



# Carbon Minerals Limited

ABN 29 001 836 586 – ASX Code CRM

*Seam Gas Pioneers of the Gunnedah Basin NSW*

[www.carbonminerals.com.au](http://www.carbonminerals.com.au)

## INTERIM FINANCIAL REPORT - 30 JUNE 2021

**CARBON MINERALS LIMITED**  
**A.B.N. 29 001 836 586**

**INTERIM FINANCIAL REPORT - 30 JUNE 2021**

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**CARBON MINERALS LIMITED**  
**A.B.N. 29 001 836 586**

## **DIRECTORS' REPORT**

Your directors present their report on the consolidated entity consisting of Carbon Minerals Limited and the entities it controlled at the end of, or during, the half-year ended 30 June 2021.

### **Directors**

The following persons were directors of Carbon Minerals Limited during the half-year and up to the date of this report:

M.P. Lincoln Smith  
R.P. Lincoln Smith  
W.V. Annis-Brown  
S.J. Danielson  
B.K. Lee (alternate director for S.J. Danielson)

### **Operating Results**

The consolidated loss of the consolidated entity for the half-year after income tax was \$150,125 (2020 half-year: loss of \$201,948).

### **Dividends**

The directors report that during the half-year ended 30 June 2021 no dividends were declared or paid (2020 half-year: nil)

### **Review of Operations**

#### **Gunnedah Basin Coal-Seam-Gas Project**

#### **Petroleum Exploration Licences (PEL) 1 and 12, NSW (Gunnedah Basin)**

*These tenements are held by wholly owned subsidiary, Australian Coalbed Methane Pty Ltd (ACM) and are subject to a Joint Venture (JV) with Santos QNT Pty Ltd (Santos). ACM holds a 35% interest in the Titles and Santos holds the remaining 65%. Exploration is carried out under a joint venture arrangement with Santos being the project Operator.*

Field operations in the reporting period have included routine inspection and maintenance of existing wellheads, surface facilities and access tracks. Environmental spring surveys and compilation of reviews of environmental factors for proposed new seismic surveys and core hole drilling sites were also conducted.

Operator Santos has submitted various statutory reports to the Regulator in accordance with requirements and continues to be proactive in consulting with the local community including business groups, landholders and media.

No advice has been received from the NSW government regarding the progress of the renewal applications for PELs 1 and 12 in the reporting period, however Santos continues to liaise with the relevant agencies on this matter.

### **Financial Position**

At 30 June 2021 cash was \$3,292,227 (31 December 2020: \$3,382,016) and current liabilities were \$378,733 (31 December 2020: \$333,617). The reduction in cash is chiefly due to the payment of administration expenses and creditors during the period.

**CARBON MINERALS LIMITED**  
**A.B.N. 29 001 836 586**

**DIRECTORS' REPORT (continued)**

**Financial Position (continued)**

The Group (being Carbon Minerals Limited and its subsidiary Australian Coalbed Methane Pty Limited) has adequate cash reserves to fund its continued participation in the joint arrangement with Santos for the foreseeable future. Budgeted expenditure commitments for the next 12 months, from the period ending 1 July 2021, for ACM's 35% share are \$3.214M. Please refer to Note 8 for further information on future exploration expenditure commitments.

The Group also has a \$1.25M loan facility in place to use for working capital as and when required. The amount of the loan facility used to 30 June 2021 was nil. Please refer to Note 9 for further information on the loan facility.

**Matters subsequent to the end of the financial period**

Implementation of government measures in response to the COVID-19 pandemic are continually evolving. The directors have considered possible effects on the Company's financial condition and as at the date of this report do not expect there to be a material impact.

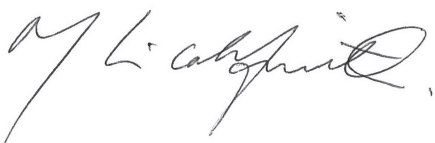
**Auditors' independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 3.

**Rounding of amounts**

The company has relied on the relief provided by ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 relating to the 'rounding off' of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest dollar in accordance with that instrument.

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



M.P. Lincoln Smith  
Director

Sydney  
10 September 2021



## *Auditor's Independence Declaration*

As lead auditor for the review of Carbon Minerals Limited for the half-year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Carbon Minerals Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Ben Meacock', is written over a light blue horizontal line.

Ben Meacock  
Partner  
PricewaterhouseCoopers

Sydney  
10 September 2021

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**CARBON MINERALS LIMITED**  
**A.B.N. 29 001 836 586**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2021**

		<b>HALF-YEAR</b>	
	<b>Notes</b>	<b>2021</b>	<b>2020</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue from continuing operations</b>		<b>6,358</b>	27,414
Impairment of non-current assets		<b>(29,464)</b>	(81,471)
Administration expenses	4	<b>(125,221)</b>	(146,681)
Other expenses		<b>(1,798)</b>	(1,210)
		<hr/>	<hr/>
Loss before income tax expense		<b>(150,125)</b>	(201,948)
Income tax benefit		<b>-</b>	-
		<hr/>	<hr/>
<b>Loss for the half-year</b>		<b>(150,125)</b>	(201,948)
		<hr/>	<hr/>
<b>Total comprehensive loss for the half-year</b>		<b>(150,125)</b>	(201,948)
		<hr/>	<hr/>
<b>Loss attributable to:</b>			
<b>Owners of Carbon Minerals Limited</b>		<b>(150,125)</b>	(201,948)
		<hr/>	<hr/>
<b>Total comprehensive loss for the half-year attributable to:</b>			
<b>Owners of Carbon Minerals Limited</b>		<b>(150,125)</b>	(201,948)
		<hr/>	<hr/>
		<b>Cents</b>	<b>Cents</b>
<b>Loss per share for total comprehensive loss attributable to the ordinary equity holders of the company:</b>			
Basic loss per share	10	<b>(0.80)</b>	(1.07)
Diluted loss per share		<b>(0.80)</b>	(1.07)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes on pages 8 to 14.

**CARBON MINERALS LIMITED**  
**A.B.N. 29 001 836 586**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021**

	Notes	30 JUNE 2021	31 DECEMBER 2020
		\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	3,292,227	3,382,016
Term Deposits	11	75,000	75,000
Receivables		10,613	25,550
		<hr/>	<hr/>
Total Current Assets		3,377,840	3,482,566
<b>Non-Current Assets</b>			
Property, plant and equipment	6	747,213	747,496
Exploration and evaluation expenditure	7	-	-
		<hr/>	<hr/>
Total Non-Current Assets		747,213	747,496
		<hr/>	<hr/>
<b>Total Assets</b>		<b>4,125,053</b>	<b>4,230,062</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables		378,733	333,617
		<hr/>	<hr/>
Total Current Liabilities		378,733	333,617
		<hr/>	<hr/>
<b>Total Liabilities</b>		<b>378,733</b>	<b>333,617</b>
		<hr/>	<hr/>
<b>Net Assets</b>		<b>3,746,320</b>	<b>3,896,445</b>
<b>Equity</b>			
Contributed equity		8,433,899	8,433,899
Accumulated losses		(4,687,579)	(4,537,454)
		<hr/>	<hr/>
<b>Total Equity</b>		<b>3,746,320</b>	<b>3,896,445</b>
		<hr/>	<hr/>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes on pages 8 to 14.

**CARBON MINERALS LIMITED**  
**A.B.N. 29 001 836 586**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2021**

<b>Consolidated</b>	<b>Attributable to the owners of Carbon Minerals Limited</b>		
	<b>Contributed equity</b>	<b>Accumulated losses</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 January 2020</b>	<b>8,433,899</b>	<b>(3,897,390)</b>	<b>4,536,509</b>
Total comprehensive loss for the half-year	-	(201,948)	(201,948)
<b>Balance at 30 June 2020</b>	<b>8,433,899</b>	<b>(4,099,338)</b>	<b>4,334,561</b>
<b>Balance at 1 January 2021</b>	<b>8,433,899</b>	<b>(4,537,454)</b>	<b>3,896,445</b>
Total comprehensive loss for the half-year	-	(150,125)	(150,125)
<b>Balance at 30 June 2021</b>	<b>8,433,899</b>	<b>(4,687,579)</b>	<b>3,746,320</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes on pages 8 to 14.



**CARBON MINERALS LIMITED**  
**A.B.N. 29 001 836 586**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2021**

	<b>HALF-YEAR</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of goods and services tax)	<b>25,259</b>	11,269
Interest received	<b>7,426</b>	27,263
Payments		
- to suppliers and employees (inclusive of goods and services tax)	<b>(122,474)</b>	(132,742)
- for exploration expenditure (inclusive of goods and services tax)	<b>-</b>	(81,164)
	<hr/>	<hr/>
<b>Net cash outflow from operating activities</b>	<b>(89,789)</b>	(175,374)
	<hr/>	<hr/>
<b>Net decrease in cash and cash equivalents</b>	<b>(89,789)</b>	(175,374)
	<hr/>	<hr/>
Cash and cash equivalents at the beginning of the half-year	<b>3,382,016</b>	3,894,901
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the half-year</b>	<b>3,292,227</b>	3,719,527
	<hr/> <hr/>	<hr/> <hr/>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes on pages 8 to 14.

**CARBON MINERALS LIMITED**  
**A.B.N. 29 001 836 586**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 30 JUNE 2021**

**NOTE 1 BASIS OF PREPARATION OF HALF-YEAR REPORT**

This general purpose financial report for the interim half-year reporting period ended 30 June 2021 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2020 and any public announcements made by Carbon Minerals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted and methods of computation are consistent with those of the previous financial year and corresponding interim reporting period and the adoption of new and amended standards as set out below:

**(a) New and amended standards adopted by the group**

A number of amended standards became applicable for the current reporting period. However, the group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

**(b) Foreign currency translation**

**(i) Functional and presentation currency**

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollar (\$), which is Carbon Minerals Limited's functional and presentation currency.

**NOTE 2 SEGMENT INFORMATION**

The chief operating decision maker has considered the requirements of AASB 8, Operating Segments, and has concluded that, during the half-year ended 30 June 2021, the Group has two reportable segments, as described below:

- Natural resources exploration
- Primary production

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The Group has no revenue related to exploration activities. Interest income is allocated to the natural resources exploration segment because interest is earned on funds held pending utilisation for exploration expenditure. This is consistent with the Group's accounting policies for the previous financial period.

**CARBON MINERALS LIMITED**  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2021 (continued)**

**NOTE 2 SEGMENT INFORMATION (continued)**

Primary production activities are secondary to the exploration activities and are carried out only on land not currently used for exploration activities.

<b>Half-year 2021</b>	Natural resources exploration \$	Primary production \$	Total \$
Total segment revenue	6,358	-	6,358
Inter-segment revenue	-	-	-
Revenue from external customers	-	-	-
Interest income	6,358	-	6,358
<b>Results</b>			
Operating loss before income tax	(149,302)	(823)	(150,125)
<b>Half-year 2020</b>			
Total segment revenue	27,414	-	27,414
Inter-segment revenue	-	-	-
Revenue from external customers	-	-	-
Interest income	27,414	-	27,414
<b>Results</b>			
Operating loss before income tax	(201,418)	(530)	(201,948)
<b>Total Segment assets</b>			
30 June 2021	3,751,165	373,888	4,125,053
31 December 2020	3,838,433	391,629	4,230,062
<b>Total Segment liabilities</b>			
30 June 2021	378,733	-	378,733
31 December 2020	333,617	-	333,617

**NOTE 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Critical accounting estimates and assumptions**

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are discussed below.

**CARBON MINERALS LIMITED**  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2021(continued)**

**NOTE 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)**

**Exploration and evaluation expenditure**

Certain exploration and evaluation expenditure is capitalised where it is considered likely that the expenditure will be recovered by future exploitation or sale, or where activities have not reached a stage which permits a reasonable assessment of the existence of commercially recoverable reserves. This process necessarily requires management to make certain estimates and assumptions as to future events and circumstances, in particular, whether economically viable extraction operations can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under this policy it is concluded unlikely that the expenditure will be recovered by future exploitation or sale, the relevant amount capitalised is written off to the income statement.

The directors note that PELs 1 and 12 expired on 10 February 2015 and 26 September 2016, respectively. Applications for the renewal of the titles have been lodged and under the NSW Petroleum (Onshore) Act 1991, the tenure remains in force. The directors believe there is no impediment to the renewals being granted.

A current agreed program of works which has been approved by the NSW Office of Coal Seam Gas is in place and is in various stages of implementation.

Carried forward exploration and evaluation expenditures are disclosed in note 7 and relate primarily to capitalised exploration and evaluation costs from activities in the Gunnedah Basin.

**NOTE 4 ADMINISTRATION EXPENSES**

	<b>30 JUNE 2021</b>	30 JUNE 2020
	\$	\$
<b>Loss before income tax includes the following specific expenses:</b>		
<i>Administration expenses</i>		
Secretarial fees	<b>61,500</b>	85,000
Share registry and listing fees	<b>17,498</b>	8,153
Audit fees	<b>26,641</b>	26,371
Other fees	<b>13,697</b>	21,659
Other expenses including bank charges	<b>5,885</b>	5,498
	<b>125,221</b>	146,681

**NOTE 5 CASH AND CASH EQUIVALENTS**

	<b>30 JUNE 2021</b>	31 DECEMBER 2020
	\$	\$
Cash at bank and on hand	<b>151,122</b>	148,243
Deposits at call	<b>3,141,106</b>	3,233,773
	<b>3,292,227</b>	3,382,016

**CARBON MINERALS LIMITED**  
**A.B.N. 29 001 836 586**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2021(continued)**

**NOTE 6 PROPERTY, PLANT AND EQUIPMENT**

	<b>30 JUNE 2021</b>	31 DECEMBER 2020
	\$	\$
Freehold land		
Opening net book amount	747,511	736,080
Additions	-	11,431
Disposal	-	-
	<hr/>	<hr/>
Closing gross amount	747,511	747,511
	<hr/>	<hr/>
Cost	747,511	747,511
Accumulated depreciation	(298)	(15)
	<hr/>	<hr/>
Net book amount	747,213	747,496
	<hr/>	<hr/>

**NOTE 7 EXPLORATION AND EVALUATION EXPENDITURE**

	<b>30 JUNE 2021</b>	31 DECEMBER 2020
	\$	\$
Cost brought forward	8,367,729	7,928,904
Expenditure incurred	29,464	438,825
Disposals	-	-
	<hr/>	<hr/>
Exploration and evaluation cost carried forward	8,397,193	8,367,729
Provisions for impairment in value of capitalised expenditure	(8,397,193)	(8,367,729)
	<hr/>	<hr/>
Net exploration and evaluation expenditure carrying amount	-	-
	<hr/>	<hr/>

The above amounts represent costs of areas of interest carried forward as an asset and the group's share of costs under the arrangement with Santos QNT Pty Limited. The ultimate recoupment of deferred exploration and evaluation expenditure in respect of an area of interest carried forward is dependent upon the discovery of commercially viable reserves and the successful development and commercial exploitation of the respective areas or alternatively sale of the underlying areas of interest for at least their carrying value. Amortisation, in respect of the relevant area of interest, is not charged until a mining operation has commenced.

The carrying amounts of the group's exploration and evaluation assets are reviewed at each reporting date to determine whether there is any indication of impairment. The impairment charge for the half-year ended 30 June 2021 of \$29,464 and the accumulated impairment charge of \$8.397M noted above primarily results from the ongoing delay in the progress of licence renewal applications. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made. The recoverable amount of the group's exploration and evaluation assets are based on its fair value less costs of disposal. The recoverable amount of the group's exploration and evaluation assets is nil.

**CARBON MINERALS LIMITED**  
**A.B.N. 29 001 836 586**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2021 (continued)**

**NOTE 8 COMMITMENTS FOR EXPENDITURE**

**Exploration expenditure commitments**

In order to maintain current rights to tenure to exploration tenements PELs 1 and 12, the consolidated entity is required to carry out exploration activities under an agreed work program. These tenements are subject to a joint arrangement agreement between Australian Coalbed Methane Pty Limited (ACM), a wholly-owned subsidiary of Carbon Minerals Limited, and Santos QNT Pty Limited (Santos). Under the terms of the agreement ACM is required to meet total work program expenditure of \$13M. These obligations are not provided for in the financial statements and are payable as follows:

	<b>30 JUNE 2021</b>	<b>31 DECEMBER 2020</b>
	\$	\$
Within one year	<b>3,214,095</b>	3,243,559
Later than one year but not later than 5 years	-	-
	<b>3,214,095</b>	3,243,559
	<b>3,214,095</b>	3,243,559

If the consolidated entity does not meet these obligations, assets recognised in the balance sheet may require review to determine the appropriateness of carrying values. The sale, transfer or farm-out of exploration rights to third parties will reduce or extinguish these obligations.

**NOTE 9 RELATED PARTY TRANSACTIONS**

**(a) Controlling entity**

The Company's ultimate controlling entity is Malewi Investments Pty Limited, incorporated in New South Wales, which indirectly owns 57.27% of Carbon Minerals Limited.

**(b) Directors**

The names of each person holding the position of director of the Company during the half-year are M.P. Lincoln Smith, R.P. Lincoln Smith, W.V. Annis-Brown, S.J. Danielson and B.K. Lee (alternate for S.J. Danielson).

Professional fees of \$61,500 (half-year 2020: \$85,000) were payable to Mitchell & Partners (Chartered Accountants), a firm of which S.J. Danielson is a consultant and B.K. Lee is a principal.

Lincoln Smith & Company (Solicitors) provides legal advice to the Group. W.V. Annis-Brown is the principal of the firm. No fees were payable to Lincoln Smith & Company (half-year 2020: Nil).

**(c) Loans from related parties**

On 25 March 2020 the Company entered an unsecured loan facility agreement with Palmarc Investments Pty Limited, (a company associated with Executive Chairman and CEO Marcus Lincoln Smith and Executive Director Raphael Lincoln Smith). The Company will utilise the facility for the purposes of working capital of the Company or its subsidiary Australian Coalbed Methane Pty Limited.

**CARBON MINERALS LIMITED**  
**A.B.N. 29 001 836 586**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2021 (continued)**

**NOTE 9 RELATED PARTY TRANSACTIONS (continued)**

**(c) Loans from related parties (continued)**

The principal terms of the loan facility agreement are as follows:-

- the Company may for a period of up to 5 years (subject to there being no change of control of the Company or default) draw down up to a total borrowing of \$1.25 million;
- each drawdown is repayable within 12 months of the date of the advance, or earlier on change of control of the Company or default;
- interest rate is the bank bill rate; and
- the Company has the option to satisfy the repayment such loan(s), in whole or in part, by the issue (subject to and conditional on all necessary approvals of shareholders and no change of control of the Company or default) of fully paid ordinary shares of the Company at a price of not less than the volume weighted average price of fully paid ordinary shares on the Australian Securities Exchange (ASX) for the period of 1 month prior to the relevant repayment date or, if there is no such trading, not less than the last sale price prior to the relevant repayment date.

The amount of the loan facility used to 30 June 2021 was nil.

**(d) Terms and conditions**

Transactions were made on normal commercial terms and conditions and at market rates.

**NOTE 10 EARNINGS PER SHARE**

	<b>30 JUNE 2021</b>	<b>30 JUNE 2020</b>
	\$	\$
Basic earnings per share	<b>(0.0080)</b>	<b>(0.0107)</b>
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	<b>18,803,498</b>	<b>18,803,498</b>
<b>(a) Reconciliation of earnings used in calculating earnings per share</b>		
Loss attributable to members of Carbon Minerals Limited	<b>(150,125)</b>	<b>(201,948)</b>
Loss attributable to minority interests	-	-
Loss attributable to ordinary equity holders of the Company used in calculating basic earnings per share	<b>(150,125)</b>	<b>(201,948)</b>

Diluted earnings per share are the same as basic earnings per share.

**CARBON MINERALS LIMITED**  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2021(continued)**

**NOTE 11 CONTINGENCIES**

Details and estimates of maximum amounts of contingent liabilities are as follows:

Secured guarantees exist in respect of mining tenements with the Department of Mineral Resources. These guarantees comprise deposits held with financial institutions on behalf of:

	<b>30 JUNE 2021</b>	31 DECEMBER 2020
	\$	\$
<b>Guarantees</b>		
Australian Coalbed Methane Pty Limited	<u><b>75,000</b></u>	<u>75,000</u>

**NOTE 12 ROUNDING OF AMOUNTS**

The company has relied on the relief provided by ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 relating to the 'rounding off' of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest dollar in accordance with that instrument.



**CARBON MINERALS LIMITED**  
**A.B.N. 29 001 836 586**

**DIRECTORS' DECLARATION**

In the directors' opinion:

- (a) The financial statements and notes set out on pages 4 to 14 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Carbon Minerals Limited will be able to pay its debts as and when they become due and payable.

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



M.P. Lincoln Smith  
Director

Sydney  
10 September 2021



## **Independent auditor's review report to the members of Carbon Minerals Limited**

### ***Report on the half-year financial report***

#### ***Conclusion***

We have reviewed the half-year financial report of Carbon Minerals Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, significant accounting policies and explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Carbon Minerals Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### ***Basis for conclusion***

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). 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 auditor independence requirements of the *Corporations Act 2001* and 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 the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### ***Responsibilities of the directors for the half-year financial report***

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

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*Auditor's responsibilities for the review of the 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 is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*PricewaterhouseCoopers*

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A handwritten signature in black ink, appearing to read 'Ben Meacock'.

Ben Meacock  
Partner

Sydney  
10 September 2021