

**SOLSTICE MINERALS LIMITED**  
**(PREVIOUSLY ORECORP HOLDINGS PTY LTD)**

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**30 JUNE 2020**

ACN 150 154 162

## Corporate Directory

### Directors

Matthew Yates  
Craig Williams  
Alastair Morrison

### Company Secretary

Jessica O'Hara

### Registered and Principal Office

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### Solicitors

Allen & Overy LLP  
Level 12, Exchange Plaza  
2 The Esplanade  
Perth WA 6000

### Auditor

Deloitte Touche Tohmatsu  
Level 9, Tower 2, Brookfield Place  
123 St Georges Terrace  
Perth WA 6000

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***Gravity Field Crew, Yarri Project, Eastern Goldfields***

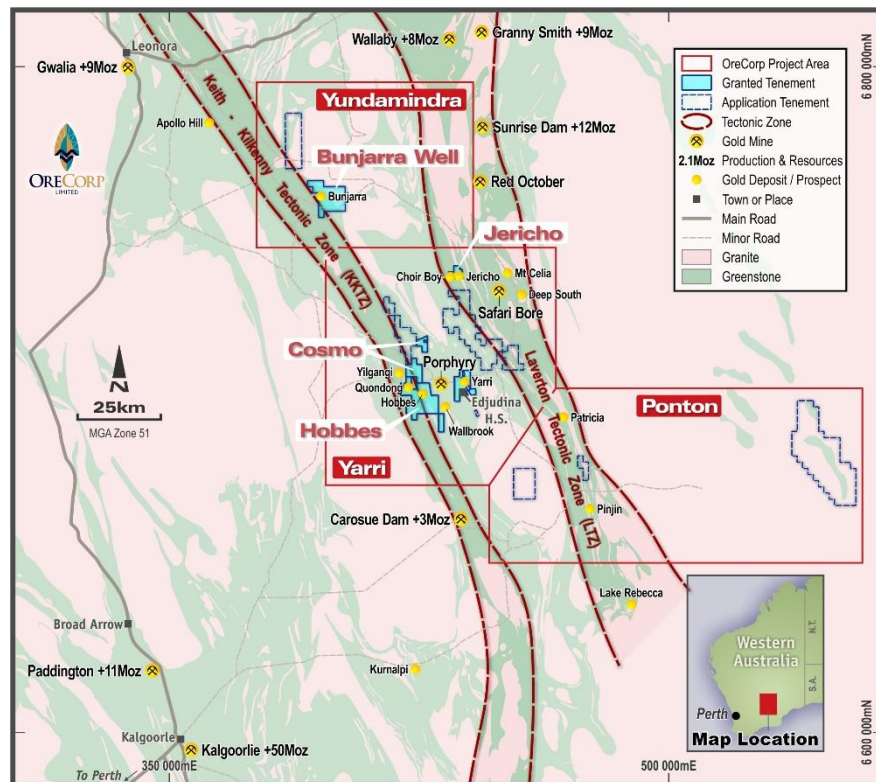
## Review of Operations

### WESTERN AUSTRALIA

#### Introduction

As part of the on-going targeting initiative and ground acquisition in WA, Solstice Minerals Limited (previously OreCorp Holdings Pty Ltd) (**Solstice** or the **Company**) had nine granted licences and eleven applications in the Eastern Goldfields covering approximately 975km<sup>2</sup> at the end of the financial year. The licences have been rationalised into three Project areas named Yarri (including Hobbes, Jericho and Cosmo), Yundamindra (including Bunjarra Well) and Ponton (**Figure 1**).

The Company continues to monitor other identified targets and apply for additional ground that may become available.



**Figure 1: Location of Solstice's WA Projects with Regional Geology**

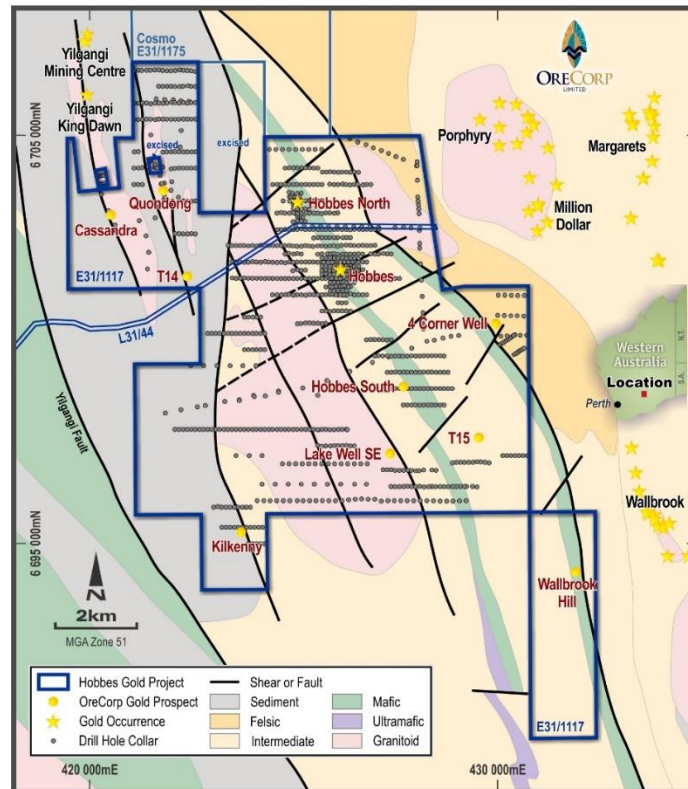
**Yarri Project (E31/1117 – Solstice earning up to 80%, E31/1173, E31/1175, E31/1231, P31/2119, P39/5600, P39/5601 - Solstice 100%, E39/1914 – Solstice 95%)**

At the end of the financial year, the Yarri Project comprised five granted Exploration Licences, three granted Prospecting Licences and seven Licence applications covering approximately 420km<sup>2</sup>. The Project is approximately 150km northeast of Kalgoorlie between the Keith-Kilkenny Tectonic Zone (KKTZ) and the Laverton Tectonic Zone (LTZ) (**Figure 1**).

#### Hobbes Licence – E31/1117

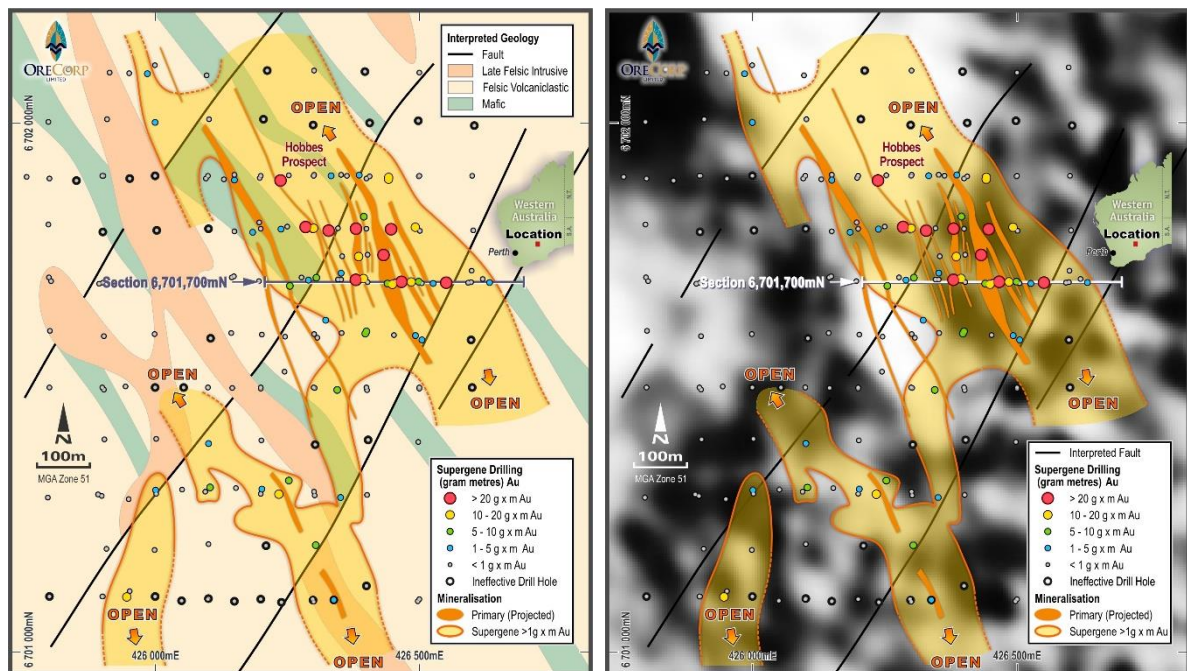
The Hobbes Licence forms part of the Yarri Project and covers a portion of the Edjudina Greenstone Belt, Pig Well Graben and north-northwest trending KKTZ within the Kurnalpi Terrane of the Archaean Eastern Goldfields Province. The gold mineralisation at Hobbes is preferentially hosted within the older volcanoclastic, andesite and carbonated mafic units (**Figure 2**), commonly associated with porphyry intrusives.

## Review of Operations (Continued)



**Figure 2: Hobbes Licence Geology with Prospects**  
(Adapted from DMIRS 1:500,000 Bedrock Geology)

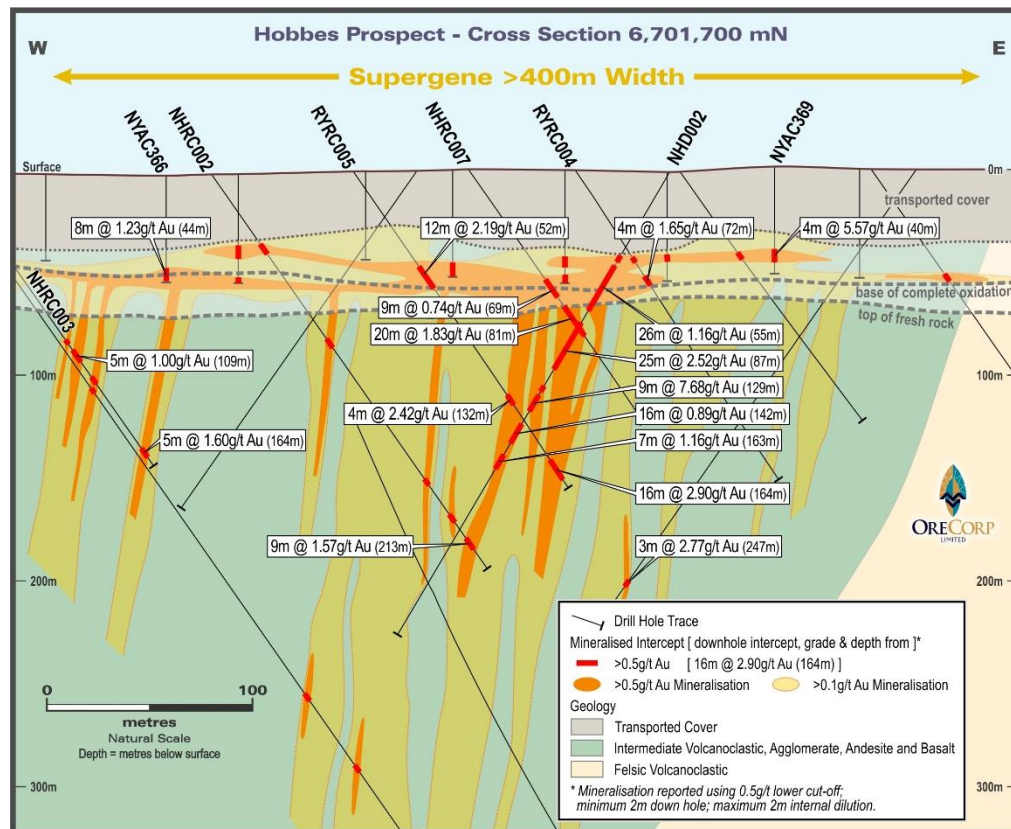
Previous drilling has intersected primary mineralisation beneath a large, 800m x 400m supergene zone which is open along strike (**Figure 3**). This primary mineralisation is also open along strike and only tested with very limited, effective infill drilling (**Figure 4**).



**Figure 3: Hobbes Prospect - Supergene Mineralisation with Gram/Metres and Interpreted Primary Mineralisation over a. Simplified Geology b. Aeromagnetics.**



## Review of Operations (Continued)



**Figure 4: Hobbes Prospect Drill Section 6,701,700 (Looking North)**

### Cosmo Acquisition

In May 2020, Solstice acquired from Cosmo Holdings (WA) Pty Ltd a 100% legal and beneficial interest in Exploration Licences E31/1173 and E31/1175 and Prospecting Licence P31/2119 covering an area of 34km<sup>2</sup> immediately north of the Hobbes licence (**Figure 1**). The licences form part of the Yarri Project.

The licences straddle the Archaean sediment-tuff filled Keith-Kilkenny Rift, with felsic and mafic to ultramafic sequences to the east. The local geology consists of north-northwest-striking, vertical to steeply dipping greywacke, chert and felsic to intermediate volcanoclastic rocks bounded by the Menangina Batholith to the west, and an elongate granodiorite body bordering the eastern margin.

Most of the gold deposits in the region are hosted by granitoids/felsic intrusives, intermediate volcanics or Pig Well Graben metasediments. Many deposits display a direct or spatial association with granitoids/felsic intrusives.

Previous exploration dates back to the 1960's and has been restricted due to disjointed licence ownership. Solstice's ownership consolidation, geological understanding and targeting will aim to refine the existing targets through the collation of open file geophysical, drilling and geochemical data, with a view to identifying analogues to the nearby Porphyry gold deposit.

### Jericho Acquisition

In October 2019 Solstice completed an agreement with CGM (WA) Pty Ltd (Chalice) to acquire their interest in the Jericho Project (E39/1914, P39/5600 and P39/5601). The tenements lie 40km north-northeast of Hobbes in the Kurnalpi Terrane and on the western margin of the well-mineralised LTZ (**Figure 1**). Local lithologies are dominated by felsic volcanoclastic metasediments, shales and banded iron formation (BIF). Previous surface geochemistry, RAB and RC drilling has defined two prospects of interest – Choirboy and Jericho.

## Review of Operations (Continued)



***Edjudina Range (Choirboy) Panorama***

### ***Choirboy Prospect***

Located within E39/1914, the Choirboy Prospect is associated with a mylonitic shear zone defined by tectonic cherts and quartz veins within a sequence of felsic metasedimentary schists, graphitic and sulphidic shales. Historical drilling, including 14 RC holes and 74 RAB holes, has defined a north-south mineralised zone interpreted by previous operators as dipping shallowly to the east, over a strike length of >800m. Better RC intercepts (using a 0.5g/t cut off) include:

- CBP001 - 8m @ 1.66g/t Au from 0m
- CBP007 - 4m @ 3.66g/t Au from 42m
- CBP008 - 15m @ 0.95g/t Au from 61m
- CBR014 - 2m @ 5.07g/t Au from 47m
- CBR022 -12m @ 1.31g/t Au from 25m

RC drilling to date is on nominal 100m line spacing and the mineralisation is open along strike and down dip. Infill and extension drilling is required to further test this prospect.

### ***Jericho Prospect***

Located within P39/5600, the Jericho prospect is an early stage target defined by a semi-continuous gold-in-soil anomaly covering an area of 1,200m x 100m, peaking at 522 ppb Au. The anomaly predominantly overlies felsic metasediments and volcanoclastics to the east and west of a prominent BIF ridge which trends north-northwest and dips steeply to the east. The anomaly has been lightly tested by 14 RAB holes on ~200m line spacing, with maximum downhole intercepts of 1m @ 1.7g/t Au and 1m @ 1.3g/t Au in holes RCRB0059 and RCRB0038 respectively.

### **Yarri Project Future Work as at year end**

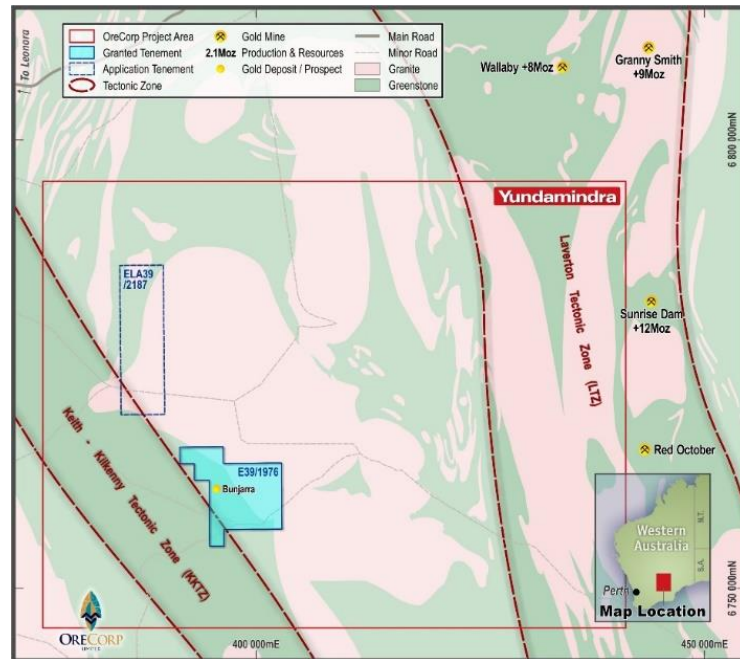
Work planned for the Yarri Project over the next year included:

- A detailed gravity survey;
- Acquisition and interpretation of detailed aeromagnetic data;
- Confirmation of the geological and alteration models at both Hobbes and Quondong which will aid in finalising the drilling programs planned in each of these target areas;
- RC and aircore drilling programs; and
- Completion of a maiden MRE at Hobbes.

### **Yundamindra Project (E39/1976 - Solstice 95%)**

The Yundamindra Project is approximately 60km southeast of Leonora and at the end of the financial year comprised one granted Exploration Licence and one Licence application covering approximately 156km<sup>2</sup>. The granted Bunjarra Well Licence (E39/1976) was acquired from Chalice in October 2019 and lies along the eastern margin of the KKTZ (**Figure 5**). It is extensively covered by recent alluvium. The bedrock geology comprises deformed mafic to intermediate igneous rocks, epiclastic sediments, with localised ultramafic and granitoid rocks of the Kurnalpi Domain.

## Review of Operations (Continued)



**Figure 5: Yundamindra Project Area, Eastern Goldfields, WA**

Mineralisation was encountered in drill chips associated with quartz veined saprolitic sheared basalt, gabbro and ultramafic units immediately adjacent to and within a granite. Maximum results achieved were up to 14.0g/t Au over 1 metre. The mineralisation is open to the north and south along strike and the primary mineralisation has not been tested at depth.

### Yundamindra Project Future Work as at year end

Work planned for the Yundamindra Project over next year included:

- A detailed gravity survey;
- Acquisition and interpretation of detailed aeromagnetic data; and
- Aircore drilling programs.

### Ponton Project

As part of the on-going West Australian targeting initiative and ground acquisition the Company had applied for three licences covering approximately 395km<sup>2</sup> within the Ponton Project area (**Figure 1**).

## CORPORATE SOCIAL RESPONSIBILITY

### Sustainable Development

Solstice believes the success of its business is underpinned by a strong commitment to all aspects of sustainable development with an integrated approach to economic, social and environmental management and effective corporate governance.

### Health and Safety

The Company believes that sound occupational health and safety management practices are in the best interests of its employees, its business, its shareholders, and the communities in which it operates. Solstice is committed to achieving the highest performance in occupational health and safety to create and maintain a safe and healthy environment at the workplace.

The Company seeks to eliminate work-related incidents, illnesses and injuries by identifying, assessing and where reasonably practical, eliminating or otherwise controlling hazards. Solstice is pleased to report that there were no Lost Time Injuries sustained during the year ended 30 June 2020.



## Review of Operations (Continued)

### Environment

Solstice regards caring for the environment as an integral part of its business and is committed to operating in a responsible manner which minimises its impact on the environment.

The Company seeks to ensure that throughout all phases of activity personnel and contractors give proper consideration to the care of the community, flora, fauna, land, air and water. To fulfil this commitment Solstice will:

- Comply with applicable environmental laws and regulations;
- Implement and maintain effective environmental management systems;
- Integrate environmental factors into decision-making throughout the mining lifecycle;
- Assess the potential environmental effects of its activities and manage environmental risk;
- Regularly monitor and strive to continually improve its environmental performance;
- Rehabilitate the environment affected by Company activities;
- Promote environmental awareness among personnel and contractors to increase understanding of their roles and responsibilities in relation to environmental management; and
- Consult and communicate openly with host communities, governments and other stakeholders.

During the year, there were no reportable environmental incidents.

### Stakeholder Relations

Solstice seeks to develop and maintain positive, enduring relationships with its host communities by striving for mutual understanding of each other's needs and aspirations.

Commensurate with the level of its activities Solstice commits to support:

- Ongoing consultation with local communities and public authorities;
- Open and transparent communication about activities that might affect the host community;
- Mitigation, management and monitoring plans that meet international and local standards;
- Local sourcing of supplies, services and labour as much as possible;
- Technology transfer and training to both individuals and related institutions; and
- Community development programs that can be self-sustaining.

## Director's Report

The Directors of Solstice Minerals Limited (the **Company** or **Solstice**) present the financial report for the year ended 30 June 2020.

### Directors

The names of the directors in office at any time during the year and until the date of this report are:

Mr Matthew Yates

Mr Craig Williams (appointed 24 September 2021)

Mr Alastair Morrison (appointed 24 September 2021)

Unless otherwise noted, all Directors held their office from 1 July 2019 until the date of this report.

### Current Directors and Officers

#### **Mr Matthew Yates**

*Director*

*Qualifications – B.Sc. (Hons.), MAIG*

Mr Yates is a geologist with over 30 years' industry experience, covering most facets of exploration from generative work to project development. Prior to founding OreCorp Limited, he was the Joint Managing Director of Mantra Resources Limited and was instrumental in the acquisition of a number of uranium projects, including Mkuju River (Tanzania), Kariba (Zambia) and Mavuzi (Mozambique). He has worked in Australia and southern, east and west Africa, Central Asia and the Gulf Region. He managed exploration teams in Western Australia and Tanzania respectively and has an applied technical background, having held senior positions, including resident Exploration Manager in Tanzania for Tanganyika Gold Limited.

Mr Yates was appointed a Director of the Company on 27 February 2013. During the three-year period to the end of the financial year, Mr Yates was also a director of OreCorp Limited.

#### **Mr Craig Williams**

*Director from 24 September 2021*

*Qualifications – B.Sc. (Hons)*

Mr Williams is a geologist with over 40 years' experience in mineral exploration and mine development.

He was the President and CEO of Equinox Minerals Limited ('Equinox'), a dual listed TSX - ASX resources company which he co-founded in 1993 with the late Dr Bruce Nisbet. Mr Williams was instrumental in the financing and development of the major Lumwana Copper mine in Zambia which resulted in Equinox being one of the world's top 20 copper producers. Following the ramp up of Lumwana, Equinox embarked on an acquisition program that resulted in the takeover of the Citadel Resource Group for \$1.2 billion, targeting development of the Jabal Sayid Mine in Saudi Arabia. Equinox was taken over in mid-2011 by Barrick Gold Corporation ('Barrick') for \$7 billion, ending a challenging and exciting 18-year history at Equinox.

Mr Williams was appointed as Director on 24 September 2021. Mr Williams holds a non-executive directorship in OreCorp Limited (February 2013 – current), Liontown Resources Limited (November 2006 - current) and has recently joined the board of Minerals 260 Limited (a spin-out from Liontown Resources Limited) in August 2021.

#### **Mr Alastair Morrison**

*Director from 24 September 2021*

*Qualifications – MSc (Hons), Grad Dip App Fin & Inv, MAIG, GAICD*

Mr Morrison is a geologist with more than 30 years' experience in mineral exploration and investment.

He initially worked for more than six years in Australia as an exploration geologist in Western Australia, then for North Flinders Mines in the Northern Territory during the development of the +5 million-ounce Callie gold deposit.

## Director's Report (Continued)

From 1996 to 2003 he worked in Tanzania for East African Gold Mines Limited at the North Mara Gold Project. He was responsible for the management of exploration, overseeing the delineation of more than 5 million ounces of resources, including the discovery of the high-grade Gokona gold deposit. In later years, he had additional responsibilities for all in-country development activities, through feasibility and permitting until the commencement of construction. East African Gold Mines was acquired by Placer Dome Inc. in mid-2003 for US\$252 million.

Since 2004, he has worked as a portfolio manager for a family office investment fund.

Mr Morrison was appointed a Director on 24 September 2021. During the three-year period to the end of the financial year, Mr Morrison held a non-executive directorship in OreCorp Limited (February 2013 – current) and E2 Metals Limited (February 2019 – May 2021).

### *Ms Jessica O'Hara*

*Company Secretary*

*Qualifications – LLB, BCom*

Ms O'Hara is a corporate lawyer, with extensive experience advising clients on general corporate law and regulatory/compliance issues. She has previously held senior positions at both Clayton Utz and Allen & Overy and more recently, had experience acting as in-house legal counsel. Ms O'Hara has advised a significant number of ASX-listed clients with operations in Australia and overseas, with specific experience within the mining and resources sectors.

Mr Dion Loney was appointed as Company Secretary on 18 July 2019. Mr Luke Watson resigned as Company Secretary on the same date. Ms Jessica O'Hara was appointed as Company Secretary on 24 September 2021 and Mr Loney resigned as at the same date.

### Principal Activities

The principal activities of the Company during the year consisted of mineral exploration for gold and precious metals. Solstice's key projects are the Hobbes, Jericho and Bunjarra Well Projects in the Eastern Goldfields of Western Australia (WA).

### Dividends

No dividends have been declared, provided for or paid in respect of the financial year ended 30 June 2020.

### Review of Operations and Activities

A review of the Company's operations during the year ended 30 June 2020 is provided in the section of this report headed 'Review of Operations', which immediately precedes the Director's Report.

### Operating Results and Financial Position

The operating loss of the Company for the year ended 30 June 2020 was \$165,960 (2019: \$68,900). This loss is largely attributable to the Company's accounting policy of expensing exploration and evaluation expenditure incurred by the Company subsequent to the initial acquisition of the rights to explore and up to the successful completion of definitive feasibility studies, as set out in Note 1.

At 30 June 2020, the Company had a net asset deficiency of \$234,859 (2019: \$68,899). The Company's funding is provided by loan from the ultimate parent company.

### Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Company not otherwise disclosed.

### Business Development

During the year, numerous business and corporate development opportunities were identified and reviewed. These included advanced projects and operating mines. Those which may enhance shareholder value will continue to be pursued.

## Director's Report (Continued)

A generative initiative in Western Australia identified several target areas in the Yilgarn and Pilbara cratons. This resulted in the Company acquiring mineral tenements and applying for a number of new licence areas. The Company will continue to refine its WA targeting initiative and acquire further opportunities through applications, joint ventures or outright purchase.

### Business Strategy and Prospects

The Company currently has the following business strategies and prospects over the medium to long term:

- continue to undertake regional generative exploration programs at the Yarri, Yundamindra and Ponton Gold Projects in the Eastern Goldfields of Western Australia;
- continue to refine its WA targeting initiative; and
- continue to review other resource opportunities which may enhance shareholder value.

The successful completion of these activities will assist the Company to achieve its strategic objective of making the transition from explorer to producer.

These activities are inherently risky, and the Board is unable to provide certainty that any or all of these objectives will be able to be achieved. In the opinion of the Directors, any further disclosure of information regarding likely developments in the operations of the Company and the expected results of these operations in subsequent financial years may prejudice the interests of the Company and accordingly, further information has not been disclosed.

### Environmental Regulation and Performance

The Company's operations are subject to various environmental laws and regulations in Australia. The Company aims for full compliance with these laws and regulations and regards them as a minimum standard for all operations to achieve.

No instances of environmental non-compliance by an operation were identified during the year.

### Significant Post-Balance Date Events

Since the end of the financial year and to the date of this financial report, the following significant events have occurred:

- During the year ended 30 June 2021, the Company completed the acquisition of additional exploration assets in the Eastern Goldfields of WA comprising:

Tenement	Vendor	Number of Ordinary OreCorp Limited Shares	Number of OreCorp Limited Unlisted Options	Royalty
E31/1121	Global Fortune Investment Ltd	1,167,883	Nil	Nil
E31/1134 & E31/1150	DiscovEx Resources Limited 80% Gateway Projects WA Pty Ltd 20%	184,615 46,154	Nil Nil	Nil 1.5% Gross Revenue
E31/1178	Mitchell Jones	238,096	100,000	1.0% Net Smelter Return
E31/1220 & P31/2118	Mining Equities Pty Ltd	232,558	Nil	1.0% Net Smelter Return
<b>Total securities</b>		<b>1,869,306</b>	<b>100,000</b>	
<b>Value</b>		<b>\$1,250,000</b>	<b>\$28,000</b>	

- In addition, during the year ended 30 June 2021, the Company completed the earn-in requirements to increase its interest in the Hobbes project to 80% and on 23 December 2020, in accordance with the Earn-In Agreement, 1,000,000 OreCorp Limited shares were issued to the Vendor with a total value of \$680,000.



## Director's Report (Continued)

- The Company incorporated OreCorp Base Metals Pty Ltd, a 100% owned subsidiary, on 28 October 2020 to hold the Company's interests in base metals projects.
- On 11 June 2021, the Company's Ultimate Parent, OreCorp Limited, announced that demerger of the Company from the OreCorp group is being considered and assessed. No final decision has been made to the date of this report.
- Subsequent to 30 June 2021 and to the date of this report, additional tenement transactions included:
  - On 11 August 2021, 201,508 fully paid OreCorp Limited ordinary shares were issued as consideration for the acquisition of an exploration tenement in WA.
  - On 9 September 2021, 2,000,000 fully paid OreCorp Limited ordinary shares were issued as consideration for an initial 80% interest in an exploration tenement located in WA.
- Effective from 24 September 2021, Messrs Craig Williams and Alastair Morrison have been appointed directors of the Company.
- Effective from 24 September 2021, Mr Dion Loney has resigned as company secretary of the Company and Ms Jessica O'Hara has been appointed to the role.
- On 28 September 2021, the directors resolved to change the company type from a proprietary company to a public company, change the company name from OreCorp Holdings Pty Ltd to Solstice Minerals Limited and to adopt a new constitution. These changes have taken effect from the date that ASIC altered the Company's registration to reflect the Company's new type, which was 12 November 2021.
- On 4 October 2021, OreCorp Base Metals Pty Ltd changed name to GreenCorp Metals Pty Ltd.

### Share Options

The Company does not have any share options on issue. No shares were issued during or since the end of the financial year as a result of the exercise of an option over unissued shares.

This report is made in accordance with a resolution of the directors.

For and on behalf of the Directors



**Matthew Yates**

**Director**

8 December 2021

## Statement of Profit or Loss and Other Comprehensive Income

	Notes	Year Ended 30 June	
		2020 A\$	2019 A\$
Exploration and evaluation costs		(165,960)	(68,900)
<b>Loss before tax from continuing operations</b>		<b>(165,960)</b>	<b>(68,900)</b>
Income tax expense	3	-	-
<b>Loss for the year</b>		<b>(165,960)</b>	<b>(68,900)</b>
<b>Other comprehensive income, net of income tax</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Other comprehensive income/(loss) for the year		-	-
<b>Total comprehensive loss for the year, net of income tax</b>		<b>(165,960)</b>	<b>(68,900)</b>
<b>Total comprehensive loss attributable to members of the parent</b>		<b>(165,960)</b>	<b>(68,900)</b>
<b>Earnings per share</b>			
Weighted average number of shares	12	1	1
Basic loss per share (\$ per share)	12	(165,960)	(68,900)
Diluted loss per share (\$ per share)	12	(165,960)	(68,900)

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

## Statement of Financial Position

		30 June 2020 A\$	30 June 2019 A\$
	Note		
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	13	1	1
<b>Total Current Assets</b>		<b>1</b>	<b>1</b>
<b>Non-current Assets</b>			
Exploration and evaluation assets	4	908,147	380,000
<b>Total Non-current Assets</b>		<b>908,147</b>	<b>380,000</b>
<b>TOTAL ASSETS</b>		<b>908,148</b>	<b>380,001</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Intercompany payables	5	1,143,007	448,900
<b>Total Current Liabilities</b>		<b>1,143,007</b>	<b>448,900</b>
<b>Non-current Liabilities</b>			
<b>Total Non-current Liabilities</b>		<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>1,143,007</b>	<b>448,900</b>
<b>NET LIABILITIES</b>		<b>(234,859)</b>	<b>(68,899)</b>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Issued capital	6	1	1
Accumulated losses		(234,860)	(68,900)
<b>TOTAL EQUITY</b>		<b>(234,859)</b>	<b>(68,899)</b>

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

## Statement of Changes in Equity

	Issued Capital A\$	Accumulated Losses A\$	Total Equity A\$
<b>Year Ended 30 June 2020</b>			
<b>Balance at 1 July 2019</b>	<b>1</b>	<b>(68,900)</b>	<b>(68,899)</b>
Net loss for the year	-	(165,960)	(165,960)
<b>Other comprehensive income</b>			
Total other comprehensive loss	-	-	-
Total comprehensive loss for the year	-	(165,960)	(165,960)
<b>Transactions with owners, recorded directly in equity</b>			
Total transactions with owners	-	-	-
<b>Balance at 30 June 2020</b>	<b>1</b>	<b>(234,860)</b>	<b>(234,859)</b>
<b>Year Ended 30 June 2019</b>			
<b>Balance at 1 July 2018</b>	<b>1</b>	<b>-</b>	<b>1</b>
Net loss for the year	-	(68,900)	(68,900)
<b>Other comprehensive income</b>			
Total other comprehensive income	-	-	-
Total comprehensive income/(loss) for the year	-	(68,900)	(68,900)
<b>Transactions with owners, recorded directly in equity</b>			
Total transactions with owners	-	-	-
<b>Balance at 30 June 2019</b>	<b>1</b>	<b>(68,900)</b>	<b>(68,899)</b>

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



## Statement of Cash Flows

		Year Ended 30 June	
	Note	2020 A\$	2019 A\$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		-	-
<b>Net cash outflow from operating activities</b>	13	-	-
<b>Cash flows from investing activities</b>			
<b>Net cash outflow from investing activities</b>		-	-
<b>Cash flows from financing activities</b>			
<b>Net cash inflow from financing activities</b>		-	-
<b>Net increase/(decrease) in cash and cash equivalents held</b>		-	-
Foreign exchange movement on cash and cash equivalents		-	-
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>1</b>	<b>1</b>
<b>Cash and cash equivalents at the end of the financial year</b>	13	<b>1</b>	<b>1</b>

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

## Notes to and Forming Part of the Financial Statements

### 1. Summary of Significant Accounting Policies

The principal accounting policies adopted in preparing the financial report of the Company, Solstice Minerals Limited ('Company' or 'Solstice') for the year ended 30 June 2020 are stated to assist in a general understanding of the financial report. For the purposes of preparing the financial statements, the Company is a for profit entity.

Solstice is a company limited by shares incorporated in Australia whose shares are not publicly traded on the Australian Securities Exchange.

The financial report of the Company for the year ended 30 June 2020 was authorised for issue in accordance with a resolution of the Directors on 8 December 2021.

#### (a) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ('AASs') and interpretations adopted by the Australian Accounting Standards Board ('AASB').

In the application of AASs management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of AASs that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The financial report has also been prepared on a historical cost basis.

The financial report is presented in Australian dollars.

#### Going Concern

These financial statements have been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

During the year ended 30 June 2020, the Group incurred a net loss of \$165,960 (2019: \$68,900) and generated no cash flows as all funding is provided by the ultimate parent company, OreCorp Limited through an intercompany loan. As at 30 June 2020, the Company had net current liabilities of \$1,143,006 (2018: \$448,899) and net liabilities of \$234,859 (2018: \$68,899).

The directors consider the going concern assumption is appropriate on the basis that the Company will receive continued financial support from the ultimate parent entity, OreCorp Limited. OreCorp Limited has provided a letter of support in which it confirms its intention to provide financial support to enable the Company to pay its debts as and when they fall due for payment and that the related party financing will not be called upon for a period of at least 12 months from the date of approval of the financial report. The Directors believe that such financial support and loan forbearance will be provided for the period noted above.

## Notes to and Forming Part of the Financial Statements (Continued)

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

### **(b) Statement of Compliance**

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). The financial report, which includes the financial statements and the notes of the Company, also complies with International Financial Reporting Standards ('IFRS').

### **(c) New Standards, Interpretations and Amendments**

In the current year, the Company has adopted all of the new and revised standards, interpretations and amendments that are relevant to its operations and effective for the current reporting period.

There was no impact from the adoption of AASB 16 *Leases* as the Company does not have any leased assets or liabilities. The other standards did not have any impact on the Company's accounting policies or disclosures.

### **(d) Issued Standards and Interpretations Not Early Adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Company for the year ended 30 June 2020. These are not expected to have any significant impact on the Company's financial statements.

### **(e) Principles of Consolidation**

The financial statements incorporate the assets and liabilities of all subsidiaries of Solstice (if any) as at year end and the results of all subsidiaries for the year then ended.

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries/assets by the Company.

Intercompany transactions and balances, and unrealised gains on transactions between Company companies, are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

### **(f) Exploration and Evaluation Expenditure**

Exploration and evaluation expenditure encompasses expenditures incurred by the Company in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

Where the Company acquires an area of interest (through direct purchase or purchase of an entity), expenditure incurred in the acquisition of the area of interest is capitalised, classified as tangible or intangible, and recognised as an exploration and evaluation asset. Exploration and evaluation assets are measured at cost at recognition.

Exploration and evaluation expenditure incurred by the Company subsequent to acquisition of the rights to explore is expensed as incurred up to the successful completion of definitive feasibility studies. Expenditure in relation to the preparation of definitive feasibility studies is expensed as incurred.

Capitalised exploration is only carried forward if the Company has rights to tenure and the Company expects to recoup the expenditures through successful development or sale.

## Notes to and Forming Part of the Financial Statements (Continued)

Capitalised exploration costs are reviewed each reporting date to establish whether an indication of impairment exists. If any such indication exists, the recoverable amount of the capitalised exploration costs 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 is made to proceed with development, accumulated expenditure is tested for impairment and transferred to development properties, and then amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

### **(g) Other Income**

#### Interest Income

Interest income is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

#### Government Grants

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

### **(h) Income Tax**

The Company is part of a tax consolidated group with OreCorp Limited as the head entity.

The income tax expense or income for the period is the tax payable or recoverable on the current period's taxable income or tax loss based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered, or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current tax expense (income), deferred tax liabilities and deferred tax assets arising from temporary differences of the Company are recognised using the 'stand alone taxpayer' approach whereby the Company measures its current and deferred taxes as if it continued to be a separately taxable entity in its own right. Deferred tax assets and deferred tax liabilities are measured by reference to the carrying amounts of the assets and liabilities in the Company's statement of financial position and their tax values applying under tax consolidation.



## Notes to and Forming Part of the Financial Statements (Continued)

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the Company are assumed by the head entity of the tax-consolidated group when recognised by the head entity, and are recognised as amounts payable (receivable) to other entities in the tax-consolidated group. Any difference between these amounts is recognised by the Company as an equity contribution from or distribution to the head entity.

The Company recognises deferred tax assets arising from unused tax losses to the extent that it is probable that future taxable profits of the Company will be available against which the assets can be utilised. The Company assesses the recovery of its unused tax losses and tax credits only in the period in which they arise, and before assumption by the head entity. Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability are recognised by the head entity only.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

### **(i) Impairment of Assets**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are compared at the lowest levels for which there are separately identifiable cash flows (cash generating units).

### **(j) Cash and Cash Equivalents**

'Cash and cash equivalents' includes cash on hand, deposits held at call with financial institutions, and other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### **(k) Financial Instruments**

#### Recognition and measurement

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 expensed immediately.

#### Classification and subsequent measurement

Financial instruments are subsequently measured at fair value or amortised cost using the effective interest rate method. Fair value represents 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. Quoted prices in an active market are used to determine fair value where possible. The Company does not designate any interest in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

#### *Amortised Cost*

Amortised cost amounts are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

#### *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

#### *Fair value through other comprehensive income (FVOCI)*

FVOCI financial assets include any financial assets not included in the above categories.

## Notes to and Forming Part of the Financial Statements (Continued)

### Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

### Expected Credit Losses

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. If there is objective evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously not recognised in the profit or loss - is removed from equity and recognised in profit or loss.

### (l) Fair Value Estimation

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Company is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as discounted cash flows, are used to determine fair value for the remaining financial instruments.

### (m) Property, Plant and Equipment

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

Plant and equipment are depreciated or amortised on a reducing balance or straight-line basis at rates based upon their expected useful lives. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(i)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss.

### (n) Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within twelve months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable. Employee benefits payable later than one year, including long service leave, are measured at the present value of the estimated future cash flows to be made for those benefits. Contributions to defined contribution super plans are expensed when the employees have rendered the services entitling them to the contributions.

## Notes to and Forming Part of the Financial Statements (Continued)

### (o) Contributed Equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

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. Incremental costs directly attributable to the issue of new shares or options, for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

### (p) Dividends

Provision is made for the amount of any dividend declared on or before the end of the year but not distributed at balance date.

### (q) Earnings per Share

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

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-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.

### (r) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except:

- (i) where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- (ii) receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

### (s) Share Based Payments

The Company's Ultimate Parent entity, OreCorp Limited, has issued its securities in consideration or part-consideration for the acquisition of tenements by the Company. The fair value of the securities as determined in accordance with accounting standards is recognised by the Company as an intercompany liability owing to OreCorp Limited.

The fair value of options granted is determined using an appropriate option pricing model. The shares were valued at market price at the date of grant.

### (t) Segment Information

Operating segments are identified in accordance with AASB 8 on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker, being the Board of Directors, in order to allocate resources to the segment and to assess its performance.

### (u) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, as described above, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on

## Notes to and Forming Part of the Financial Statements (Continued)

historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Recoverability of exploration and evaluation assets

In accordance with accounting policy note 1(f) management determines when an area of interest should be abandoned. When a decision is made that an area of interest is not commercially viable, all costs that have been capitalised in respect of that area of interest are written off. In determining this, assumptions, including the maintenance of title, ongoing expenditure and prospectivity are made. See note 4 for disclosure of carrying values.

	Year Ended 30 June	
	2020	2019
	A\$	A\$
<b>2. Expenses and Losses</b>		
Loss from ordinary activities before income tax expense includes the following specific expenses:		
<b>(a) Employee Benefit Expense</b>		
Employee benefit expense	-	-

	Year Ended 30 June	
	2020	2019
	A\$	A\$
<b>3. Income Tax</b>		
<b>(a) Recognised in profit or loss</b>		
<i>Current income tax</i> - Current income tax benefit	-	-
<i>Deferred income tax</i> - Deferred tax assets assumed by the Ultimate Parent company	-	-
<b>Income tax expense reported in the statement of profit or loss</b>	-	-
<b>(b) Recognised directly in equity</b>		
<i>Deferred income tax related to items charged or credited directly to equity</i>	-	-
<b>Income tax expense recognised directly in equity</b>	-	-
<b>(c) Reconciliation between Tax Expense and Accounting Loss before Income Tax</b>		
Accounting loss before income tax	(165,960)	(68,900)
At the domestic income tax rate of 27.5% (2019: 27.5%)	(45,639)	(18,948)
Deferred tax assets assumed by the Ultimate Parent company	45,639	18,948
<b>Income tax expense reported in the statement of profit or loss</b>	-	-
<b>(d) Deferred Income Tax</b>		
Deferred income tax at 30 June relates to the following:		



## Notes to and Forming Part of the Financial Statements (Continued)

	Year Ended 30 June	
	2020	2019
	A\$	A\$
<i>Deferred Tax Liabilities</i>		
Deferred tax assets used to offset deferred tax liabilities	-	-
	-	-
<i>Deferred Tax Assets</i>		
Tax losses available to offset against future taxable income	-	-
Deferred tax assets used to offset deferred tax liabilities	-	-
Deferred tax assets not recognised	-	-
	-	-

The benefit of deferred tax assets not brought to account will only be brought to account if:

- (i) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- (ii) the conditions for deductibility imposed by tax legislation continue to be complied with; and
- (iii) no changes in tax legislation adversely affect the Company in realising the benefit.

### (e) Tax Consolidation

OreCorp Limited and its 100% owned Australian resident subsidiaries, which includes the Company, have elected to form a tax consolidated group. As the Company is in a consolidated tax group, the Company does not recognise deferred tax assets for taxation losses that have been assumed by the Ultimate Parent company.

### (f) Franking Account

In respect to the payment of dividends (if any) by Solstice in subsequent financial years, no franking credits are currently available, or are likely to become available in the next 12 months.

	2020	2019
	A\$	A\$
<b>4. Non-Current Assets – Exploration and Evaluation Assets</b>		
<i>Exploration &amp; Evaluation Assets</i>		
Eastern Goldfields of Western Australia, Australia <sup>(i), (ii)</sup>	<b>908,147</b>	380,000
<b>Net carrying amount</b>	<b>908,147</b>	380,000
<i>Reconciliation - Exploration &amp; Evaluation Assets</i>		
Carrying amount at the beginning of the year	<b>380,000</b>	-
Add: acquisition of exploration and evaluation assets during the year	<b>528,147</b>	380,000
<b>Carrying amount of Exploration and Evaluation Assets at the end of year, net of impairment</b>	<b>908,147</b>	380,000

#### Notes

- (i) During the year ended 30 June 2019, Solstice entered into a binding Earn-in Agreement to acquire up to an 80% interest in the Hobbes Gold Project located in the Eastern Goldfields 130km northeast of Kalgoorlie in WA.
- (ii) During the current year, the Company completed the acquisition of additional exploration assets in the Eastern Goldfields of WA comprising:
  - the Jericho and Bunjarra Well Projects. Consideration for the acquisition was comprised of the issue of 468,809 fully paid OreCorp Limited ordinary shares recorded at market value of \$0.38 each for a total fair value of \$178,147, plus a 1% net smelter royalty (NSR) capped at \$2,500,000. The NSR has been assessed by the Company at acquisition date to have a fair value of nil; and

## Notes to and Forming Part of the Financial Statements (Continued)

- the Cosmo assets. Consideration for the acquisition was comprised of the issue of 941,529 fully paid OreCorp Limited ordinary shares recorded at market value of \$0.32 each for a total fair value of \$300,000 and a cash payment made by OreCorp Limited on the Company's behalf of \$50,000.
  - The recovery of exploration expenditure carried forward is dependent upon the discovery of commercially viable mineral and other natural resource deposits, their development and exploration, or alternatively their sale.
- (iii) The recovery of exploration expenditure carried forward is dependent upon the discovery of commercially viable mineral and other natural resource deposits, their development and exploration, or alternatively their sale.

	2020 A\$	2019 A\$
<b>5. Current Liabilities – Intercompany Payables</b>		
Payable to OreCorp Limited (Ultimate Parent)	<b>1,143,007</b>	448,900
	<b>1,143,007</b>	448,900

### Notes

- (i) The Company's Ultimate Parent provides loan funding for the Company's activities. The loan is unsecured, non-interest bearing and is repayable on demand.

	2020 A\$	2019 A\$
<b>6. Issued Capital</b>		
<b>(a) Issued and Paid Up Capital</b>		
1 (30 June 2019: 1) fully paid ordinary share	<b>1</b>	1

### (b) Movements in Ordinary Share Capital

There were no movements in ordinary share capital in the current or prior year.

### (c) Rights Attaching to Shares

- (i) Ordinary shares entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held.
- (ii) 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 one vote.
- (iii) Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

## 7. Key Management Personnel Compensation

No compensation was paid or payable to KMP during the current or prior financial year.

## 8. Related Party Disclosures

### (a) Transactions with Ultimate Parent Company

OreCorp Limited (the ultimate parent company of the Company) provides loan funding to the Company, as disclosed in Note 5.

The Company has no active bank account as at the reporting date. All of the costs incurred in connection with the Company's activities are paid for by OreCorp Limited and recorded in the Company through the intercompany loan. A reconciliation of the intercompany loan balance is provided below:

## Notes to and Forming Part of the Financial Statements (Continued)

	2020 A\$	2019 A\$
Opening balance	448,900	-
Company expenses paid by OreCorp Limited	165,960	68,900
Tenement acquisition costs paid by OreCorp Limited	50,000	-
Fair value of OreCorp Limited shares issued in consideration for tenement acquisitions	478,147	380,000
Fair value of OreCorp Limited unlisted options issued in consideration for tenement acquisitions	-	-
Closing balance	1,143,007	448,900

### (b) Transactions with Other Related Parties

There were no transactions with other related parties during the years ended 30 June 2019 or 30 June 2020.

### 9. Segment Information

The Company operates in one operating segment being mineral exploration and one geographical segment being Western Australia.

### 10. Interest in Other Entities

Entity	Activity	Interest at 30 June 2020	Interest at 30 June 2019
Hobbes Gold Project – WA <sup>(i)</sup>	Gold Exploration	40%	0%
Jericho and Bunjarra Well Projects – WA	Gold Exploration	95 - 100%	0%

#### Notes

- (i) During the year, the Company completed the first phase of the earn-in for the Hobbes Gold Project entitling the Company to move to a 40% interest in the project. Solstice can earn a further 40%, taking its project equity to 80%, (**Phase 2 Interest**) by sole funding a further A\$300,000 of expenditure over a further 24-month period. Following completion of Phase 2, the Vendor will be issued a further 1,000,000 OreCorp Limited shares and an unincorporated Joint Venture will be formed, with respective interests of Solstice 80% and the Vendor 20%. At this time the Vendor will be granted a 1% net smelter return royalty. Upon Solstice announcing a JORC 2012 compliant inferred resource of >500,000oz gold (with a lower cut of at least 0.5g/t Au), a further 2,000,000 OreCorp Limited shares will be issued to the Vendor. The Vendor will be free carried to completion of a Definitive Feasibility Study. Thereafter the parties shall contribute on a pro-rata basis or dilute via an agreed formula.

### 11. Remuneration of Auditors

On 1 September 2021, the Company engaged Deloitte Touche Tohmatsu to audit the Company's financial reports for the years ended 30 June 2019, 30 June 2020 and 30 June 2021. Deloitte's quoted fee for these audits totalled \$28,000. This cost will be expensed by the Company and paid in the year ended 30 June 2022. No other work for the Company was performed by Deloitte during the year ended 30 June 2019.

	2020 A\$	2019 A\$
<b>12. Earnings per Share</b>		
Basic and diluted loss per share (cents per share):		
From continuing operations	(165,960)	(68,900)
From discontinued operations	-	-
Basic and diluted loss per share (cents per share)	(165,960)	(68,900)

## Notes to and Forming Part of the Financial Statements (Continued)

	2020 A\$	2019 A\$
The following reflects the income and share data used in the calculations of basic and diluted earnings per share:		
<b>Net loss used in calculating basic and diluted earnings per share:</b>		
Net loss from continuing operations	(165,960)	(68,900)
Net loss from discontinued operations	-	-
Earnings used in calculations of basic and diluted loss per share	(165,960)	(68,900)

	2020 Number of Shares	2019 Number of Shares
Weighted average number of ordinary shares used in calculating basic earnings per share, adjusted to reflect the Company restructure	1	1
Effect of dilutive securities <sup>(1)</sup>	-	-
<b>Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share</b>	<b>1</b>	<b>1</b>

### Notes

- (i) There have been no conversions, calls, subscriptions or issues of shares or options subsequent to balance date.

	2020 A\$	2019 A\$
<b>13. Statement of Cash Flows</b>		
<b>(a) Reconciliation of Net Loss after Income Tax to Net Cash Outflow from Operating Activities</b>		
Net loss after income tax	(165,960)	(68,900)
<b>Adjustment for non-cash income and expense items</b>	-	-
<b>Changes in assets and liabilities</b>		
Increase/(decrease) in intercompany payables	165,960	68,900
<b>Net cash outflow from operating activities</b>	-	-
<b>(b) Reconciliation of Cash and Cash Equivalents</b>		
Cash at bank and on hand	1	1
<b>Cash and cash equivalents at 30 June</b>	<b>1</b>	<b>1</b>

### (c) Credit Standby Arrangements with Banks

At balance date, the Company had no used or unused financing facilities.

### (d) Non-cash Financing and Investment Activities

- (i) During the years ended 30 June 2019 and 2020, the Company acquired interests in exploration and evaluation assets for which OreCorp Limited shares were issued as part of the consideration. The shares were valued at market price at the date of issue. The Company recognises a liability to OreCorp Limited for the fair value of the share-based payments as determined in accordance with accounting standards. Refer to Note 4 for further details.

## Notes to and Forming Part of the Financial Statements (Continued)

### 14. Financial Instruments

#### (a) Overview

The Company's principal financial instruments comprise cash and intercompany payables.

The totals for each category of financial instruments are as follows:

	2020 A\$	2019 A\$
<b>Financial Assets</b>		
Cash and cash equivalents	1	1
<b>Total financial assets</b>	<b>1</b>	<b>1</b>
<b>Financial Liabilities</b>		
Payable to OreCorp Limited	1,143,007	448,900
<b>Total financial liabilities</b>	<b>1,143,007</b>	<b>448,900</b>

The main risk arising from the Company's financial instruments is liquidity risk. None of the Company's financial instruments are interest-bearing.

This note presents information about the Company's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Other than as disclosed, there have been no significant changes since the previous financial year to the exposure or management of these risks.

The Company manages its exposure to key financial risks in accordance with the Company's financial risk management policy. Key risks are monitored and reviewed as circumstances change (e.g. acquisition of a new project) and policies are revised as required. The overall objective of the Company's financial risk management policy is to support the delivery of the Company's financial targets whilst protecting future financial security.

Given the nature and size of the business and uncertainty as to the timing and amount of cash inflows and outflows, the Company does not enter into derivative transactions to mitigate the financial risks. In addition, the Company's policy is that no trading in financial instruments shall be undertaken for the purposes of making speculative gains. As the Company's operations change, the Directors will review this policy periodically going forward.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board reviews and agrees policies for managing the Company's financial risks as summarised below.

#### (b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company obtains funding from the Ultimate Parent. Refer to Note 1(a) regarding the Ultimate Parent's financial support.

#### (c) Net Fair Value of Financial Assets and Liabilities

The net fair value of cash, cash equivalents and financial assets and financial liabilities approximates their carrying value.

#### (d) Commodity risk

The Company is exposed to commodity price risk. These commodity prices can be volatile and are influenced by factors beyond the Company's control. As the Company is currently engaged in exploration and business development activities, no sales of commodity products are forecast for the next 12 months, and accordingly, no hedging or derivative transactions have been used to manage price risk.

## Notes to and Forming Part of the Financial Statements (Continued)

### (e) Capital Management

Given the stage of development of the Company, funding is obtained through the Ultimate Parent, OreCorp Limited.

The Company is not definitively committed to any specific exploration spend on its exploration licences and will continue to assess ongoing exploration results on the licences, prior to making any decisions on future exploration programs and expenditures.

There were no changes in the Company's approach to capital management during the year.

The Company is not subject to externally imposed capital requirements.

### 15. Commitments for Expenditure

Other than as disclosed, the Company has no commitments for expenditure as at 30 June 2020 or 30 June 2019.

### 16. Contingent Liabilities

Other than as disclosed, the Company has no known contingent liabilities requiring disclosure as at 30 June 2020 or 30 June 2019.

### 17. Significant Post Balance Date Events

Since the end of the financial year and to the date of this financial report, the following significant events have occurred:

- During the year ended 30 June 2021, the Company completed the acquisition of additional exploration assets in the Eastern Goldfields of WA comprising:

Tenement	Vendor	Number of Ordinary OreCorp Limited Shares	Number of OreCorp Limited Unlisted Options	Royalty
E31/1121	Global Fortune Investment Ltd	1,167,883	Nil	Nil
E31/1134 & E31/1150	DiscovEx Resources Limited 80% Gateway Projects WA Pty Ltd 20%	184,615 46,154	Nil	Nil 1.5% Gross Revenue
E31/1178	Mitchell Jones	238,096	100,000	1.0% Net Smelter Return
E31/1220 & P31/2118	Mining Equities Pty Ltd	232,558	Nil	1.0% Net Smelter Return
<b>Total securities</b>		<b>1,869,306</b>	<b>100,000</b>	
<b>Value</b>		<b>\$1,250,000</b>	<b>\$28,000</b>	

- In addition, during the year ended 30 June 2021, the Company completed the earn-in requirements to increase its interest in the Hobbes project to 80% and on 23 December 2020, in accordance with the Earn-In Agreement, 1,000,000 OreCorp Limited shares were issued to the Vendor with a total value of \$680,000.
- The Company incorporated OreCorp Base Metals Pty Ltd, a 100% owned subsidiary, on 28 October 2020 to hold the Company's interests in base metals projects.
- On 11 June 2021, the Company's Ultimate Parent, OreCorp Limited, announced that demerger of the Company from the OreCorp group is being considered and assessed. No final decision has been made to the date of this report.
- Subsequent to 30 June 2021 and to the date of this report, additional tenement transactions included:
  - On 11 August 2021, 201,508 fully paid ordinary OreCorp Limited shares were issued as consideration for the acquisition of an exploration tenement in WA.
  - On 9 September 2021, 2,000,000 fully paid ordinary OreCorp Limited shares were issued as consideration for an initial 80% interest in an exploration tenement located in WA.

## Notes to and Forming Part of the Financial Statements (Continued)

- Effective from 24 September 2021, Messrs Craig Williams and Alastair Morrison have been appointed directors of the Company.
- Effective from 24 September 2021, Mr Dion Loney has resigned as company secretary of the Company and Ms Jessica O'Hara has been appointed to the role.
- On 28 September 2021, the directors resolved to change the company type from a proprietary company to a public company, change the company name from OreCorp Holdings Pty Ltd to Solstice Minerals Limited and to adopt a new constitution. These changes have taken effect from the date that ASIC altered the Company's registration to reflect the Company's new type, which was 12 November 2021.
- On 4 October 2021, OreCorp Base Metals Pty Ltd changed name to GreenCorp Metals Pty Ltd.



## Directors' Declaration

The directors declare that:

- (a) In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (b) The attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 1 to the financial statements; and
- (c) In the directors' opinion, the attached financial statements and notes thereto are in compliance with the accounting standards and give a true and fair view of the financial position and performance of the consolidated entity.

On behalf of the Directors



**Matthew Yates**

**Director**

8 December 2021

## Independent Auditor's Report to the Members of Solstice Minerals Limited (formerly OreCorp Holdings Pty Ltd)

### *Opinion*

We have audited the financial report of Solstice Minerals Limited (the "Entity") which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the Entity's financial position as at 30 June 2020 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

### *Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional & 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other Information*

The directors are responsible for the other information. The other information comprises the Review of Operations and Director's Report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of the Directors for the Financial Report*

The directors are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and for such internal control as management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the ability of the Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

## *Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management and the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



DELOITTE TOUCHE TOHMATSU



**David Newman**

Partner

Chartered Accountants

Perth, 8 December 2021