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PARKWAY MINERALS NL

ABN 62 147 346 334

Half-Year Financial Report

31 December 2020

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CORPORATE DIRECTORY

Directors

Adrian Griffin
Bahay Ozcakmak
Patrick Power
Richard Beresford

Company Secretary

Amanda Wilton-Heald

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Stock Exchange Listing

Parkway Minerals NL shares are listed on the Australian Securities Exchange (ASX code: PWN).

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DIRECTORS' REPORT

The Directors submit their report on Parkway Minerals NL (the "Company") and the entities it controls ("Consolidated Entity" or "Group") for the half-year ended 31 December 2020.

Directors

The names of the Company's Directors in office during the half-year and until the date of this report are set out below. Directors were in office for the entire period unless otherwise stated.

Adrian Griffin (Non-executive Chairman)

Bahay Ozcakmak (Managing Director)

Patrick Power (Non-executive Director)

Richard Beresford (Non-executive Director)

Names, qualifications, experience and special responsibilities

Adrian Griffin *Non-Executive Chairman*

Adrian Griffin, an Australian-trained mining professional, has had exposure to metal mining and processing worldwide during a career spanning more than three decades. A pioneer of the lateritic nickel processing industry, he has helped develop extraction technologies for a range of minerals over the years. Today, Adrian specialises in mine management and production. He was a founding director and executive of Washington Resources Limited and also a founding director of Empire Resources Limited and Ferrum Crescent Limited. Mr Griffin was also a founding director of ASX-listed Northern Minerals Limited and Reedy Lagoon Corporation Limited. He is also managing director of ASX-listed Lithium Australia NL.

Other listed company directorships during the last 3 years:

Northern Minerals Ltd (Director June 2006 – November 2020), Lithium Australia NL (Director February 2011 – Present) and Reedy Lagoon Corporation Limited (Director June 2014 – Present).

Bahay Ozcakmak *Managing Director*

Mr Bahay Ozcakmak is the founder of Activated Water Technologies Pty Ltd and the CEO of its parent company, Consolidated Potash Corporation Ltd. In addition to two decades of successful technology commercialisation experience, Mr Ozcakmak has extensive corporate development expertise, including M&A in the energy and mining sectors, where he has led the successful acquisition of several flagship projects and major corporate transactions, particularly with listed companies.

Mr Ozcakmak has broad corporate experience ranging from business and corporate strategy development through to CEO and director level roles in the energy and mining sectors. Recent experience with resources companies have focused on gold, copper, nickel, cobalt, lithium, potash and uranium projects. Mr Ozcakmak has held directorships with several private and public companies in Australia, Europe and North America and is currently a director of several private companies.

Other listed company directorships during the last 3 years:

TSX Venture exchange listed: Lions Bay Capital Inc. (Director May 2018 – October 2019), Fidelity Minerals Corp. (Director June 2019 – March 2021).

DIRECTORS' REPORT

Patrick Power Non-Executive Director

Mr Patrick Power is the founder of Western Potash, and was instrumental in securing substantial investment for the company and advancing the Milestone (under construction) project in Saskatchewan, Canada. Mr Power brings over 25 years' experience in mining finance, management and venture capital. Mr Power is currently a director of Western Potash and President and CEO of Arctic Star Exploration, a diamond exploration company. He has served as a director of other mineral exploration companies including Amarillo Gold Corp., First Narrows Resources Corp., and Goldtex Resources Ltd.

Other listed company directorships during the last 3 years:

Western Potash Corp. (Director April 2007 – April 2017), Arctic Star Exploration Corp. (Director June 2003 - Present).

Richard Beresford Non-Executive Director

Mr. Beresford has over 30 years experience in the international energy natural gas and renewable energy industries. Mr. Beresford served as a director of Eden Energy Limited. Mr. Beresford held the position of Executive Chairman of Green Rock Energy Limited (ASX: BKT), a Perth based energy explorer and developer from 2012 to 2015. Prior to his appointment as Executive Chairman, he was the Managing Director and a non-executive director from 2008 to 2012. Mr. Beresford was Head of Gas Strategy and Development of CLP Power Hong Kong Limited from 2005 to 2007. Mr. Beresford spent five years with Woodside Petroleum Limited and 12 years with British Gas Plc.

Other listed company directorships during the last 3 years:

Eden Energy Limited (Director May 2007 – May 2018), Liquefied Natural Gas Limited (February 2004 – April 2020)

Company Secretary

Amanda Wilton-Heald

Amanda is a Chartered Accountant with over 20 years of accounting, auditing (of both listed and non-listed companies) and company secretarial experience within Australia and the UK. Amanda has been involved in the listing of junior explorer companies on the ASX and has experience in corporate advisory and company secretarial services.

RESULTS OF OPERATIONS

The net profit of the Group for the six months to 31 December 2020 is \$377,229 (2019: loss of \$1,290,051).

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DIRECTORS' REPORT

REVIEW OF OPERATIONS

During the reporting period, Parkway Minerals NL advanced a number of key initiatives across its respective project and technology platforms. A key focus for the Company has been the Karinga Lakes Potash Project (KLPP) Pre-Feasibility Study (PFS). In November 2020, the Company announced the successful completion of the KLPP-PFS, based on the aMES® technology, with the PFS jointly developed by Parkway Minerals and Worley, under a Global Strategic Cooperation Agreement. The PFS enabled the KLPP joint venture to declare a Mineral Resource Estimate, as well as report on key financial metrics of the project. The KLPP-PFS also enabled the Company to demonstrate the significant advantages of the aMES® technology, as well as support strategic capability development.

Concurrently with the KLPP-PFS, the Company successfully completed the installation and subsequent commissioning of a new state-of-the-art aMES® pilot plant at Victoria University.

During the period, the Company continued to critically review its project portfolio, to ensure an appropriate fit with the overall corporate strategy and objectives. Despite the prospectivity of the New Mexico Lithium Project (NMLP), due to project access related challenges, COVID-19 related operational difficulties in the United States and the relatively high holding costs, the Company made the decision to relinquish its interest in the project.

In addition to the KLPP, the Company continued to make strong progress in building and commercialising a world-class wastewater processing technology portfolio. In November 2020, the Company announced the acquisition of several water and wastewater processing related innovations, as well as certain underlying intellectual property (IP) in order to consolidate complete ownership of all IP associated with the aMES® technology, as part of an expanded collaboration with Victoria University.

During the period, following the completion of the KLPP-PFS, the Company performed a number of preliminary technoeconomic evaluations on third party projects based on the potential application of the iBC® and aMES® technologies, owned by the Company.

As outlined in recent updates, the Company is exploring the potential application of the iBC® technology with a number of major CSG industry participants. Notwithstanding opportunities to strategically grow the technology portfolio, the Company remains focused on commercialising the core iBC® and aMES® technologies. The Company was recently granted the registered trade mark for both these technologies, by IP Australia on 11 January 2021.

The Company also holds a strategic investment in Davenport Resources (ASX: DAV), which has successfully delineated a significant in-situ potash resource across 5 projects, at its South Harz project in Germany. Recently completed scoping studies provide encouragement about the potential commercial prospects of these projects.

The Company recently became a member of IRMA, the Initiative for Responsible Mining Assurance. IRMA has developed a comprehensive global standard for measuring and reporting on environmental, social and corporate governance (ESG) related factors, with the standard increasingly being supported and adopted by major mining industry stakeholders.

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DIRECTORS' REPORT

IMPACT OF COVID-19

The impact of the COVID-19 pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation continues to develop and is dependent on measures imposed by the Governments such as maintaining social distancing requirements, quarantine, travel restrictions and economic stimulus that may be provided.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the period, the Company successfully conducted a placement to sophisticated and professional investors, raising gross proceeds of \$1,604,280, through the issuance of 178,253,331 new fully paid ordinary shares at an issue price of \$0.009. Allotment of the placement shares was made pursuant to the Company's ASX Listing Rule 7.1 capacity.

The Company also utilised an existing Controlled Placement Agreement (CPA) with Acuity Capital, to raise an additional \$36,000, without issuing additional shares. The Company subsequently terminated the CPA, without incurring any costs.

Other than the above, no significant changes have occurred in the state of affairs of the company.

Events subsequent to balance date

On 3 February 2021, the Company issued 291,555,558 fully paid ordinary shares at an issue price of \$0.018 each and raised \$5,248,000 via 708 placement. The placement shares were issued with free attaching unlisted options on a 1:2 basis, with exercise price of \$0.03 and expiring 24 months from the date of issue. The Company also issued 4,000,000 fully paid ordinary shares to Victoria University for consideration of the portfolio of water and wastewater processing related intellectual property.

In addition, the Company also issued 30 million options to the broker as part of capital raising services provided. The broker options are on the same terms as the Placement options above.

Those above mentioned options were approved by shareholders on 23 December 2020 Annual General Meeting.

Subsequent to this report period, the Company disposed 34,267,700 shares and 7,142,850 options in Davenport Resources Limited and received total proceeds of \$2,049,916.

As announced on the market on 23 February 2021, the Company acquired an established business, Multi-wet, a Western Australia based supplier of industrial water treatment products, chemicals and services, to assist Parkway Process Solutions Pty Ltd (wholly owned subsidiary of Parkway Minerals NL) for a total cash consideration of \$421,407.

Other than the above, there have not been any other matters that have arisen after balance date that have significantly affected, or may significantly affect, the operations and activities of the Company, the results of those operations or the state of affairs of the Company in future financial years other than disclosed elsewhere in this half-year report.

DIRECTORS' REPORT

ROUNDING OF AMOUNTS

The Company is an entity of the kind referred to in the Australian Securities and Investments Commission Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016. As a result, amounts in these interim financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act is set out on page 22.

Signed in accordance with a resolution of the Directors



Bahay Ozcakmak
Director
Perth, 11 March 2021

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PARKWAY MINERALS NL
ABN 62 147 346 334

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Note	Half-year ended 31 December 2020 \$	Half-year ended 31 December 2019 \$
INCOME FROM CONTINUING ACTIVITIES			
Other income		781	17,288
Interest		412	706
Government Grant		138,467	-
Movement in fair value of financial assets	5	1,052,352	-
TOTAL INCOME		1,192,012	17,994
EXPENSES FROM CONTINUING ACTIVITIES			
Loss from the disposal of depreciated assets		2,842	-
Loss from the disposal of financial assets		-	134,508
Administration		182,696	443,726
Depreciation		3,843	2,905
Equity based payments	9	(230,226)	118,968
Exploration		447,963	38,013
Legal		9,006	44,798
Occupancy		4,800	17,527
Share of net losses of associate		-	288,681
Remuneration (excluding equity based payments)		393,860	218,919
PROFIT/(LOSS) BEFORE INCOME TAX		377,229	(1,290,051)
Income tax expense		-	-
NET PROFIT/(LOSS) FOR THE PERIOD		377,229	(1,290,051)
OTHER COMPREHENSIVE INCOME			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
- Income tax on items that may be reclassified to profit or loss			
Equity accounted investments – Share of other comprehensive income		-	(12,663)
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)		-	(12,663)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		377,229	(1,302,714)
Basic and diluted loss per share (cents per share)	3	0.02	(0.13)

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

PARKWAY MINERALS NL
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

		31 December 2020	30 June 2020
	Note	\$	\$
CURRENT ASSETS			
Cash and cash equivalents		2,620,033	2,001,380
Trade and other receivables		7,011	16,649
Other assets		7,921	18,617
Financial assets	5	2,251,722	1,199,370
Total Current Assets		4,886,687	3,236,016
NON CURRENT ASSETS			
Trade and other receivables		5,000	5,000
Intangible assets	6	3,323,299	3,283,299
Plant and equipment		25,614	26,481
Total Non-Current Assets		3,353,913	3,314,780
TOTAL ASSETS		8,240,600	6,550,796
CURRENT LIABILITIES			
Trade and other payables	7	206,081	382,056
Provisions		38,372	20,961
		244,453	403,017
TOTAL LIABILITIES		244,453	403,017
NET ASSETS		7,996,147	6,147,779
EQUITY			
Issued capital	8	30,568,747	28,867,382
Reserves		1,791,981	2,022,207
Accumulated losses		(24,364,581)	(24,741,810)
TOTAL EQUITY		7,996,147	6,147,779

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Issued Capital \$	Accumulated Losses \$	Share and Option Based Payment Reserve \$	AFS Reserve \$	Foreign currency translation Reserve \$	Partly Paid Shares Reserve \$	Total \$
Balance at 1 July 2019	23,159,732	(22,320,136)	722,726	1,036,746	67,793	-	2,666,861
Loss for the period	-	(1,290,051)	-	-	-	-	(1,290,051)
Other comprehensive income:							
Equity accounted investments – share of other comprehensive income	-	-	-	-	(12,663)	-	(12,663)
Total comprehensive loss for the period	-	(1,290,051)	-	-	(12,663)	-	(1,302,714)
Transactions with owners in their capacity as owners:							
Shares issued	5,715,912	-	-	-	-	-	5,715,912
Share issued transaction costs	(241,379)	-	-	-	-	-	(241,379)
Share-based payments (Note 9)	118,968	-	107,348	-	-	-	226,316
Partly Paid Shares issued (Note 6)	-	-	-	-	-	123,299	123,299
Balance as at 31 December 2019	28,753,233	(23,610,187)	830,074	1,036,746	55,130	123,299	7,188,295

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

PARKWAY MINERALS NL
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Issued Capital \$	Accumulated Losses \$	Share and Option Based Payment Reserve \$	AFS Reserve \$	Partly Paid Shares Reserve \$	Total \$
Balance at 1 July 2020	28,867,382	(24,741,810)	862,161	1,036,746	123,300	6,147,779
Profit for the period	-	377,229	-	-	-	377,229
Other comprehensive income:						
Equity accounted investments – share of other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	377,229	-	-	-	377,229
Transactions with owners in their capacity as owners:						
Shares issued	1,812,680	-	-	-	-	1,812,680
Share issued transaction costs	(111,315)	-	-	-	-	(111,315)
Share-based payments (Note 9)	-	-	(230,226)	-	-	(230,226)
Balance as at 31 December 2020	30,568,747	(24,364,581)	631,935	1,036,746	123,300	7,996,147

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

PARKWAY MINERALS NL
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Half-year ended 31 December 2020	Half-year ended 31 December 2019
	\$	\$
OPERATING ACTIVITIES		
Other Receipts	9,694	19,025
Payments to suppliers and employees	(1,227,906)	(733,132)
Government grant	138,467	99,041
Interest received	389	706
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(1,079,356)	(614,360)
INVESTING ACTIVITIES		
Proceeds from sale of financial assets	-	274,866
Purchase of plant and equipment	(3,356)	-
NET CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES	(3,356)	274,866
FINANCING ACTIVITIES		
Proceeds from issue of shares	1,798,280	3,233,000
Share issue costs	(96,915)	(134,031)
NET CASH FLOWS FROM FINANCING ACTIVITIES	1,701,365	3,098,969
NET INCREASE IN CASH AND CASH EQUIVALENTS	618,653	2,759,475
Cash and cash equivalents at the beginning of the period	2,001,380	120,981
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	2,620,033	2,880,456

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

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CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Note 1: Basis of preparation of the half-yearly financial report

This interim condensed financial report for the half-year ended 31 December 2020 was authorised for issue in accordance with a resolution of the directors on 11 March 2021. The financial report has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

It is recommended that the half-year financial statements be read in conjunction with the annual financial report for the year ended 30 June 2020 and considered with any public announcements made by Parkway Minerals NL during the half-year ended 31 December 2020 in accordance with continuous disclosure obligations of the ASX *Listing Rules*.

The half-year financial statements do not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full and understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report which is available at www.parkwayminerals.com.au.

The half-year financial statements have been prepared on the basis of accrual accounting and historical costs and the same accounting policies and methods of computation were followed as in the most recent annual financial statements.

The Company is an entity of the kind referred to in the Australian Securities and Investments Commission Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016. As a result, amounts in this interim financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Note 1: Basis of preparation of the half-yearly financial report (continued)

(a) New Accounting Standards and Interpretations

The consolidated entity has applied the amendments to the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half year that are relevant to the consolidated entity are:

- *AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business*
- *AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material*
- *AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework*
- *AASB 2019-5 Amendments to AAS-Disclosure of the Effect of New IFRS Standards Not Yet issued in Australia*

Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Note 2: Segment reporting

The consolidated entity has based its operating segment on the internal reports that are reviewed and used by the executive management team (“Chief Operating Decision Makers”) in assessing performance and in determining the allocation of resources.

The consolidated entity currently does not have production and is involved in exploration and developing exploration related technology. As a result of this development of exploration related technology, the Company is involved in the exploration of brines which can be processed by the Company’s developing technology. As a consequence, activities in the operating segment are identified by management based on the manner in which resources are allocated, the nature of the resources provided and the identity of manager and country of expenditure. Information is reviewed on a whole of entity basis.

Based on these criteria, the consolidated entity only has one operating segment, being exploration, and the segment operations and results are reported internally based on the accounting policies as described in Note 1 for the computation of the consolidated entity’s results presented in this set of financial statements.

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CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Note 3: Earnings per share

	2020	2019
	\$	\$
Basic earning/(loss) per share (cents per share)	0.02	(0.13)
Diluted earning/(loss) per share (cents per share)	0.02	(0.13)
Earning/(loss) used in calculating basic and diluted earning/(loss) per share	377,229	(1,290,051)
	Number	Number
Weighted average number of ordinary shares used in the calculation of basic and diluted earning/(loss) per share	2,041,610,268	967,290,923

During the period there were no listed or key management personnel options exercised.

The options on issue are not considered dilutive for the purpose of the calculation of diluted loss per share as their conversion to ordinary shares would not decrease the profit from continuing operations per share. Consequently, diluted loss per share is the same as basic loss per share.

There have been no transactions involving ordinary shares or potential shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

Note 4: Contingent liabilities and contingent assets

The consolidated entity does not have any contingent assets or liabilities outstanding at 31 December 2020 (30 June 2020: Nil).

Note 5: Financial assets

	31-Dec-20	30-Jun-20
	\$	\$
Investment – fair value through P&L	2,251,722	1,199,370

Reconciliation of movement for the period:

Opening Balance	1,199,370	399,374
Shares disposed	-	(399,374)
Investment in associate reclassified as financial assets	-	1,370,707
Movement in fair value	1,052,352	(171,337)
	<u>2,251,722</u>	<u>1,199,370</u>

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CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Note 5: Financial assets (continued)

For the year ended 30 June 2020, the consolidated entity disposed 6,769,044 shares in Lithium Australia and has recognised a loss on sale of \$134,508. Also, the consolidated entity reclassified \$1,370,707 of investment in Davenport Resources as financial assets as fair value through profit and loss (FVTPL) and further fair value decrease of \$171,337 was recorded.

During this reporting period, the consolidated entity recognised a gain of \$1,052,352 resulting from the increase in the fair value of the financial assets.

Fair value of the financial assets at 31 December 2020 and 30 June 2020 has been determined by reference to quoted bid prices in active markets at the reporting date and are categorised within Level 1 of the fair value hierarchy. There were no transfers between the fair value hierarchy levels during the period.

Note 6: Intangible assets

	31-Dec-20	30-Jun-20
	\$	\$
aMES Technology	3,214,267	3,174,267
iBC Technology	109,032	109,032
	3,323,299	3,283,299

Acquisition of Consolidated Potash Corporation

During the previous financial year, the Group acquired 100% of the voting shares of Consolidated Potash Corporation Limited (CPC), an unlisted Australian public company. The acquisition of CPC provides the Group with direct ownership of the aMES technology, suitable for brine processing and the production of certain products including potash and lithium. In addition, the Group's strategic acquisition of CPC also provides it with an expanded platform of attractive growth opportunities, most immediately through the two brine projects - Karinga Lakes Potash Project in Northern Territory, Australia and New Mexico Lithium Potash Project in the United States.

The acquisition has been accounted for using the asset acquisition method. The fair value of the net assets acquired and the fair values of the consideration transferred as at the date of acquisition were:

	\$
Assets	
Cash	6,543
Intangible assets (3)	3,174,267
Other Receivable	3,255
Liabilities	
Loans with Lions Bay Inc. (1)	(556,882)
Other creditors	(75,798)
Other payables	
Total identifiable net assets at fair value	2,551,385
Total consideration (2)	2,551,385

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CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Note 6: Intangible assets (continued)

(1) At acquisition, the CPC loan due to Lions Bay Capital Inc of \$556,882 was assumed by the Group and concurrently paid off through the issuance of 10,965,600 fully paid PWN ordinary shares and transferred 10,000,000 fully paid DAV shares.

(2) On the acquisition date, the Company issued 479,616,940 fully paid PWN ordinary shares to acquire 100% CPC. The Company also issued 123,300,322 partly paid shares as part of this transaction. The partly paid shares has a deemed paid up of \$0.001 per share and an initial unpaid amount \$0.019 per share.

In addition, the Company also issued 6,000,000 shares to Victoria University (VU) in lieu of VU exercising its right to acquire a 10% interest in Activated Water Technologies Pty Ltd.

There was no cash consideration. The total fair value of shares at the transaction completion date on 17 September 2019 was \$2,551,385.

(3) The intangible asset reflects the aMES technology acquired as part of the acquisition.

During this reporting period, the Company signed the agreement for the expansion of strategic collaboration with VU to acquire the portfolio of water and wastewater processing related intellectual property.

As consideration for this transaction, the Company agreed to:

- a. Provide upfront consideration of 4,000,000 fully paid ordinary shares (consideration shares) in the Company; and
- b. Undertake to execute a research plan with Victoria University before 15 May 2021, whereby the Company would agree to procure directly or indirectly research and development related services from VU with a gross aggregate value of no less than \$500,000, within the subsequent 3 year period.

Subsequent to the reporting period, the Company issued the consideration shares, deemed share price at \$0.01 and the consideration value of \$40,000 was accounted as part of intangible asset.

Acquisition of iBC Technology

During the previous financial year ended 30 June 2020, the Company acquired the integrated Brine Causticization (iBC™) technology. The Company issued 8,000,000 fully paid ordinary shares, deemed share price at \$0.006 and purchased agreed equipment. The additional consideration is to issue the value of \$50,000 PWN shares at the 12-month anniversary of acquisition. The additional consideration also accounted as part of the acquisition cost of iBC technology.

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CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Note 7: Trade and other payables

	31-Dec-20 \$	30-Jun-20 \$
Current		
<i>Unsecured liabilities</i>		
Trade payables	206,081	382,056
	206,081	382,056

Note 8: Issued capital

	Six months to 31 Dec 2020 Number	Year to 30 June 2020 Number	Six months to 31 Dec 2020 \$	Year to 30 June 2020 \$
Ordinary Shares				
At beginning of the period	1,720,700,652	633,932,540	28,867,382	23,389,958
Sale of 24,000,000 treasury shares	-	-	194,000	-
Issue of 178,253,331 shares (30 June 2020: 367,833,333) via share placements	178,253,331	367,833,333	1,604,280	2,117,000
Issue of 1,800,000 shares (30 June 2020: 32,166,364) as share based payments	1,800,000	32,166,364	14,400	191,469
Issue of nil shares (30 June 2020: 186,000,000) via share purchase plan	-	186,000,000	-	1,116,000
Issue of nil shares (30 June 2020: 496,582,539) as part of CPC acquisition	-	496,582,539	-	2,482,913
Shares to be issued*	-	7,335,876**	-	41,648
Equity Raising Costs	-	-	(111,315)	(241,380)
At end of the period	1,900,753,983	1,723,850,652	30,568,747	29,097,608
Reserve shares	-	(3,150,000)**	-	(230,226)
At end of the period	1,900,753,983	1,720,700,652	30,568,747	28,867,382

* Shares have not yet been issued, with the number of shares to be determined at issue date, dependent on the market share price.

** As part of the April to June 2020 Employee's Salary Sacrifice Scheme, Parkway Minerals will be issuing a total of 7,335,876 shares to management. This includes the 3,150,000 reserve shares issued to the Managing Director as disclosed in Note 9.

Note 9: Share based payments

Expenses arising from share based payment transactions

	31-Dec-20 \$	31-Dec-19 \$
Shares issued under the director and senior management fee and remuneration sacrifice share plan	-	118,968
Reversal of reserve shares	(230,226)	-

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PARKWAY MINERALS NL
ABN 62 147 346 334

CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Note 9: Share based payments (continued)

During the reporting period, the Company transferred 3,150,000 reserve shares to managing director as part of salary sacrificed shares, previously recorded expenses \$230,226 total value of the reserve shares were reversed accordingly.

Note 10: Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. During the period, the following transactions were undertaken between the Company, executive officers and director-related entities.

	31-Dec-20	31-Dec-19
	\$	\$
Fees were paid to Horn Resources Pty Ltd, a company of which Robert Van der Laan is a director and shareholder. Fees included investor relations, corporate advisory, office accommodation, accounting staff (excluding fees directly related to Robert Van der Laan), and administrative staff.	32,784	28,719

Note 11: Commitments

The consolidated entity has certain obligations with respect to Research Projects and the minimum expenditure requirements are as follows:

	31-Dec-20	30-Jun-20
Within 1 year	250,000	644,535
1 to 2 years	250,000	644,535
	500,000	1,289,070

The commitments may vary depending upon additions or relinquishments of funding agreements. The above figures are based on the agreements as at 31 December 2020. The figures are adjusted on the anniversary date of each funding projects .

Note 13. Financial Instruments

The carrying value of the Group's financial instruments is considered to approximate fair value at 31 December 2020 due to their short term nature.

Note 14: Events subsequent to balance date

On 3 February 2021, the Company issued 291,555,558 fully paid ordinary shares at an issue price of \$0.018 each and raised \$5,248,000 via 708 placement. The placement shares were issued with free attaching unlisted options on a 1:2 basis, with exercise price of \$0.03 and expiring 24 months from the date of issue. The Company also issued 4,000,000 fully paid ordinary shares to Victoria University for consideration of the portfolio of water and wastewater processing related intellectual property.

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CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Note 14: Events subsequent to balance date (continued)

In addition, the Company also issued 30 million options to the broker as part of capital raising services provided. The broker options are on the same terms as the Placement options above.

Those above mentioned options were approved by shareholders on 23 December 2020 Annual General Meeting.

Subsequent to this report period, the Company disposed 34,267,700 shares and 7,142,850 options in Davenport Resources Limited and received total proceeds of \$2,049,916.

As announced on the market on 23 February 2021, the Company acquired established business, Multi-wet, a Western Australia based supplier of industrial water treatment products, chemicals and services, to assist Parkway Process Solutions Pty Ltd (wholly owned subsidiary of Parkway Minerals NL) for a total cash consideration of \$421,407.

There have not been any other matters that have arisen after balance date that have significantly affected, or may significantly affect, the operations and activities of the Company, the result of those operations, or the state of affairs of the Company in future financial years other than disclosed elsewhere in this half-year report.

Note 15: Dividends

No dividend has been paid or declared during the half-year and the directors do not recommend the payment of a dividend in respect of the financial period.

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DIRECTORS' DECLARATION

The Directors of Parkway Minerals NL declare that:

- (a) the financial statements and notes set out on page 8 to 20 are in accordance with the Corporations Act 2001, including:
- giving a true and fair view of the financial position of the Group as at 31 December 2020 and of its performance for the half-year ended 31 December 2020; and
 - complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001.
- (b) 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

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



Bahay Ozcakmak
Director
Perth

11 March 2021

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Auditor's independence declaration to the directors of Parkway Minerals NL

As lead auditor for the review of the half-year financial report of Parkway Minerals NL for the half-year ended 31 December 2020, I declare 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 Parkway Minerals NL and the entities it controlled during the financial period.

Ernst & Young

T Dachs
Partner
11 March 2021

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Independent auditor's review report to the members of Parkway Minerals NL

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Parkway Minerals NL (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2020, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2020 and of its consolidated financial performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility 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 is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to 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 consolidated financial position as at 31 December 2019 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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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.

Independence

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

Ernst & Young

Ernst & Young

T Dachs
Partner
Perth
11 March 2021

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