilities			
Lease liability		8,447	25,522
Total non-current liabilities		8,447	25,522
Total Liabilities		596,163	187,162
Net assets		9,586,230	5,355,642
Equity			
Issued capital	4	20,212,922	14,661,637
Reserves	5	5,287,293	4,491,327
Accumulated losses		(15,913,985)	(13,797,322)
Total Equity		9,586,230	5,355,642

The accompanying notes form part of these consolidated financial statements

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

	Issued capital	Option reserve	Share-based payment reserve	Foreign currency translation reserve	Accumulated losses	Total Equity
Note	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	12,438,405	1,471,000	2,548,000	(139,977)	(11,055,364)	5,262,063
Loss for the period	-	-	-	-	(2,193,665)	(2,193,665)
Exchange differences arising on translation of foreign operations	-	-	-	(241,045)	-	(241,045)
Total comprehensive loss for the period	-	-	-	(241,045)	(2,193,665)	(2,434,710)
Issue of Shares	1,704,027	-	-	-	-	1,704,027
Issue of Options	-	507,340	-	-	-	507,340
Share issue costs	(179,641)	-	-	-	-	(179,641)
Balance at 31 December 2020	13,962,791	1,978,340	2,548,000	(381,022)	(13,249,028)	4,859,081
Balance at 1 July 2021	14,661,637	1,978,340	2,548,000	(35,013)	(13,797,322)	5,355,642
Loss for the period	-	-	-	-	(2,116,664)	(2,116,664)
Exchange differences arising on translation of foreign operations	-	-	-	48,628	-	48,628
Total comprehensive loss for the period	-	-	-	48,628	(2,116,664)	(2,068,529)
Issue of shares	6,087,325	-	-	-	-	6,087,325
Issue of options	-	747,338	-	-	-	747,338
Share issue costs	(536,040)	-	-	-	-	(536,040)
Balance at 31 December 2021	20,212,922	2,725,678	2,548,000	13,615	(15,913,985)	9,586,230

The accompanying notes form part of these consolidated financial statements

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

	31 December 2021	31 December 2020
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(752,313)	(503,943)
Interest received	193	687
ATO cashflow boost	-	23,787
Net cash outflow from operating activities	(752,120)	(479,469)
Cash flows from investing activities		
Payments for exploration and evaluation expenditure	(1,482,541)	(291,343)
Payment for plant and equipment	(6,907)	(9,031)
Proceeds from sale of Centenario	687,412	-
Net cash outflow from investing activities	(802,036)	(300,374)
Cash flows from financing activities		
Proceeds from issue of equity securities	2,747,500	1,704,027
Proceeds from Convertible note	3,000,000	-
Payment for share issue costs	(397,702)	(96,000)
Repayment of lease	(18,000)	(18,000)
Net cash inflow from financing activities	5,331,798	1,590,027
Net increase in cash held	3,777,642	810,184
Cash and cash equivalents at the beginning of the period	1,233,817	718,757
Cash and cash equivalents at the end of the period	5,011,459	1,528,941

The accompanying notes form part of these consolidated financial statements. Non cashflow activities are disclosed in Note 8.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021****NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES****Basis of preparation**

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

The interim report is a General Purpose Financial Report prepared in accordance with *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

Accounting policies and methods of computation

The accounting policies and methods of computation adopted are consistent with those of the previous financial year ended 30 June 2021 and corresponding half-year except as disclosed below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Convertible Note Policy AASB 132

Convertible Notes were issued by the group during the period. The component of the convertible note that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

Adoption of new and amended Accounting Standards

For the half-year ended 31 December 2021 the Group has reviewed all of the new and revised Standards and interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2021. The adoption of these new and revised standards and interpretations did not have any effect on the financial position or performance of the Group.

Significant accounting judgments and key estimates

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this interim report, the significant judgments 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 consolidated financial report for the year ended 30 June 2021.

Statement of compliance

The interim financial statements were authorised for issue on 16 March 2022.

The interim financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. In preparing this interim report, the significant judgments 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 consolidated financial report for the year ended 30 June 2021.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

Functional and presentation currency

The functional currency of the Group is measured using the currency of the primary economic environment in which the entity operates (United States and Canada), however the financial statements are presented in Australian dollars, which is the economic environment that the parent operates.

NOTE 2: OPERATING SEGMENTS

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to the segment and to assess its performance.

The Group's operating segments have been determined with reference to the monthly management accounts used by the Chief Operating Decision maker to make decisions regarding the Group's operations and allocation of working capital. Due the size and nature of the Group, the Board as a whole has been determined as the Chief Operating Decision Maker.

Information reported to the Group's Board of Directors for the purposes of resource allocation and assessment of performance is more specifically focused on the exploration and development of mineral resource projects. The Group's reportable segments under AASB 8 are therefore as follows:

- Exploration and evaluation – USA
- Exploration and evaluation – Canada
- Exploration and evaluation – Argentina
- Exploration and evaluation – Australia
- Other sector

Exploration and evaluation – Nevada refers to the Clayton Valley Project Exploration licenses (EL's) held in Nevada USA. The Group holds a 100% interest in these licences through Sovereign Gold Nevada Inc, a wholly owned subsidiary of Marquee Resources Limited. During the December 2021 half two projects have been added to this segment, the Lone Star and Kibby projects located in the US.

Exploration and evaluation – Canada refers to the 30% interest in the Werner Lake project in Canada.

Exploration and evaluation – Argentina refers to the 30% interest via its 100% subsidiary Centenario Lithium Ltd in a Lithium exploration project in the Centenario-Ratones, an area of the Andes in the north-west of Argentina. Subsequent to the sale of Centenario, this segment within the current period, is no longer in place.

Exploration and evaluation – Australia refers to Redlings, West Spargoville and Mt Clement Projects in Western Australia.

The other sector relates to head office operations, including cash management. Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies.

Segment information

The following table presents revenue and profit information and certain asset and liability information regarding business segments for the period ended 31 December 2020, 30 June 2021 and 31 December 2021.

	E & E Canada	E&E USA	E&E Argentina	E & E Australia	Other	Consolidated
SEGMENT REPORTING						
Half Year ended 31 December 2021						
Segment Revenue	-	-	27,767	-	193	27,960
Segment net operating loss before tax	1,386,799	-	-	-	729,865	2,116,664
Half Year ended 31 December 2020						
Segment Revenue	-	-	-	-	24,474	24,474
Segment net operating loss before tax	990,024	85	330,552	-	873,004	2,193,665

NOTE 2: OPERATING SEGMENTS continued**Segment assets**

At 31 December 2021	369,288	3,144,148	-	1,586,206	5,082,751	10,182,393
At 30 June 2021	1,742,329	955,873	659,644	949,067	1,235,891	5,542,804

Segment liabilities

At 31 December 2021	-	-	-	-	596,163	596,163
At 30 June 2021	-	-	-	-	187,162	187,162

Segment results earned by each segment are without allocation of central administration costs and directors' salaries, share of profits from associates, investment revenue and finance costs, income tax expense, gains or losses of associates and discontinued operations. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

NOTE 3: EXPLORATION AND EVALUATION EXPENDITURE

	Six months to 31 December 2021	Year to 30 June 2021
	\$	\$
Costs carried forward in respect of areas of interest in the following phases:		
Exploration and evaluation phase – at cost		
Balance at beginning of period	3,528,723	3,866,967
Asset acquired (i)	1,239,182	205,890
Expenditure incurred	1,545,522	521,221
Impaired exploration expenditure (ii)	(1,386,604)	(989,801)
Foreign Exchange	53,531	(75,555)
Total exploration and evaluation expenditure	4,980,354	3,528,723

(i) Acquisitions include:

- West Spargoville extension option fee \$100,000.

- A total of \$1,139,182 for the acquisition costs of Lone Star and Kibby projects under Earn-in Agreement with Belmont Resources Inc. This includes cash payment of \$219,106 and two million shares valued at \$230,000 to Belmont Resources Inc. plus facilitation fees paid in the form of 10 million options plus 705,000 shares to GTT Ventures or their nominees valued \$690,075.

Pursuant to the agreement for the acquisition of the Kibby Project the Company can acquire up to an 80% interest in the Kibby Project over a 15-month earn-in period (commencing on 1 November 2021) for maximum consideration comprising:

- up to C\$100,000 (Canadian Dollars) cash consideration;
- up to C\$2,500,000 expenditure on the Kibby Project; and
- the issue of up to 3,000,000 ordinary shares in the Company.

Pursuant to the agreement for the acquisition of the Lone Star Project, the Company can acquire up to an 80% interest in the Lone Star Project over a 24-month earn-in period (commencing on 1 November 2021) for maximum consideration comprising:

- up to C\$250,000 cash consideration;
- up to C\$2,550,000 expenditure on the Lone Star Project; and
- the issue of up to 3,000,000 Shares.

(ii) The Board undertook a review of all Exploration and Evaluation assets and agreed that the value of Werner Lake project should be impaired by \$1,386,604 (2021: \$989,801)

The exploration assets satisfy AASB 6 and remain as exploration assets in the statement of financial position. The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent upon the successful development and commercial exploitation or sale of the respective areas.

NOTE 4: ISSUED CAPITAL

	31 December 2021	30 June 2021
	\$	\$
<i>Ordinary shares</i>		
Issued and fully paid	20,212,922	14,661,637

	Six months to 31 December 2021		Year to 30 June 2021	
	Number	\$	Number	\$
<i>Movements in ordinary shares</i>				
Balance at beginning of period	119,910,102	14,661,637	63,610,102	12,438,405
Placement (i)	29,750,000	1,487,500	-	-
Option exercise @ 8 cents per share	15,750,000	1,260,000	-	-
Conversion Convertible Note (ii)	37,500,000	3,000,000	-	-
Vendor and facilitation shares (iii)	2,705,000	311,075	-	-
Technical Officer shares (iv)	250,000	28,750	-	-
Placement July/Sep 2020	-	-	40,000,000	1,600,027
Option exercise	-	-	1,300,000	104,000
Placement Feb 2021	-	-	15,000,000	750,000
Equity Issue Costs	-	(536,040)	-	(230,796)
Balance at end of period	205,865,102	20,212,922	119,910,102	14,661,637

(i) Placement in August 2021 at 5 cents per share

(ii) On 5 November 2021 Marquee Resources Ltd entered into binding loan commitments for \$3,000,000 via convertible loan agreements. No interest was payable on the loan and the conversion to shares was subject to shareholder approval. Approval was obtained 30 November 2021 and the loan was automatically deemed to be converted into fully paid ordinary shares at a conversion price of \$0.08 per share, together with free attaching options on the basis of 1 option for every 2 shares, exercisable at \$0.12 each and expiring 30 November 2022. The converted shares and free attaching options were issued 6 December 2021.

(iii) 2 million ordinary shares were issued to Belmont Resources Inc as consideration to the earn-in agreement relating to the Lone Star and Kibby projects in the US. There was a further issue of 705,000 shares as facilitation fee for the acquisition.

(iv) Issue of 250,000 shares to the Chief Technical Officer.

NOTE 5: RESERVES

Movements in reserves were as follows:

	Option reserve	Equity based payment reserve	Foreign currency translation reserve	Total
	\$	\$	\$	\$
Consolidated				
31 December 2021				
Balance at beginning of period	1,978,340	2,548,000	(35,013)	4,491,327
Equity based payment (note 8)	747,338	-	-	747,338
Currency translation differences	-	-	48,628	48,628
Balance at end of period	2,725,678	2,548,000	13,615	5,287,293

	Option reserve	Share based payment reserve	Foreign currency translation reserve	Total
	\$	\$	\$	\$
Consolidated				
30 June 2021				
Balance at beginning of period	1,471,000	2,548,000	(139,977)	3,879,023
Equity based payment (options)	507,340	-	-	507,340
Currency translation differences	-	-	104,964	104,964
Balance at end of year	1,978,340	2,548,000	(35,013)	4,491,327

NOTE 6: Asset Held for sale (Centenario)

	31 December 2021	30 June 2021
	\$	\$
Opening Exploration Asset – held for sale	659,644	-
Sale proceeds	(687,412)	-
Profit on sale	27,768	-
Opening Investment in Associate	-	770,491
Cash Call	-	65,789
Miscellaneous expenses	-	717
Foreign exchange movement during the year	-	182,800
Impairment expense	-	(310,078)
Loss for the period (30% share)	-	(50,075)
Close balance Investment in Associate	-	659,644
Transfer Investment in Associate to Asset held for sale	-	(659,644)
Close Balance Investment in Associate	-	-
Close Exploration Asset – held for sale	-	659,644

NOTE 7: TRADE AND OTHER PAYABLES

	31 December 2021	30 June 2021
	\$	\$
AL provision and payroll payables	90,462	49,419
Credit Card	15,761	14,954
Trade Creditors (i)	430,795	43,983
Total trade and other payables	537,018	108,356

(i) Trade payables are non-interest bearing and are normally settled on 30-day terms.

NOTE 8: SHARE BASED PAYMENTS**8.a Expenses arising from share based payments**

There were expenses arising from share based payments transactions recognised during the period as follows:

	Dec 2021	Dec 2020
	\$	\$
12 cent Options issued to consultant in lieu of fees, (offset to equity)(i)	138,338	-
Series 1 Options issued to consultants in lieu of fees, offset to equity	-	83,641
Issue of share to technical Officer (expense) (ii)	28,750	-
Issue of shares-acquisition Lone Star and Kibby projects (asset) (iii)	230,000	-
Issue of shares as facilitation fee for Lone star and Kibby projects (asset) (iv)	81,075	-
Issue of options as facilitation fee for Lone Star and Kibby projects (asset) (v)	609,000	-

Series 1 Options issued to Directors and officers of the Company	-	334,566
Series 1 and 2 Options issued to Technical officer	-	89,133
Total Share based payment	948,825	423,699

(i) Issue of 3.75 million 12 cent options to GTT Ventures Pty Ltd or nominees as fees for management of the Convertible loan Agreements (valued at \$0.03689 per option) See Note 8b also.

(ii) Issue of 250,000 ordinary shares to the technical officer Dr James Warren (valued at 11.5 cents per share).

(iii) Issue of 2 million shares to Belmont Inc as consideration as part of the Earn-in Agreement for the Lone Star and Kibby projects (valued at 11.5 cents per share)

(iv) Issue of 705,000 shares as facilitation fees (valued at 11.5 cents per share) for the Earn-in agreement with Belmont Resources Inc to GTT Ventures or nominees. C Thomas is a Director and shareholder of GTT Ventures Pty Ltd.

(v) Issue of 10 million options to GTT Ventures Pty Ltd or nominee as facilitation fees for the Earn-in agreement with Belmont Resources Inc. The options have an exercise price of 8 cents and are valued at \$0.0609 per option. See Note 8b also.

8.b New Options issued during the period

The following share-based payment arrangements were in place during the December 2021 half year:

Series	Number	Grant date	Expiry date	Exercise price	Fair value at grant date
4.Options issued 6/12/2021	10,000,000	30/11/2021	30/6/2023	\$0.08	\$0.0609
5. Options issued 6/12/2021	3,750,000	30/11/2021	30/11/2022	\$0.12	\$0.03689

The fair value of the unlisted options was determined using the Black Scholes Method. Inputs used to determine the valuation were:

Series 4	Series 5
Number of Options: 10,000,000	Number of Options: 3,750,000
Share Price: \$0.12	Share Price: \$0.12
Exercise Price: \$0.08	Exercise Price: \$0.12
Expected Volatility: 79%	Expected Volatility: 79%
Expiry date (years): 1.6	Expiry date (years): 1
Expected dividend yield: nil	Expected dividend yield: nil
Risk free rate: 0.01%	Risk free rate: 0.01%
Total fair value: \$609,000	Total fair value: \$138,338

NOTE 9: RELATED PARTY TRANSACTIONS

Payments to GTT Ventures Pty Ltd (C Thomas is a Director and shareholder) were as follows:

Corporate Advisory fees (pursuant to a consultancy agreement) - \$63,000

Capital Raising Fees – \$384,180

Grant 3.75 million unlisted options (exercise price \$0.12 expiry 30 Nov 2022) as fees for Convertible Loan - \$138,338

Facilitation fees – 705,000 shares and 10 million 8 cent options to GTT Ventures or nominee - \$690,075

Payments to 19808283 Pty Ltd (C Thomas is a Director and shareholder) :

Office Rent 6 months - \$18,000

Payments to AGH Legal (G Henderson is Director and shareholder):

Legal Fees - \$60,765

Other than above there has been no change in the nature of related party transactions since the last annual reporting date.

NOTE 10. COMMITMENTS

There has been no changes in commitments since the last annual reporting date.

NOTE 11: CONTINGENT LIABILITIESLone Star and Kibby Projects

Pursuant to the agreement for the acquisition of the Kibby Project (**Kibby Earn-In**), the Company can acquire up to an 80% interest in the Kibby Project over a 15-month earn-in period (commencing on 1 November 2021). The following deferred consideration under the agreement remains:

- up to C\$2,500,000 expenditure on the Kibby Project; and
- the issue of up to a further 2,000,000 ordinary shares in the Company.

Pursuant to the agreement for the acquisition of the Lone Star Project (**Lone Star Earn-In**), the Company can acquire up to an 80% interest in the Lone Star Project over a 24-month earn-in period (commencing on 1 November 2021) for maximum consideration comprising:

- a further C\$150,000 cash consideration;
- up to C\$2,550,000 expenditure on the Lone Star Project; and
- the issue of up to a further 2,000,000 ordinary shares in the Company.

NOTE 12: EVENTS SUBSEQUENT TO REPORTING DATE

On 1 March 2022, the company issued 1,937,500 shares on the conversion of 1,937,500 options at 8 cents per option to raise \$155,000.

There are no other events subsequent to reporting date to report.

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DIRECTORS' DECLARATION

In the opinion of the directors of Marquee Resources Limited ('the company'):

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

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



Charles Thomas
Executive Chairman
16 March 2022

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INDEPENDENT AUDITOR'S REVIEW REPORT

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Marquee Resources Limited

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

We have reviewed the half-year financial report of Marquee Resources 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 gives a true and fair view and 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 financial 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 (WA) Pty Ltd

BDO


Phillip Murdoch

Director

Perth, 16 March 2022

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