ABN 68 650 116 153

INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

VERTEX MINERALS LTD

ABN 68 650 116 153

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VERTEX MINERALS LTD

ABN 68 650 116 153

Corporate Directory

Directors
Roger Jackson
Executive Chairman

Tully Richards
Technical Director

Declan Franzmann
Non-Executive Director

Company Secretary
Alex Neuling

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Auditors
William Buck
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181 William Street
Melbourne WA 3000

Bankers
National Australia Bank

Securities Exchange Listing
Australian Securities Exchange

Home Exchange: Perth, Western Australia
Code: VTX

Share Registry
Automic Group
Level 2, 267 St Georges Terrace
Perth WA 6000

Telephone: 1300 288 664

Directors' Report

The Directors of Vertex Minerals Ltd (the Company) submit herewith the interim financial report of the Company for the half-year period ended 31 December 2021. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names and particulars of the Directors of the Company during or since the end of the half-year period are:

Roger Jackson - *Executive Chairman*

Tully Richards - *Technical Director*

Declan Franzmann -*Non-Executive Director*

Oonagh Jane Malone -*Non-Executive Director (resigned 12 January 2022)*

Principal activities

The principal activity of the Company during the half-year period was mineral exploration in New South Wales and Western Australia.

Dividends

The Directors resolved that no dividend be paid for the half-year.

Directors' Report (continued)

Review of operations

The Company's focus during the six months to 31 December 2021 was preparing for its initial public offering (IPO) and listing on the ASX which it completed on 17 January 2022.

the Company issued a prospectus to acquire the Hill End Gold Project (NSW), the Hargraves Gold Project (NSW), the Pride of Elvire Project (WA) and the Taylors Rock Project (WA) and to raise capital of $5,500,000 to progress exploration activities at those projects.

Key details of the prospectus offer were:

- Issue of 27,500,000 ordinary shares at $0.20 per share to raise funds of $5,500,000 before costs;
- Issue of 17,999,999 ordinary shares to acquire mineral tenements;
- Issue of 3,200,000 ordinary shares on conversion of existing Convertible Notes;
- Issue of 4,000,000 broker options to the IPO lead manager with an exercise price of $0.30, a 36 month expiry period and a fair value of $27,798.
- Issue of 4,500,000 Performance Rights to the Company's Directors with various vesting conditions and a fair value of $29,034.

Hill End Gold Project (NSW)

The Hill End Gold Project ("Hill End") is 14km of continuous gold lode across 10 mining leases and 3 exploration licenses located in the core of the Hill End Trough on the eastern Lachlan Fold Belt.

The area was first recognised as a gold centre in 1851 with a number of mining operations established over the following 50 years. Hill End was also home to the discovery of the largest gold nugget ever found.

Modern exploration has not been completed and a program of multi- element and alteration mapping has been planned to better map out the zones of high-grade mineralisation. A new exploration campaign will be underpinned by the recent completion of a full geological review of the project and an updated geological model.

Hargraves Gold Project (NSW)

The Hargraves Gold Project ("Hargraves") is located approximately 25km south of Mudgee, NSW. The goldfield is 4x10km in size with numerous mineralised structures and little modern exploration.

Directors' Report (continued)

A JORC 2012 Mineral Resource Estimate was conducted by SRK Consulting (Australia) Pty Ltd in 2020 and reported an Indicated Mineral Resource of 1.1Mt at 2.73g/t Au for 97koz Au and an Inferred Mineral Resource of 1.2Mt at 2.07g/t Au for 80koz Au.

The Company intends to priorities the development of Hargraves and update the pre-feasibility statement ("PFS") with further drilling to increase resources.

Pride of Elvire Project (WA)

The Pride of Elvire Project is a gold bearing WA greenstone/banded iron formation. Intersections drilled in the late 1980's by Broken Hill Metals NL make the project an exciting prospect. The Company intends to undertake a review of historically available data prior to further drilling.

Taylors Rock Project (WA)

Located west of the famous WA gold mining centre of Norseman, the Taylors Rock licence covers prospective WA greenstone geology. Both Ni and Au have been intersected within drilling at Taylors Rock. The Company intends to undertake a review of historically available data prior to further drilling.

Subsequent events

On 17 January 2022, the Company successfully listed on the ASX following its completion of an initial public offering (IPO) and commenced trading in a total of 48,700,000 ordinary shares that were issued prior to 31 December 2021. The Company also issued 4.5million Performance Rights to the Company's Directors with various vesting conditions and a fair value of $29,034.

On 3 March 2022, the Company announced the identification of multiple new drill targets at the Red Hill Resource at the Hill End Gold Project.

Other than as noted above, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Directors' Report (continued)

Future developments

Disclosure of information regarding likely developments in the Company's operations in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Company. Accordingly, this information has not been disclosed in this report.

Auditor's Independence Declaration

The auditor's independence declaration is included on page 6 of the financial statements.

The Directors' report is signed in accordance with a resolution of Directors made pursuant to s306(3) of the Corporations Act 2001.

On behalf of the Directors



Roger Jackson
Executive Chairman
15 March 2022

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF VERTEX MINERALS LIMITED

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2021 there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN: 59 116 151 136

A. A. Finnis
Director

Melbourne, 15 March 2022

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Condensed statement of profit or loss and other comprehensive income

For the half-year ended 31 December 2021

	Note	Half-year ended* 31/12/21
Continuing operations		$
Administrative and corporate expenses		(9,924)
Consulting fees		(55,814)
Loss from ordinary activities before income tax		**(65,738)**
Income tax		-
Loss for the period		**(65,738)**
Other comprehensive income		-
Total comprehensive loss for the period		**(65,738)**
Loss per share		
Basic loss per share (cents per share)		(2.76)
Diluted loss per share (cents per share)		(2.76)

** No comparatives are available for the half-year period as the Company was incorporated in June 2021.*

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

Condensed statement of financial position
As at 31 December 2021

	Note	31/12/21 $	30/06/21 $
Current assets			
Cash	(4)	5,578,153	-
Trade and other receivables		17,743	95
Total current assets		**5,595,896**	**95**
Non-current assets			
Capitalised exploration and evaluation expenditure	(5)	3,077,758	-
Property, plant and equipment	(6)	1,325,000	-
Total non-current assets		**4,402,758**	**-**
Total assets		**9,998,654**	**95**
Current liabilities			
Trade and other payables		1,338,819	43,732
Total current liabilities		**1,338,819**	**43,732**
Total liabilities		**1,338,819**	**43,732**
Net assets/(liabilities)		**8,659,835**	**(43,637)**
Equity			
Issued capital	(7)	8,741,432	1
Reserves		27,779	-
Accumulated losses		(109,376)	(43,638)
Total equity		**8,659,835**	**(43,637)**

The above condensed statement of financial position should be read in conjunction with the accompanying notes.

Condensed statement of changes in equity

For the half-year ended 31 December 2021

	Note	Issued capital $	Share based payment reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2021		1	-	(43,638)	(43,637)
Loss for the period		-	-	(65,738)	(65,738)
Total comprehensive loss for the period		-	-	(65,738)	(65,738)
Initial Public Offering	(7)	5,500,000	-	-	5,500,000
Shares issued for acquisitions	(7)	3,599,999	-	-	3,599,999
Convertible notes converted	(7)	320,000	-	-	320,000
Issue costs	(7)	(650,789)	-	-	(651,789)
Share based payments		(27,779)	27,779	-	-
Balance at 31 December 2021		**8,741,432**	**27,779**	**(109,376)**	**8,659,835**

The above condensed statement of changes in equity should be read in conjunction with the accompanying notes.

Condensed statement of cash flows

For the half-year ended 31 December 2021

	Note	Half-year ended* 31/12/21 $
Cash flows from operating activities		
Payments to suppliers and employees		(9,943)
Net cash (outflow) from operating activities		**(9,943)**
Cash flows from investing activities		
Interest received		-
Payments for exploration and evaluation expenditure		-
Net cash (outflow) from investing activities		**-**
Cash flows from financing activities		
Proceeds from share issue		5,820,250
Less costs of issue		(232,154)
Net cash inflow from financing activities		**5,588,096**
Net increase in cash and cash equivalents		**5,578,153**
Cash and cash equivalents at beginning of the year		-
Cash and cash equivalents at the end of the period	**(4)**	**5,578,153**

** No comparatives are available for the half-year period as the Company was incorporated in June 2021.*

The above condensed statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the condensed financial statements

For the half-year ended 31 December 2021

1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard 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'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the period ended 30 June 2021 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

New or amended Accounting Standards and Interpretations adopted

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

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

2. Segment note

Identification of reportable operating segments
The Company is organised into one operating segment, being mining and exploration operations. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and in determining the allocation of resources.

Types of products and services
The principal products and services of this operating segment are the mining and exploration operations predominately in Australia.

Notes to the condensed financial statements

For the half-year ended 31 December 2021

3. Dividends

No dividend has been paid or proposed in respect of the half-year ended 31 December 2021.

4. Cash and cash equivalents

	31/12/21 $	30/06/21 $
Cash at bank	78,153	-
Restricted cash	5,500,000	-
Cash and cash equivalents	5,578,153	-

At 31 December 2021, the Company had received cash applications for its initial public offering ("IPO") of $5,500,000. This cash was held in trust by the Company's share registry until the listing of the Company on the ASX on 17 January 2022 at which time the cash became available for use by the Company.

5. Capitalised exploration and evaluation expenditure

Exploration and evaluation phase:	**$**
Balance at incorporation	-
Balance at 30 June 2021	-
Acquisition of exploration and mining licences	3,077,758
Balance at 31 December 2021	3,077,758

During the period, the Company recognised the acquisition of the Hill End Project (NSW), the Hargraves Project (NSW), the Pride of Elvire Project (WA) and the Taylors Rock Project (WA).

The Hill End and Hargraves Projects were acquired for a consideration of the issue of 14,999,999 ordinary shares at an issue price of $0.20 to the project vendors and the Company's then sole shareholder, Peak Minerals Limited. The Company also acquired Land, Property Plant and Equipment with an agreed value of $1,325,000 as part of the transaction (see note 6).

Additional exploration licences at Hill End, Pride of Elvire and Taylors Rock were acquired for considerations of 250,000 ordinary shares, 2,250,000 ordinary shares and 500,000 ordinary shares respectively, at an issue price of $0.20.

Notes to the condensed financial statements

For the half-year ended 31 December 2021

The ultimate recoupment of exploration and evaluation expenditure carried forward is dependent on successful development and exploitation, or alternatively sale of the respective area of interest. Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

6. Property, plant and equipment

	31/12/21 $	30/06/21 $
Land – at cost	250,000	-
	250,000	-
Buildings and infrastructure – at cost	100,000	-
Less: accumulated depreciation	-	-
	100,000	-
Plant and equipment – at cost	975,000	-
Less: accumulated depreciation	-	-
	975,000	-
Total property, plant and equipment	**1,325,000**	**-**

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	Land $	Buildings and infrastructure $	Plant and equipment $	Total $
Balance at 1 July 2021	**-**	**-**	**-**	**-**
Additions through acquisitions	250,000	100,000	975,000	1,325,000
Depreciation expense	-	-	-	-
Balance at 31 December 2021	**250,000**	**100,000**	**975,000**	**1,325,000**

Notes to the condensed financial statements

For the half-year ended 31 December 2021

7. Share capital

	31/12/21 $	30/06/21 $
48,700,000 fully paid ordinary shares (30 June 2021: 1)	8,741,432	1
	8,741,432	1

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number and amounts paid on the shares held. On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to a vote.

Ordinary shares have no par value, and the Company does not have a limited amount of authorised capital.
Movements in share capital during the period from incorporation were as follows:

		Number of shares	Share Capital $
Initial capital	(a)	1	1
As at 30 June 2021		**1**	**1**
Initial Public Offering	(b)	27,500,000	5,500,000
Conversion of debt	(b)	3,200,000	320,000
Shares issued on tenement acquisitions	(b)	17,999,999	3,599,999
Broker options issued	(b)		(27,779)
Issue costs	(b)		(650,789)
As at 31 December 2021		**48,700,000**	**8,741,432**

(a) 1 ordinary share was issued to the Company's parent entity on incorporation

(b) On 21 December 2021, the Company received conditional approval for admission to the Official List of ASX and subsequently issued the following securities under a prospectus prior to completing the listing on the ASX on 17 January 2022:
- 27,500,000 ordinary shares at $0.20 per share to raise funds of $5.5 million before costs;
- 14,999,999 ordinary shares to the Company's parent entity, Peak Minerals Ltd ("Peak") to be distributed in-specie to Peak shareholders for the acquisition of mineral tenements
- 3,000,000 ordinary shares to acquire mineral tenements from external vendors;

Notes to the condensed financial statements

For the half-year ended 31 December 2021

- 3,200,000 ordinary shares on conversion of existing Convertible Notes (320,000 Convertible Notes were issued in August 2021 with a face value of $1.00 and a conversion price of $0.10 and hence are not included in the 30 June 2021 comparative balance);
- Issue of 4,000,000 million broker options to the IPO lead manager with an exercise price of $0.30, a 36 month expiry period and a fair value of $27,779.

Share Options

Unissued shares under option at balance date were as follows:

Series	Number of shares under option	Class of shares	Exercise price of option	Expiry date of options
Lead manager options	4,000,000	Ordinary	$0.30	07/01/2025

All options were issued by Vertex Minerals Ltd. A total of 4,000,000 lead manager options were issued on 22 December 2021 with an exercise price of $0.30 on or before 7 January 2025 as part of the IPO.

Performance Rights

Subsequent to 31 December 2021, the Company issued 4,500,000 Performance Rights with the following terms and conditions:

Milestones:

- Tranche 1 – 40% of the Performance Rights will vest upon the volume weighted average market price of the Company's shares trading on ASX over 20 consecutive trading days on which the shares have traded being $0.40 and this event occurring no earlier than 90 days after listing on the ASX
- Tranche 2 – 30% of the Performance Rights will vest upon announcement by the Company on the ASX market announcements platform of a minimum 400,000 Oz of Inferred, Indicated and/or Measured Resources, at a minimum cut off of 0.5g/t of gold, reported in accordance with the JORC Code 2012, on any one or more of the tenements
- Tranche 3 – 30% of the Performance Rights will vest upon the Company successfully applying for a mining lease on the Hargraves Project and completing an updated pre-feasibility study for the Hargraves Project that demonstrated at the time of reporting the pre-feasibility study that extraction is reasonably justified and economically viable.

Notes to the condensed financial statements

For the half-year ended 31 December 2021

Upon vesting, each Performance Right will at the election of the holder convert into one ordinary share in the Company. No consideration is payable on conversion of the Performance Rights to shares.

Each Performance Right expires 5 years from the date of issue. If the holder is terminated for whatever reason, any unvested Performance Rights held by that holder will automatically lapse.

No Performance Rights have been converted or cancelled and no Milestones have been met during the period.

8. Key management personnel

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

9. Commitments and contingent liabilities

In order to maintain and preserve rights of tenure to granted exploration tenements, the Company is required to meet certain minimum levels of exploration expenditure specified by various State governments.

As at reporting date these future minimum exploration expenditure commitments are as follows:

	31/12/21 $	30/06/21 $
Not longer than 1 year	600,622	-
Longer than 1 year and not longer than 5 years	714,488	-
Longer than 5 years	5,224	-
Total	1,323,334	978,000

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

Notes to the condensed financial statements

For the half-year ended 31 December 2021

10. Earnings per share

	31/12/21 $
Loss after income tax attributable to owners of the Company	(65,738)
	Cents
Basic earnings per share	2.76
Diluted earnings per share	2.76
Weighted average number of ordinary shares	**Number**
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	2,382,066

11. Subsequent events

On 17 January 2022, the Company successfully listed on the ASX following its completion of an initial public offering (IPO) and commenced trading in a total of 48,700,000 ordinary shares that were issued prior to 31 December 2021.

On 17 January 2022, the Company also issued 4.5 million Performance Rights to the Company's Directors with various vesting conditions and a fair value of $29,034.

On 3 March 2022, the Company announced the identification of multiple new drill targets at the Red Hill Resource at the Hill End Gold Project.

Other than as noted above, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Directors' Declaration

In the Directors' opinion:

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

(b) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

The Directors have been given the declarations required by s.303(3) of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the Directors



Roger Jackson
Executive Chairman
15 March 2022

Vertex Minerals Limited

Independent auditor's review report

Report on the Review of the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Vertex Minerals 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, statement of changes in equity and 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 half-year financial report of Vertex Minerals Limted is not in accordance with the *Corporations Act 2001* including:

a) giving a true and fair view of the entity's financial position as at 31 December 2021 and of its performance for the half year ended on that date; and
b) complying with Australian Accounting Standard 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 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 Management 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 Responsibilities 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 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 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.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN: 59 116 151 136

A. A. Finnis
Director

Melbourne, 15 March, 2022