



SOLSTICE
MINERALS LIMITED

(PREVIOUSLY ORECORP HOLDINGS PTY LTD)

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

ACN 150 154 162

Corporate Directory

Directors

Mr Matthew Yates
Mr Craig Williams
Mr Alastair Morrison
Mr Michael Klessens
Mr Robert Rigo

Company Secretary

Ms Jessica O'Hara

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Director's Report

The Directors of Solstice Minerals Limited (previously OreCorp Holdings Pty Ltd) (**Solstice** or the **Company**) present their report on the Consolidated Entity consisting of Solstice and the entities it controlled at the end of, or during, the half-year ended 31 December 2021 (**Consolidated Entity** or **Group**).

Directors

The names of the directors in office at any time during the period 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)

Mr Michael Klessens (appointed 28 January 2022)

Mr Robert Rigo (appointed 28 January 2022)

Unless otherwise noted, all Directors held their office from 1 July 2021 until the date of this report.

Principal Activities

The principal activities of the Group during the half-year consisted of mineral exploration for gold and base metals. Solstice's key projects are the Yarri, Kalgoorlie, Yundamindra and Ponton Projects in the Eastern Goldfields of Western Australia (**WA**).

Review of Operations and Activities

Introduction

The Company is actively exploring gold and base metal targets in the Eastern Goldfields of WA. Solstice now holds 30 granted licences (24 exploration licences and 6 prospecting licences), and 12 licence applications (11 exploration licences and one prospecting licence) for a total of approximately 2,620km² (**Figure 1**). The Company also has three licence applications (71km²) awaiting ballot.

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

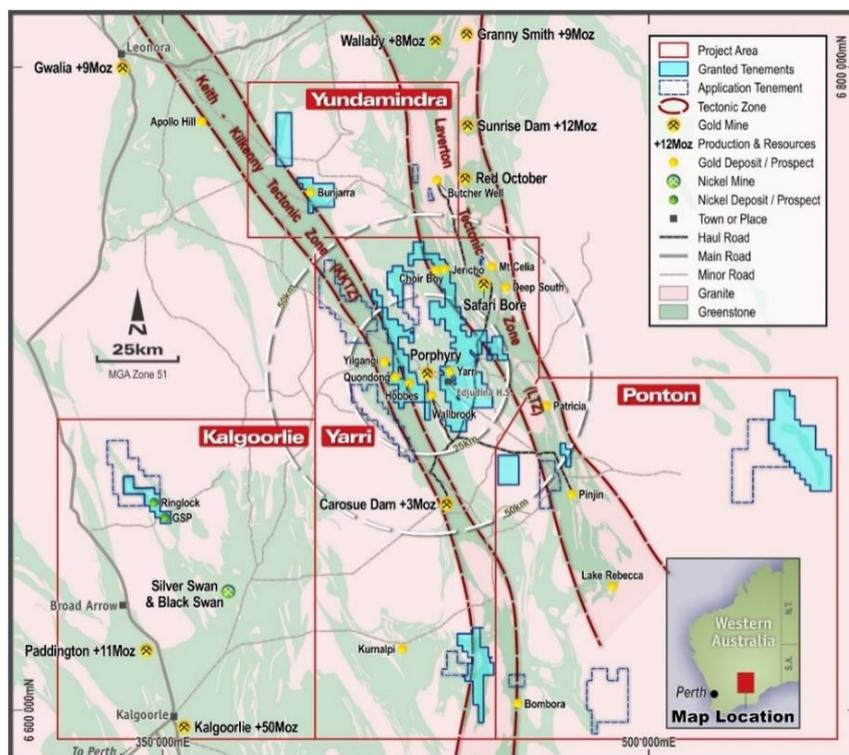


Figure 1: Location of Solstice's WA Projects with Regional Geology

Directors' Report (Continued)

During the half-year, the Company commenced a large aeromagnetic survey to cover portions of the Yarri, Yundamindra and Ponton Project areas. The aim of the survey is to reduce the overall line spacing of the Company's aeromagnetic data set in the Eastern Goldfields to 100m. The Company considers this to be the optimal line spacing to deliver a more holistic and higher resolution interpretation of geology and structures to assist with gold and base metal targeting (**Figure 2**).

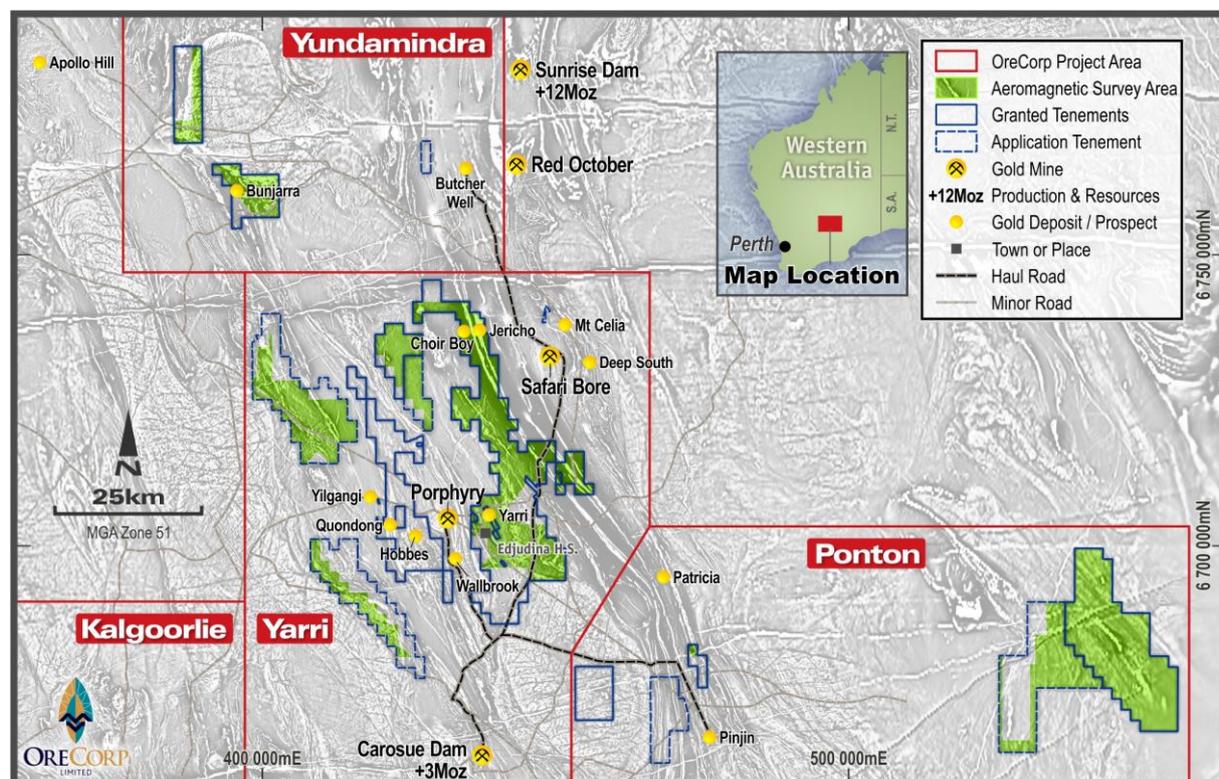


Figure 2: Area of Regional Aeromagnetic Survey, Eastern Goldfields

The survey comprises approximately 16,000 line-kilometres and is being undertaken at a mean terrain clearance of 50m and to the end of December 2021 was 45% complete. The survey is being undertaken utilising a turbine engine Cessna Caravan aircraft equipped with both tail and wing-tip stinger sensors, providing gradient magnetic data which enhances the final gridded product. Digital elevation and radiometric data will be acquired together with the aeromagnetic data.

1. YARRI PROJECT (GOLD)

The Yarri Project is approximately 150km northeast of Kalgoorlie between the Keith-Kilkenny Tectonic Zone (KKTZ) and the Laverton Tectonic Zone (LTZ), both of which are major craton-scale structural features known to control significant gold endowment in the Kurnalpi Terrane of the Eastern Goldfields (**Figure 3**). The Carosue Dam, Porphry and Deep South Projects that form part of Northern Star Resources' Carosue Dam Operations, hosting 4.275Moz¹ gold at 2.0 g/t, are located within the Yarri Project area.

During the half-year the Company was successful in a competitive ballot process for Exploration Licence Application ELA28/3092, comprising approximately 30km² over prospective greenstone terrane at the margin of the KKTZ. Licence ELA28/3092, Jurangie Licence, is contiguous with the Company's Mt Turner Licence (E28/2583) in the southeast of the Yarri Project area and further consolidates gold prospective greenstone terrane within the historical Kurnalpi Mining Centre area. Another significant Exploration Licence Application was lodged during

¹ Source Northern Star Resources Limited FY21 Annual Report.

Directors' Report (Continued)

Samples for the testwork were selected from historical diamond drill core hole NHD002, with one composite created for the oxide gold mineralisation (NHD002 Oxide #1) and a second composite for the primary gold mineralisation (NHD002 Primary #2). Both samples were considered representative of the mineralised zone being tested.

The comminution testwork indicated that:

- The oxide mineralisation is relatively soft with primary mineralisation medium to hard, consistent with typical Eastern Goldfields ores; and
- Oxide mineralisation grindability was relatively low with Bond ball mill work index (BWi) of 10.6kWh/t and primary mineralisation grindability medium to hard with BWi of 16.9kWh/t using a closing screen size of 106µm.

For the head assay, the average gold grades for the oxide material and primary composite sample material were 1.45 g/t and 2.71 g/t Au, respectively. In both samples, organic carbon, arsenic, base metals, and antimony levels are all low, indicating that these elements are unlikely to cause gold extraction complications.

Gravity recoverable gold for the oxide material was 12% and for the primary material was 23%. The results highlighted the combined gravity and cyanide soluble gold recoveries of 97% and 89% for oxide and primary gold mineralisation, respectively. The overall primary material gold recovery is expected to improve with further optimisation testwork.

The gold leach kinetics for both composite samples were fast, with most of the gold leaching in the first 4 hours, which is an excellent result. In summary, these metallurgical results are very positive and encouraging and will support the Company's ongoing evaluation of the Hobbes Prospect mineralisation.

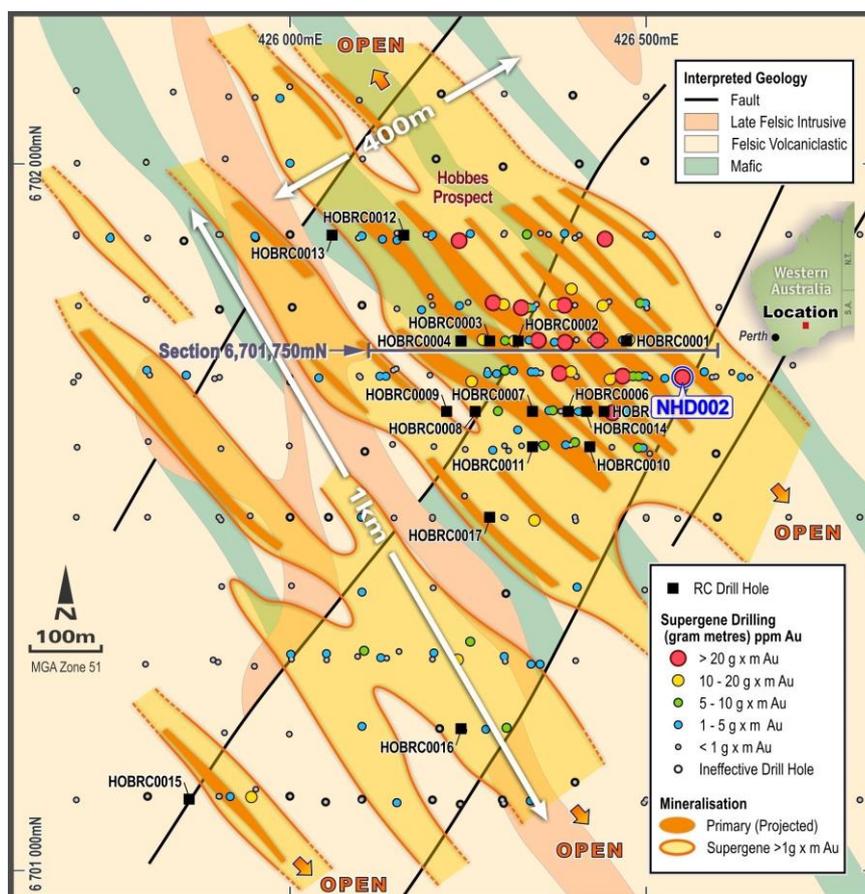


Figure 4: Geological map showing surface expression of supergene and primary gold mineralisation at the Hobbes Prospect with the diamond core hole (NDH002) used for the metallurgical testwork.

Directors' Report (Continued)

Horse Rock Bore (E31/1121) and Lucerne Well (E31/1150) Licences

Systematic geochemical surface sampling programs were undertaken over the Kingsley Well Prospect within Licence E31/1121 and at Licence E31/1150 during the period (**Figure 3**). The surface sampling programs were either over areas where historical gold anomalism occurs or unsampled or ineffectively sampled areas. Data from the surface geochemistry will be used for development and prioritisation of gold targets for drilling.

Yarri Project - Regional

During the period, the Company continued to compile historical WAMEX data and undertake regional field reconnaissance gold and base metal exploration. Field reconnaissance included regolith landform mapping, geology outcrop mapping and selective rock chip sampling on various licences within the Yarri Project. The WAMEX data compilation has identified RC drilling by Saracen Gold Mines Pty Ltd in 2012 on the Company's Lake View Licence (E31/1225) with anomalous (>0.5g/t gold) mineralisation over 900m of strike (Statesman Well Prospect).

2. KALGOORLIE PROJECT (NICKEL AND GOLD Solstice 100% ELA29/1115 and 80% E29/1087)

The Kalgoorlie Project currently comprises the Ringlock Dam Licence E29/1087 and the Lake Goongarrie Application ELA29/1115, approximately 80km north-northwest of Kalgoorlie (**Figure 1**). The Ringlock Dam Licence was granted to silaTEC Pty Ltd on 6 September 2021 and pursuant to Phase 1 of the agreement Solstice (through its wholly owned subsidiary GreenCorp Metals Pty Ltd), has earned an 80% interest in the licence. Subsequent to period end, GreenCorp has elected to purchase the additional 20% interest in this licence, in consideration for which a further 1,000,000 OreCorp Limited (**OreCorp**) shares have been issued.

The two licences are contiguous and comprise about 234km², hosted by granite-greenstone rocks of the Boorara Domain within the Kalgoorlie Terrane. The Ringlock Dam Licence contains the advanced GSP komatiitic nickel prospect, and other significant komatiite hosted nickel-sulphide targets along the BSKC (**Figures 5 & 6**).

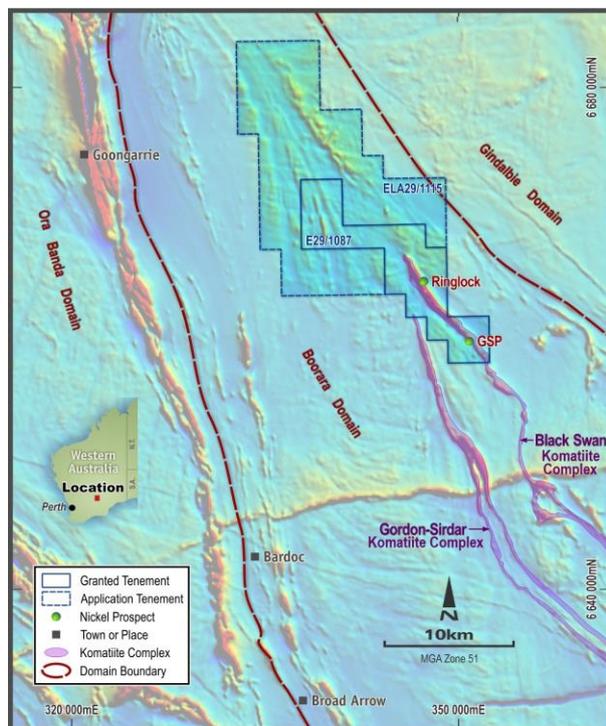


Figure 5: Kalgoorlie Project over regional magnetics

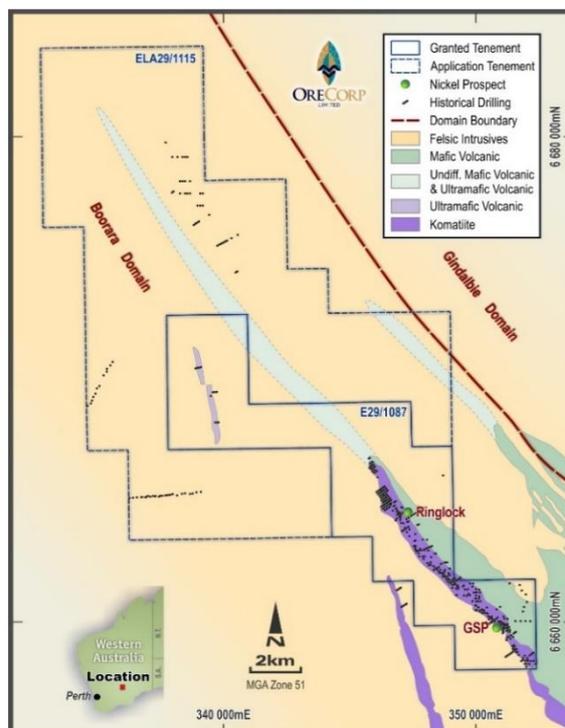


Figure 6: Kalgoorlie Project historical drilling over Regional Geology

Directors' Report (Continued)

Reconnaissance exploration has commenced at Ringlock Dam during the period, including field validation of historical mapping and collection of historical drill spoil for multi-element analysis. Core samples from historical drilling completed by Western Areas Limited and Magma Metals Limited between 2000-2012 has been acquired and is now stored at the Company's Kalgoorlie base. The core will be cleaned, and core markings re-established in preparation for re-logging and check sampling by the Company's geologists.

The Company established an operational base in Kalgoorlie during the period to support its nickel exploration activities on the Ringlock Dam Licence, and the Eastern Goldfields exploration in general.

3. YUNDAMINDRA PROJECT (GOLD)

The Yundamindra Project now comprises two granted exploration licences and three applications (including one in ballot) covering approximately 192km². The Bunjarra Well and Bunjarra Northwest Licences are located along the eastern margin of the KKTZ and are extensively covered by recent colluvium and alluvium (**Figure 7**).

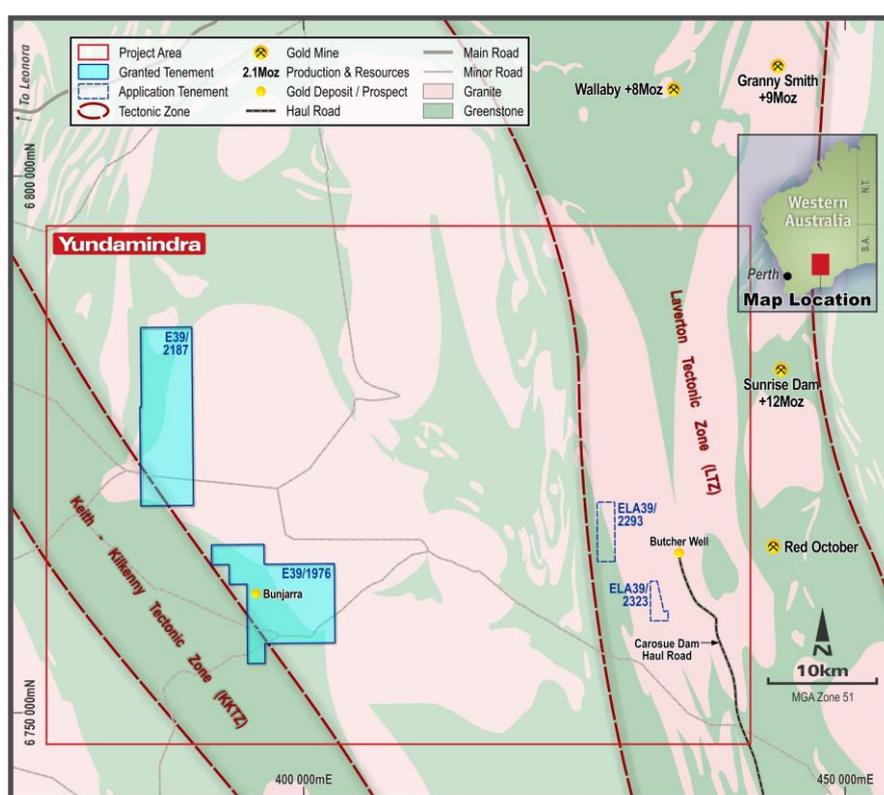


Figure 7: Yundamindra Project with regional geology (applications in ballot not shown)

Bunjarra Well (E39/1976)

During the half-year, final results for the UFF surface soil sampling program were returned, and a preliminary assessment of results was undertaken. The data suggests there are several low-level (parts per billion) gold-in-soil anomalies with corresponding silver anomalism. Limited and very low UFF soil anomalism around zones where aircore drilling defined strong gold anomalism at depth suggests the sampling method may have limited effectiveness in the Bunjarra Well Licence area. The Company is continuing to assess the full results to determine what follow-up is required.

A small rock chip sampling and mapping program was undertaken at the Bunjarra Well Licence to follow up on regional gold-in-soil anomalism. The mapping defined a number of quartz veins hosted within a locally sheared sequence of basalt-dolerite-gabbro. A final assessment of this work will be completed once laboratory assay results of rock chip samples are returned.

Directors' Report (Continued)

4. PONTON PROJECT (NICKEL AND GOLD)

The Ponton Project comprises three granted licences and four licence applications, covering a total area of approximately 908km² (**Figure 8**).

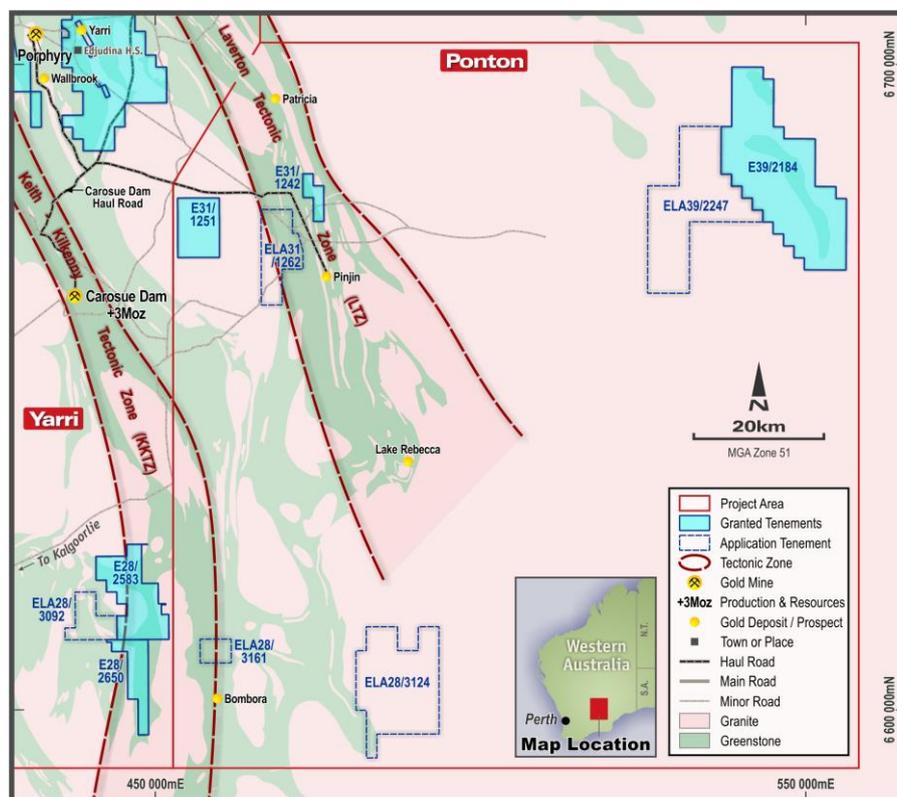


Figure 8: Ponton Project with regional geology

During the half-year the Company completed a reconnaissance UFF surface soil sampling program at the Nippon Licence (E39/2184). Two target areas related to linear high intensity aeromagnetic anomalies, between 1km and 6km in length, were identified for sampling which was carried out on a 100m x 400m grid. A total of 372 soil samples, seven pisolithic lag samples and two rock chip samples were taken. The samples have been submitted for laboratory analysis and are expected in the first quarter of 2022.

Operating Results and Financial Position

The net loss of the Consolidated Entity for the half-year ended 31 December 2021 was \$1,297,686 (2020: \$255,074). This loss is largely attributable to the Consolidated Entity's accounting policy of expensing exploration and evaluation expenditure incurred by the Consolidated Entity subsequent to the initial acquisition of the rights to explore and up to the successful completion of definitive feasibility studies.

The increase in exploration expenditure was due to the increased exploration activities at the Company's WA prospects in the current period.

At 31 December 2021, the Consolidated Entity had a net asset deficiency of \$2,422,633 (30 June 2021: \$1,124,947). The Company's funding is provided by loan from the ultimate parent company.

Business Development

During the half-year, 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.

Directors' Report (Continued)

The generative initiative in WA has resulted in the Company entering into new acquisition agreements to complement its Eastern Goldfields initiative. 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, Kalgoorlie, Yundamindra, and Ponton 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.

COVID-19

Solstice continues to monitor the advice from the Australian authorities with regards to restrictions imposed due to the COVID-19 pandemic. The Company has implemented measures and protocols to maintain the health, safety and security of staff and consultants. At this stage, the impact on our business and results has not been significant and based on our experience to date we expect this to remain the case.

Significant Changes in the State of Affairs

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, Solstice's wholly owned subsidiary, OreCorp Base Metals Pty Ltd changed name to GreenCorp Metals Pty Ltd.

Significant Post-Balance Date Events

Subsequent to the end of the period:

- On 17 January 2022, OreCorp announced its intention to demerge Solstice Minerals Limited from the OreCorp Group, subject to shareholder and other requisite approvals. Further details to date include:
 - On 7 February 2022, OreCorp provided an update in respect of the intended demerger, announcing that it was proposing to lodge a notice of meeting seeking shareholder approval for the demerger to occur by way of a capital reduction and in-specie distribution (**Demerger**).
 - In conjunction with the Demerger, Solstice intends to undertake an initial public offering (**IPO**) and will make an application for admission to the Official List of the ASX. The IPO will be undertaken through the issue of a minimum of 25,000,000 Solstice shares and a maximum of 60,000,000 Solstice shares via a pro rata priority offer to eligible OreCorp shareholders at an issue price of \$0.20 per Solstice share, to raise a minimum of \$5,000,000 and a maximum of \$12,000,000 (before costs) (**Pro Rata Priority Offer**).

Directors' Report (Continued)

- Any entitlements not taken up in the Pro Rata Priority Offer will form the Shortfall Offer, available to eligible OreCorp shareholders and new investors.
 - Participants in the Pro Rata Priority Offer and Shortfall Offer will receive one free attaching listed Solstice option for every four Solstice shares subscribed for under the IPO, with an exercise price of \$0.20 and an expiry date four years from the date of issue (**Listed Options**). Solstice intends to apply to the ASX for quotation of the Listed Options.
 - A prospectus in relation to the IPO will be lodged by Solstice and made available to eligible OreCorp shareholders and new investors on a website to be established by Solstice.
 - On 8 March 2022, OreCorp lodged the notice of meeting and explanatory memorandum with ASX and despatched it to shareholders.
- On 28 January 2022, in preparation for the proposed demerger, OreCorp Resources Pty Ltd sold its legal and beneficial interest in the entire issued share capital of Solstice, being one fully paid ordinary share, to OreCorp for a nominal consideration of \$1.00.
 - On 28 January 2022, Messrs Michael Klessens and Robert Rigo were appointed as directors of the Company.
 - On 17 February 2022, Solstice and OreCorp entered into an amendment to the existing earn-in agreement with Crosspick Resources Pty Ltd (**Crosspick**), providing for OreCorp to issue 1,200,000 fully paid ordinary shares to Crosspick (or its nominee) (**New Shares**). This issue of shares is being made as consideration for removal from the earn-in agreement of the contractual obligation to issue 2,000,000 OreCorp fully paid ordinary shares to Crosspick upon OreCorp announcing a JORC 2012 Code compliant mineral resource at the Hobbes Project of at least 500,000oz Au with a lower cut-off of at least 0.5 g/t Au. The New Shares will be issued to Crosspick (or its nominee) within 10 days after the record date for the Demerger (and will not carry any right to participate in the in-specie distribution or pro-rata priority offer) unless the record date has not occurred by 31 May 2022, in which case the shares will be issued by 15 June 2022. As part of the amendment, Solstice also agreed for Crosspick to transfer its 20% interest in the Hobbes Project, and its rights and obligations under the earn-in agreement to Garry Warren Pty Ltd.
 - On 18 February 2022, OreCorp issued 1,000,000 fully paid ordinary shares to silaTEC Pty Ltd, in consideration for the acquisition by Solstice's wholly owned subsidiary, GreenCorp Metals Pty Ltd, of the remaining 20% interest in an exploration tenement located at Ringlock Dam, Western Australia.

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

For and on behalf of the Directors



MATTHEW YATES

Director

10 March 2022

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Half-Year Ended	
	31 December 2021 A\$	31 December 2020 A\$
Exploration and evaluation costs	(1,297,686)	(255,074)
Loss before tax from continuing operations	(1,297,686)	(255,074)
Income tax expense	-	-
Loss for the period	(1,297,686)	(255,074)
Other comprehensive income, net of income tax		
Items that may be reclassified subsequently to profit or loss		
Other comprehensive income/(loss) for the period	-	-
Total comprehensive loss for the period, net of income tax	(1,297,686)	(255,074)
Total comprehensive loss attributable to members of the parent	(1,297,686)	(255,074)
Earnings per share		
Weighted average number of shares	1	1
Basic loss per share (\$ per share)	(1,297,686)	(255,074)
Diluted loss per share (\$ per share)	(1,297,686)	(255,074)

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

Condensed Consolidated Statement of Financial Position

		31 December 2021 A\$	30 June 2021 A\$
	Note		
ASSETS			
Current Assets			
Cash and cash equivalents		1	1
Total Current Assets		1	1
Non-current Assets			
Right of use asset		69,116	-
Exploration and evaluation assets	3	4,177,170	2,928,859
Total Non-current Assets		4,246,286	2,928,859
TOTAL ASSETS		4,246,287	2,928,860
LIABILITIES			
Current Liabilities			
Lease liability		41,247	-
Intercompany payables	4	6,545,937	4,053,807
Deferred tax liability	2	52,871	-
Total Current Liabilities		6,640,055	4,053,807
Non-current Liabilities			
Lease liability		28,865	-
Total Non-current Liabilities		28,865	-
TOTAL LIABILITIES		6,668,920	4,053,807
NET LIABILITIES		(2,422,633)	(1,124,947)
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital	5	1	1
Accumulated losses		(2,422,634)	(1,124,948)
TOTAL EQUITY		(2,422,633)	(1,124,947)

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

Condensed Consolidated Statement of Changes in Equity

	Issued Capital A\$	Accumulated Losses A\$	Total Equity A\$
Half-Year Ended 31 December 2021			
Balance at 1 July 2021	1	(1,124,948)	(1,124,947)
Net loss for the period	-	(1,297,686)	(1,297,686)
Other comprehensive income			
Total other comprehensive loss	-	-	-
Total comprehensive loss for the period	-	(1,297,686)	(1,297,686)
Transactions with owners, recorded directly in equity			
Total transactions with owners	-	-	-
Balance at 31 December 2021	1	(2,422,634)	(2,422,633)
Half-Year Ended 31 December 2020			
Balance at 1 July 2020	1	(234,860)	(234,859)
Net loss for the period	-	(890,088)	(890,088)
Other comprehensive income			
Total other comprehensive income	-	-	-
Total comprehensive loss for the period	-	(890,088)	(890,088)
Transactions with owners, recorded directly in equity			
Total transactions with owners	-	-	-
Balance at 31 December 2020	1	(1,124,948)	(1,124,947)

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

Condensed Consolidated Statement of Cash Flows

	Half-Year Ended	
	31 December 2021 A\$	31 December 2020 A\$
Cash flows from operating activities		
Payments to suppliers and employees	-	-
Net cash outflow from operating activities	-	-
Cash flows from investing activities		
Net cash outflow from investing activities	-	-
Cash flows from financing activities		
Net cash inflow from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents held	-	-
Foreign exchange movement on cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the period	1	1
Cash and cash equivalents at the end of the period	1	1

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

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

1. Summary of Significant Accounting Policies

This interim financial report for the half-year reporting period ended 31 December 2021 has been prepared in accordance with AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

Solstice is a company limited by shares incorporated in Australia whose shares are not publicly traded on the Australian Securities Exchange. Solstice is 100% owned by OreCorp Limited, a company limited by shares and incorporated in Australia. The interim financial report of the Company for the half-year ended 31 December 2021 was authorised for issue in accordance with a resolution of the Directors.

(a) Basis of Preparation of Half-Year Financial Report

The condensed financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's annual financial report for the year ended 30 June 2021, other than as detailed below.

Going Concern

These interim 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 half year ended 31 December 2021, the Group incurred a net loss of \$1,297,686 (2020: \$255,074) and generated no cash flows as all funding is provided by the ultimate parent company, OreCorp Limited (OreCorp), through an intercompany loan. As at 31 December 2021, the Group had net current liabilities of \$6,640,054 (June 2021: \$4,053,806) and net liabilities of \$2,422,633 (30 June 2021: \$1,124,947).

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. OreCorp 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.

The interim 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) New Standards, Interpretations and Amendments

In the current period, the Group has adopted all of the new and revised standards, interpretations and amendments that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2021. These did not have any significant impact on the Group's financial statements.

(c) 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 Group for the reporting period ended 31 December 2021. These are not expected to have any significant impact on the Group's financial statements.

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

(d) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure encompasses expenditures incurred by the Group 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 group 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 Group 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.

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.

(e) Accounting Estimates, Judgements and Assumptions

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

Recoverability of exploration and evaluation assets

In accordance with the Company's accounting policy, 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 3 for disclosure of carrying values.

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

	Half-Year Year Ended	
	31 December 2021 A\$	31 December 2020 A\$
2. Income Tax		
Deferred Income Tax		
Deferred income tax at 31 December relates to the following:		
Deferred Tax Liability		
Amortisation – mining tenements	52,871	-

Solstice is a member of the Ultimate Parent Company's consolidated tax group and a party to its tax sharing and tax funding agreements. At 31 December 2021, the corresponding deferred tax entry is an offset against the intercompany loan balance.

	31 December 2021 A\$	30 June 2021 A\$
3. Non-Current Assets – Exploration and Evaluation Assets		
<i>Exploration & Evaluation Assets</i>		
Eastern Goldfields, Western Australia - Yarri	3,005,685	2,774,630
Eastern Goldfields, Western Australia - Kalgoorlie	1,017,256	-
Eastern Goldfields, Western Australia - Yundamindra	154,229	154,229
Net carrying amount	4,177,170	2,928,859
<i>Reconciliation - Exploration & Evaluation Assets</i>		
Carrying amount at the beginning of the period	2,928,859	908,147
Add: acquisition of exploration and evaluation assets during the period	1,248,311	2,020,712
Carrying amount of Exploration and Evaluation Assets at the end of period, net of impairment	4,177,170	2,928,859

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.

	31 December 2021 A\$	30 June 2021 A\$
4. Current Liabilities – Intercompany Payables		
Payable to OreCorp (Ultimate Parent)	6,545,937	4,053,807
Refer Note 6(a)	6,545,937	4,053,807

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.

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

	31 December 2021 A\$	30 June 2021 A\$
5. Issued Capital		
Issued and Paid Up Capital		
1 (30 June 2021: 1) fully paid ordinary share	1	1

(a) Movements in Ordinary Share Capital

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

(b) Rights Attaching to Shares

- 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.
- 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.
- Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

6. Related Party Disclosures

(a) Transactions with Ultimate Parent Company

OreCorp (the ultimate parent company of the Company) provides loan funding to the Company. 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 and recorded in the Company through the intercompany loan. A reconciliation of the intercompany loan balance is provided below:

	31 December 2021 A\$	30 June 2021 A\$
Opening balance	4,053,807	1,143,007
Exploration and evaluation expenses paid by OreCorp	1,296,690	890,088
Tenement acquisition costs paid by OreCorp	118,311	62,712
Deferred tax transferred to OreCorp as head entity of tax consolidated group	(52,871)	-
Fair value of OreCorp shares issued in consideration for tenement acquisitions	1,130,000	1,930,000
Fair value of OreCorp unlisted options issued in consideration for tenement acquisitions	-	28,000
Closing balance	6,545,937	4,053,807

(b) Controlled Entities

There were no changes in the composition of the Group during the reporting period.

7. Segment Information

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

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

8. Interest in Projects

Entity	Activity	Interest at 31 December 2021	Interest at 30 June 2021
Hobbes Gold Project – WA	Gold Exploration	80%	80%
Ringlock Dam Project – WA	Gold & Base Metals Exploration	80%	-
Jericho and Bunjarra Well Projects – WA	Gold Exploration	95 - 100%	95 - 100%

9. Commitments and Contingent Liabilities

As a condition of retaining the current rights to tenure to exploration tenements, the Group is required to pay an annual rental charge and meet minimum expenditure requirements for each tenement. These obligations are not provided for in the financial statements and are at the sole discretion of the Group. Minimum expenditure requirements for the current licence period of the tenements are as per the following:

	2021 \$
10. Commitments for exploration expenditure	
Not longer than 1 year	754,180
Longer than 1 year and shorter than 5 years	2,168,800
	2,922,980

The Group also has royalty obligations arising from agreements for the acquisition of its WA assets.

These obligations are not provided for in the financial statements as the current likelihood of any payment is remote due to the early stage nature of the exploration assets.

11. Significant Post Balance Date Events

Subsequent to the end of the period:

- On 17 January 2022, OreCorp announced its intention to demerge Solstice Minerals Limited from the OreCorp Group, subject to shareholder and other requisite approvals. Further details to date include:
 - On 7 February 2022, OreCorp provided an update in respect of the intended demerger, announcing that it was proposing to lodge a notice of meeting seeking shareholder approval for the demerger to occur by way of a capital reduction and in-specie distribution (**Demerger**).
 - In conjunction with the Demerger, Solstice intends to undertake an initial public offering (**IPO**) and will make an application for admission to the Official List of the ASX. The IPO will be undertaken through the issue of a minimum of 25,000,000 Solstice shares and a maximum of 60,000,000 Solstice shares via a pro rata priority offer to eligible OreCorp shareholders at an issue price of \$0.20 per Solstice share, to raise a minimum of \$5,000,000 and a maximum of \$12,000,000 (before costs) (**Pro Rata Priority Offer**).
 - Any entitlements not taken up in the Pro Rata Priority Offer will form the Shortfall Offer, available to eligible OreCorp shareholders and new investors.
 - Participants in the Pro Rata Priority Offer and Shortfall Offer will receive one free attaching listed Solstice option for every four Solstice shares subscribed for under the IPO, with an exercise price of \$0.20 and an expiry date four years from the date of issue (**Listed Options**). Solstice intends to apply to the ASX for quotation of the Listed Options.
 - A prospectus in relation to the IPO will be lodged by Solstice and made available to eligible OreCorp shareholders and new investors on a website to be established by Solstice.
 - On 8 March 2022, OreCorp lodged the notice of meeting and explanatory memorandum with ASX and despatched it to shareholders.

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

- On 28 January 2022, in preparation for the proposed demerger, OreCorp Resources Pty Ltd sold its legal and beneficial interest in the entire issued share capital of Solstice, being one fully paid ordinary share, to OreCorp for a nominal consideration of \$1.00.
- On 28 January 2022, Messrs Michael Klessens and Robert Rigo were appointed as directors of the Company.
- On 17 February 2022, Solstice and OreCorp entered into an amendment to the existing earn-in agreement with Crosspick Resources Pty Ltd (**Crosspick**), providing for OreCorp to issue 1,200,000 fully paid ordinary shares to Crosspick (or its nominee) (**New Shares**). This issue of shares is being made as consideration for removal from the earn-in agreement of the contractual obligation to issue 2,000,000 OreCorp fully paid ordinary shares to Crosspick upon OreCorp announcing a JORC 2012 Code compliant mineral resource at the Hobbes Project of at least 500,000oz Au with a lower cut-off of at least 0.5 g/t Au. The New Shares will be issued to Crosspick (or its nominee) within 10 days after the record date for the Demerger (and will not carry any right to participate in the in-specie distribution or pro-rata priority offer) unless the record date has not occurred by 31 May 2022, in which case the shares will be issued by 15 June 2022. As part of the amendment, Solstice also agreed for Crosspick to transfer its 20% interest in the Hobbes Project, and its rights and obligations under the earn-in agreement to Garry Warren Pty Ltd.
- On 18 February 2022, OreCorp issued 1,000,000 fully paid ordinary shares to silaTEC Pty Ltd, in consideration for the acquisition by Solstice's wholly owned subsidiary, GreenCorp Metals Pty Ltd, of the remaining 20% interest in an exploration tenement located at Ringlock Dam, Western Australia.

Directors' Declaration

In accordance with a resolution of the Directors of Solstice Minerals Limited:

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; and
- (b) in the Directors' opinion, the attached financial statements and notes thereto are in compliance with accounting standards and give a true and fair view of Consolidated Entity's financial position as at 31 December 2021 and its performance for the half-year ended on that date.

Signed in accordance with a resolution of the Directors.

On behalf of the Board



MATTHEW YATES

Director

10 March 2022

Independent Auditor's Review Report to the members of Solstice Minerals Limited

Conclusion

We have reviewed the half-year financial report of Solstice Minerals Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2021, and the condensed consolidated statement of profit and loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 10 to 20.

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 the Group does not comply with Accounting Standard AASB 134 *Interim Financial Reporting*, and does not present fairly, in all material respects, the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date.

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 Half-year Financial Report section of our report. We are independent of the Group 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.

Directors' Responsibilities for the Half-year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report in accordance with Australian Accounting Standards 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.

Auditor's Responsibilities for the Review of the Half-year 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 does not present fairly, in all material respects the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

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.



DELOITTE TOUCHE TOHMATSU



David Newman

Partner

Chartered Accountants

Perth, 10 March 2022