PURE RESOURCES LIMITED

ABN 19 653 330 413

Half-Year Report

31 December 2021

INDEX

In this Half-Year Report all amounts are stated in Australian dollars unless otherwise indicated.

DIRECTORS' REPORT

The Directors present their report on Pure Resources Limited (the Company) for the period ended 31 December 2021.

The names of the directors who held office during the reporting period and up to the date of this report are:

Patric Glovac Executive Chairman (*appointed 2 September 2021)*
Jane Law Non-Executive Director (*appointed 2 September 2021)*
James Warren Non-Executive Director (*appointed 2 September 2021)*

Review of Operations

The Company was incorporated on 2 September 2021 for the purpose of acquiring exploration projects, which are prospective for nickel, gold and copper. During the period, the Company focused on finalising agreements for tenements to be acquired and working towards the admission of the Company to the official list of the Australian Securities Exchange. During the period ended 31 December 2021 the Company recorded a loss of $1,444,990.

Corporate

During the period, the Company received funding of $360,010 in the form of shares.

Going Concern

The interim financial statements for the period ended 31 December 2021 have been prepared on the basis that the Company is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business.

During the year, the Company recorded a loss of $1,444,990 and had net cash outflows from operating activities of $66,839. At reporting date, the Company had a working capital surplus of $270,034.

The Directors have prepared a cash flow forecast, which indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing this financial report.

Based on the cash flow forecasts, the Directors are satisfied that the going concern basis of preparation is appropriate. In determining the appropriateness of the basis of preparation, the Directors have considered the impact of the COVID-19 pandemic on the position of the Company at 31 December 2021 and its operations in future periods.

Principal Activities

The principal activity of the Company during the reporting period was as noted under Review of Operations above, focusing on the pre-production mineral exploration assets proposed to be acquired located in the Kimberley and Eastern Goldfields of Western Australia.

Functional Currency

The functional currency of the Company is Australian Dollars.

Dividends Paid or Recommended

No dividend has been declared, paid or proposed during the period.

DIRECTORS' REPORT (Cont.)

Environmental Regulation

The Company's operations have been carried out in accordance with all applicable environmental regulations effective under Commonwealth and State laws.

Indemnifying Officer

No indemnities have been given or insurance premiums paid, during or since the end of the financial period, for any person who is or has been an officer of the Company.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the period.

Events Occurring after the Reporting Date

Following closure of the Company's Initial Public Offer on 29 March 2022, the following securities were issued:

(a) 7,000,000 ordinary fully paid shares (Shares) were issued to founders on 10 January 2022 at an issue price of $0.0001 per Share for the proceeds of $700. The Shares were valued at the IPO issue price of $0.20 per Share;

(b) 23,250,000 Shares were issued on 11 April 2022 at an issue price of $0.20 per Share; and

(c) 9,000,000 Company options were issued on 11April 2022 exercisable at $0.25 expiring three years from the date of issue. 3,000,000 of these options were issued to promoters and 6,000,000 options were issued to directors. These options have been valued at a total of $824,731.

Company Details

The registered office of the Company is:
Level 3
35 Outram Street
West Perth, WA 6005

The principal place of business of the Company is:
22 Townshend Road
Subiaco, WA 6008

Auditor's Independence Declaration

A copy of the auditor's independence declaration is included in this half-year report on page 3.

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

Patric Glovac
Director
11 April 2022
Perth, Western Australia

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

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

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
11 April 2022

L Di Giallonardo
Partner

hlb.com.au

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HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

PURE RESOURCES LTD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2021

	Note	2021
		$
Income		-
Expenses		
Equity raising costs	6	(1,354,323)
Employee costs	2	(48,200)
Legal costs		(14,411)
Audit, company secretarial and accounting	3	(8,692)
Consultants, design and testing		(10,000)
ASX, ASIC and share registry fees		(5,268)
Tenement rent and outgoings		(1,269)
Other expenses		(2,827)
Total expenses		**(1,444,990)**
Loss before income tax expense		**(1,444,990)**
Income tax expense		-
Net loss after income tax expense		**(1,444,990)**
Other comprehensive income		-
Total comprehensive loss for the period		**(1,444,990)**
Total comprehensive loss for the period attributable to:		
Owners of Pure Resources Limited		**(1,444,990)**
Basic and diluted loss per share (cents per share)	7	(74.10)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

PURE RESOURCES LTD

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021
		$
CURRENT ASSETS		
Cash and cash equivalents		293,851
Prepayments	4	32,500
Other receivables		4,883
TOTAL CURRENT ASSETS		**331,234**
TOTAL NON-CURRENT ASSETS		**-**
TOTAL ASSETS		**331,234**
CURRENT LIABILITIES		
Trade and other payables	5	61,200
TOTAL CURRENT LIABILITIES		**61,200**
TOTAL LIABILITIES		**61,200**
NET ASSETS		**270,034**
EQUITY		
Issued capital	6	360,010
Unissued capital	6	1,355,014
Accumulated losses		(1,444,990)
TOTAL EQUITY		**270,034**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2021

	Note	Issued Capital	Unissued Capital	Accumulated Losses	Total
		$	$	$	$
Balance on incorporation		-	-	-	-
Loss for the period		-	-	(1,444,990)	(1,444,990)
Total comprehensive loss for the period		-	-	**(1,444,990)**	**(1,444,990)**
Transactions with owners in their capacity as owners:					
Issue of shares	6	360,010	-	-	360,010
Unissued shares	6	-	1,355,014	-	1,355,014
Balance at 31 December 2021		**360,010**	**1,355,014**	**(1,444,990)**	**270,034**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2021

	Note	2021
		$
CASH FLOW FROM OPERATING ACTIVITIES		
Payments to suppliers and employees		(66,839)
Net cash used in operating activities	8	(66,839)
CASH FLOW FROM INVESTING ACTIVITIES		
Payment for exploration and evaluation capitalised		-
Net cash used in investing activities		-
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from shares		360,690
Net cash provided by financing activities		360,690
Net increase in cash held		293,851
Cash at beginning of period		-
Cash at end of reporting period		293,851

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF ACCOUNTING POLICIES

a) Reporting Entity

Pure Resources Limited (the "Company") is a company incorporated and domiciled in Australia.

b) Basis of Preparation

The interim financial statements for the half-year reporting period ended 31 December 2021 have been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

As the Company was incorporated on 2 September 2021 and this is the Company's first reporting period, no comparative balances exist.

c) Use of judgement and estimates

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected. Information about estimates and judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are:

(i) Exploration and Evaluation Assets

The Company's accounting policy for exploration and evaluation expenditure is set out at Note 1(p). The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the policy, it is concluded that the expenditures are unlikely to be recovered by future exploitation or sale, then the relevant capitalised amount will be written off to the statement profit or loss and other comprehensive income.

(ii) Deferred Tax

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future, against which the reversal of temporary differences can be deducted. Recognition, therefore, involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(iii) Coronavirus (COVID-19)

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to staffing and geographic regions in which the Company operates. There does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

(iv) Financial Position

The interim financial statements for the period ended 31 December 2021 have been prepared on the basis that the Company is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business.

During the period, the Company recorded a loss of $1,444,990 and had net cash outflows from operating activities of $66,839. At reporting date, the Company had a working capital surplus of $270,034.

The Directors have prepared a cash flow forecast, which indicates that the Company will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing this financial report.

Based on the cash flow forecasts, the Directors are satisfied that the going concern basis of preparation is appropriate. In determining the appropriateness of the basis of preparation, the Directors have considered the impact of the COVID-19 pandemic on the position of the Company at 31 December 2021 and its operations in future periods.

d) Financial Instruments

(i) Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (i.e., trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are recognised as expenses in profit or loss immediately.

(ii) Classification and subsequent measurement

Financial instruments are subsequently measured at fair value through profit and loss, amortised cost using the effective interest method, or fair value through other comprehensive income. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment and adjusted for any cumulative amortisation of the difference between

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

d) Financial Instruments (Cont.)

(ii) Classification and subsequent measurement (Cont.)

that initial amount and the maturity amount calculated using the effective interest method. The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

(iii) Impairment

At the end of each reporting period, the Company assesses whether there are any expected credit losses in relation to its financial assets, and if so, allowance is made for these.

In the case of financial assets carried at amortised cost, loss events may include indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Company recognises the impairment for such financial assets by considering the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

(iv) Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire, or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled, or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

e) Impairment of Non-Financial Assets

At each reporting date, the directors review the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the directors estimate the recoverable amount of the cash-generating unit to which the asset belongs.

f) Employee Benefits

(i) Short-Term Employee Benefits

Provision is made for the liability due to employee benefits arising from services rendered by employees to the reporting date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, sick leave and annual leave which will be settled after one year, have been measured at their nominal amount.

(ii) Long-Term Employee Benefits

Contributions are made to employee superannuation funds and are charged as expenses when incurred. All employees are entitled to varying levels of benefits on retirement, disability or death. The superannuation plans or equivalent provide accumulated benefits. Contributions are made in accordance with the statutory requirements of each jurisdiction.

The liability for long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability.

g) Provisions

Provisions are recognised when the Company has a present (legal or constructive) obligation due to a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, considering the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

i) Trade and other receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

j) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial period and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition

k) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

l) Revenue

Revenue is recognised when it is probable that the economic benefit will flow to the entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

l) Revenue (Cont.)

(i) Revenue and Other Income

To determine whether to recognise revenue, the Company follows a 5-step process:

1) Identifying the contract with a customer;
2) Identifying the performance obligations;
3) Determining the transaction price;
4) Allocating the transaction price to the performance obligations; and
5) Recognising revenue when/as performance obligation(s) are satisfied.

The revenue and profits recognised in any year are based on the delivery of performance obligations and an assessment of when control is transferred to the customer.

Revenue is recognised either when the performance obligation in the contract has been performed, so 'point in time' recognition or 'over time' as control of the performance obligation is transferred to the customer.

The nature of performance obligations categorised within this revenue type includes delivery of the order or alternatively collection by customer, being 'point in time' when the performance obligation is performed, control is transferred to the customer and revenue is recognised at the transaction price.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax.

m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows

n) Income Taxes

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

n) Income Taxes (Cont.)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.
Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

o) Contributed Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

p) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. Acquisition costs are accumulated in respect of each separate area of interest. Acquisition costs and exploration and evaluation expenditure are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through the sale or successful development and exploitation of the area of interest, or where exploration and evaluation activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence of economically recoverable reserves. When an area of interest is abandoned or the Directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period in which that decision is made, to the extent that they will not be recovered in the future. Amortisation is not charged on acquisition costs carried forward in respect of areas of interest in the development phase until production commences.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

p) Exploration and Evaluation Expenditure (Cont.)

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area

of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

q) Earnings per Share

(i) Basic Earnings per Share

Basic earnings per share is calculated by dividing the net profit/loss attributable to the owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the financial period.

(ii) Diluted Earnings per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

NOTE 2: EMPLOYEE COSTS

	2021
	$
Director fees	44,500
Superannuation	3,700
	48,200

NOTE 3: AUDIT, COMPANY SECRETARIAL AND ACCOUNTING

	2021
	$
Accounting fees	2,156
Company secretary fees	5,000
Consulting fees	1,536
	8,692

NOTE 4: PREPAYMENTS

	2021
	$
Prepayments – IPO preparation costs	22,500
Prepayments – tenement acquisition	10,000
	32,500

NOTE 5: TRADE AND OTHER PAYABLES

	2021
	$
Employee costs and taxes payable	40,700
Company secretarial and accounting accrual	10,500
Accrual for Independent Limited Assurance Report	10,000
	61,200

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

NOTE 6: CONTRIBUTED EQUITY

(a) Share capital

	31 Dec 2021	
	No.	**$**
Issued capital	6,750,010	360,010
Unissued capital	6,900,000	1,355,014

(b) Movement in issued capital

	Date	No.	$
Balance on incorporation		10	10
Shares issued	19/11/2021	5,250,000	210,000
Shares issued	22/12/2021	1,500,000	150,000
Balance as at 31 December 2021		6,750,000	360,010

(c) Movement in unissued capital

As at 31 December 2021 proceeds were received in relation to shares that were issued to founders and promoters subsequent to 31 December 2021, as detailed below, with remaining proceeds received on 7 January 2022. These shares were to be issued at $0.0001 per share, however, were required to be valued at the IPO issue price of $0.20 per share.

	No.	Value at $0.20 each	Amount received $	Balance $
Shares to be issued to founders	6,775,000	1,355,000	(676)	1,354,324
Shares to be issued to promoters	125,000	25,000	(14)	24,986
	6,900,000	1,380,000	(690)	1,379,310
Less: value of shares to be issued to promoters accounted for as share issue cost		(24,986)		
Balance at 31 December 2021		1,355,014		

(d) Fully paid ordinary shares

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

NOTE 7: LOSS PER SHARE

	2021
	$
Loss attributable to shareholders	(1,444,990)
	Number
Weighted average number of shares	1,950,004
	Cents per share
Basic and diluted loss per share	(74.10)

NOTE 8: CASH FLOW INFORMATION

Reconciliation of Cash Flow from Operations with Loss after income tax expense

	2021
	$
Loss after income tax	(1,444,990)
Less: Equity Raising Costs	1,354,323
Changes in assets and liabilities	
(Increase) / decrease in trade and other receivables	(37,372)
Increase / (decrease) in trade and other payables	61,200
Cash flows used in operating activities	(66,839)

NOTE 9: CONTINGENCIES AND COMMITMENTS

There were no material contingent liabilities, contingent assets or other commitments at reporting date.

NOTE 10: EVENTS SUBSEQUENT TO REPORTING DATE

Events Occurring after the Reporting Date

Following closure of the Company's Initial Public Offer on 29 March 2022, the following securities were issued:

(a) 7,000,000 ordinary fully paid shares (Shares) were issued to founders on 10 January 2022 at an issue price of $0.0001 per Share for the proceeds of $700. The Shares were valued at the IPO issue price of $0.20 per Share;

(b) 23,250,000 Shares were issued on 11 April 2022 at an issue price of $0.20 per Share; and

(c) 9,000,000 Company options were issued on 11April 2022 exercisable at $0.25 expiring three years from the date of issue. 3,000,000 of these options were issued to promoters and 6,000,000 options were issued to directors. These options have been valued at a total of $824,731.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

NOTE 11: RELATED PARTY TRANSACTIONS

There were no related party transactions for the period ended 31 December 2021.

As at 31 December 2021, the directors hold the following interests in the securities of the Company:

	2021 Number
Patric Glovac	2,017,510
James Warren	220,000
Jane Law	-

Loans to/from related parties

There were no loans to/from related parties for the current reporting period.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

(a) the financial statements and notes, as set out on pages 5 to 20 are in accordance with the *Corporations Act 2001*, including:

   (i) complying with Accounting Standard AASB 134 Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory requirements;

   (ii) giving a true and fair view of the Company's financial position as at 31 December 2021 and of its performance for the period ended on that date.

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the Directors:

Patric Glovac
Director
11 April 2022
Perth, Western Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Pure Resources Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying interim financial report of Pure Resources Limited ("the company"), which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 interim financial report of Pure Resources Limited does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of the company's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

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

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the interim 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 interim 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 interim 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 interim financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the company's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an interim 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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

L Di Giallonardo
Partner

Perth, Western Australia
11 April 2022