# Coda Minerals Ltd.

ABN: 49 625 763 957

2021
Directors' Report and
Annual Financial Report

CODA
MINERALS
Sustaining Tomorrow

The directors present their report together with the financial statements of Coda Minerals Ltd ('the Company' or 'Coda') for the financial year ended 30 June 2021 and the Auditor's Report thereon. In order to comply with the provisions of the Corporations Act 2001, the Directors' report as follows:

**DIRECTORS**

The directors of the Company at any time during or since the end of the financial year were:

| **Name & Qualifications** | **Experience and Special Responsibilities** |
|---|---|
| Mr Keith F Jones<br>BBus, FCA, FAICD, FFin<br>Non-Executive Chairman<br><br>Appointed: 26 April 2018<br><br>Other current directorships:<br><br>Ora Banda Mining Limited<br>(Appointed April 2019)<br><br>Former directorships in last 3 years:<br><br>Gindalbie Metals Ltd<br>(February 2013 to July 2019) | Mr Jones is an experienced public company Chairman with a background of over 40 years professional experience providing advisory and consulting services to the mining and resources sector.<br><br>Mr Jones served for 10 years on the Board of Deloitte Australia and was elected Chairman of Deloitte Australia for four years. He is the former Chairman of Gindalbie Metals Limited and Cannings Purple and currently serves as a Non-Executive Director of ASX listed Ora Banda Mining Limited.<br><br>Mr Jones has significant executive leadership experience serving for 15 years as the Managing Partner of Deloitte in Western Australia and as Leader of the National Chinese Services Group and National Energy and Resources Group.<br><br>During his career as a Partner at Deloitte, Mr Jones provided Audit, Corporate Finance and Advisory Services to a wide range of corporate clients with a focus on the resources sector. He has also advised on numerous transactions, capital raisings, valuations and takeovers as advisor or expert. |
| Mr Andrew Marshall<br>I Eng (UK), MAICD<br>Non-Executive Director<br><br>Appointed: 19 July 2019<br><br>Former directorships in last 3 years:<br><br>Gindalbie Metals Ltd<br>(December 2010 to July 2019) | Mr Andrew (Robin) Marshall has previously been involved in managing the successful delivery of some of the world's largest resource projects, including major iron ore projects for BHP Billiton and North Limited.<br><br>At Vale Inco, he held the position of Project Director with responsibility for delivery of the multi-billion dollar Goro Nickel Project in New Caledonia through to its commissioning in early 2009. At BHP Billiton Iron Ore, Mr Marshall held the position of Vice President – Asset Development Projects with responsibility for the development of a number of projects in the first wave of expansion in the iron ore business sector.<br><br>In additional to these roles, Mr Marshall also previously held key positions of Project Manager for the West Angelas Iron Ore Project with North Limited, Project Director with Iron Ore Company of Canada, Manager Projects for Forrestania Gold/LionOre Australia, Manager Engineering & Project Services for Western Mining Corporation and Project Manager for Nedpac (Signet Engineering). Mr Marshall provides consulting services to major companies and has extensive experience with overseas projects and operations. |
| Mr Colin Moorhead<br>BSc (Hons), FAusIMM (CP), FSEG, GAICD.<br>Non-Executive Director<br><br>Appointed: 21 August 2019<br><br>Other current directorships:<br><br>Xanadu Mines Ltd<br>(Appointed November 2019)<br><br>Aeris Resources Ltd<br>(Appointed July 2020)<br><br>Sihayo Gold Ltd<br>(Appointed July 2020)<br><br>Former directorships in last 3 years:<br><br>Merdeka Copper Gold Ltd<br>(January 2016 to July 2020) | Mr Moorhead is an experienced mining professional. He is well recognised in the mining industry, including building safe, successful and highly regarded technical teams; ability to develop and deliver strategy, culture and governance; a thorough understanding of the technical, legal and commercial aspects of the mining business with an exposure to many different cultures and operating environments. Also recognised as a leader in the areas of health, safety, environment and community.<br><br>Prior to joining Coda Minerals, he served as CEO PT Merdeka Copper Gold Tbk (2016-2018), EGM Minerals, Newcrest Mining Ltd, Australia (2008-2015), GM Resources & Reserves of the same company (2006-2008), Geology Manager, PT Nusa Halmahera Minerals, Gosowong Gold Mine, Indonesia (2003-2006), Technical Services Manager, Cadia Holdings Ltd, NSW, Australia (1997-2003), and various other positions in the mining industry in a career spanning 34 years since 1987. |

| | |
|---|---|
| Finders Resources Ltd<br>(August 2018 to October 2019) | In addition to this role at Coda, Colin is also the Non-Executive Chairman of Xanadu Mines Ltd, Executive Chairman of Sihayo Gold Limited and a Non-Executive Director of Aeris Resources Limited.<br><br>Mr. Moorhead is a former President of The Australasian Institute of Mining and Metallurgy (AusIMM) and a former member of The JORC Committee. He is also a graduate of the Australian Institute of Company Directors and the Harvard Business School Advanced Management Program (AMP183, 2012). |
| Mr Paul Hallam<br>BE(Hons)Mining, FAICD, FAusIMM<br>Non-Executive Director<br><br>Appointed: 21 August 2019<br><br>Other current directorships:<br><br>Sandfire Resources Ltd<br>(Appointed May 2013)<br><br>Greatland Gold Plc.<br>(Appointed September 2021)<br><br>Former directorships in last 3 years:<br><br>Gindalbie Metals Ltd<br>(December 2011 to July 2019) | Mr Hallam has more than 40 years Australian and international resource industry experience. His operating and corporate experience is across a range of commodities (iron ore, bauxite, alumina, aluminium, gold, silver, copper, zinc and lead) and includes both surface and underground mining. Mr Hallam retired in 2011 to pursue a career as a professional non-executive director. He has held Australian and international non-executive director roles since 1997.<br><br>His former executive roles include Director – Operations with Fortescue Metals Group, Executive General Manager – Developments & Projects with Newcrest Mining Limited, Director – Victorian Operations with Alcoa and Executive General Manager – Base and Precious Metals with North Ltd.<br><br>Mr Hallam is a qualified mining engineer and holds a BE (Hons) from Melbourne University and a Certificate of Mineral Economics from Curtin University. He is a Fellow of the Australian Institute of Company Directors and the Australasian Institute of Mining & Metallurgy. |
| Mr Chris Stevens<br>BA (Hons), MA (Oxon), MSc, GAICD, FAusIMM<br>Chief Executive Officer<br><br>Appointed: 26 April 2018 | Mr Stevens is an experienced resources executive and mineral economist who joined Coda after holding the role of CEO at Gindalbie Metals. Prior to joining Gindalbie in 2016, Mr Stevens was the Western Australian Mining Consulting Lead at PricewaterhouseCoopers (PwC), where he managed professional teams to devise strategy, evaluate investment options and assist in delivery of major transactions for various ASX listed mining and energy companies.<br><br>Prior to joining PwC, Mr Stevens held senior roles in the mining industry including General Manager- Commercial at Asia Iron and Commercial Manager at Gindalbie Metals.<br><br>In addition to his executive resources experience, Mr Stevens has over 18 years' experience working with Chinese companies in commercial consulting and private equity. Mr Stevens is a Fellow of the AusIMM, holds an Honours degree from the University of Oxford, a Master of Science in Mineral Economics from Curtin University, and is a fluent Chinese speaker. |
| Mr Li Zhiqi<br>Bachelor Degree of Engineering in Materials Management<br><br>Non-Executive Director<br><br>Appointed: 22 May 2020<br>Resigned: 25 August 2020 | Mr Li is an experienced economist in Materials Management. Mr Li has been with Ansteel since 1989 and is now the Deputy General Manager of Ansteel Mining Corporation responsible for Overseas Affairs.<br><br>Mr Li is also a Director of Karara Mining Limited and of Ansteel Investment Company.<br><br>He joined the Board of Coda as a Nominee of Ansteel Mining on 22 May 2020 and resigned on 25 August 2020. |
| Mr Zhu Changjiang<br>Bachelor of Mining Mechanical Engineering<br><br>Non-Executive Director<br><br>Appointed: 22 May 2020<br>Resigned: 31 August 2021 | Mr Zhu is an experienced mining engineer. Mr Zhu has been with Ansteel since 1987 and is now the CEO of Karara Mining Limited (a wholly owned subsidiary of Ansteel).<br><br>He joined the Board of Coda as a Nominee of Ansteel Mining on 22 May 2020 and resigned on 31 August 2021. |

**COMPANY SECRETARIES**

The Company's company secretary is Ms Susan Park BCom, ACA, F Fin, FGIA, FCIS, GAICD. Ms Park was appointed to the position of company secretary on 25 November 2020.

Ms Telma Southgate served as company secretary and Chief Financial Officer from 3 February 2020. She resigned as Company Secretary on 25 November 2020 and as Chief Financial Officer on 16 December 2020.

**PRINCIPAL ACTIVITIES**

The principal activities of the Company during the financial year were the progression of exploration and evaluation activities associated with the Elizabeth Creek Copper Cobalt Project, exploration for and evaluation of projects and potential joint ventures with other mining companies to explore for minerals.

**COVID-19**

The ongoing COVID-19 pandemic affecting Australia and the world has had a limited impact on Coda's operations with restrictions on interstate travel and challenges associated with maintaining government recommended social distancing practices being the key areas the Company has had to consider. Although these factors have the potential to impact Coda's ability to undertake fieldwork safely and cost effectively, the impact to date has been limited during the current field programme. The Company has retained experienced, South Australia based geologists and field staff who are not required to cross state borders. The Company's COVID-19 management plan has been established to address the ongoing potential future impact. The Company will continue to monitor and manage the impact on its operations.

**SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

Significant changes in the state of affairs of the group during the financial year were as follows.

Coda was officially admitted to the ASX on 26th October 2020 and commenced trading on the 28th of October 2020, following a successful, heavily oversubscribed IPO. The IPO raised a total of $8.5M.

Share capital increased by $23,472,301 (from $1,000 to $23,473,301) as a result of:

- a non-renounceable entitlement offer legally pursuant to the Prospectus dated 8 June 2020 to existing shareholders under a non-renounceable entitlement offer of one fully paid new share for every share held by eligible shareholders on Record Date at an issue price of $0.10 per new share. There were no special terms or features attached to the shares on offer;
- an initial public offer legally issued pursuant to the IPO Prospectus dated 4 September 2020 and the Supplementary Prospectus dated 18 September 2020 of one fully paid new share per successful applicant at $0.30 per share. There were no special terms or features attached to the shares on offer;
- a placement to institutional and sophisticated shareholders under Coda's Listing Rule 7.1 placement capacity resulting in the issuance of 12 million new shares. There were no special terms or features attached to the shares on offer; and
- Issuance of 250,000 new shares to Wilgus Investments Pty Ltd in consideration for entry into the Cameron River Farm In and Joint Venture Agreement. There were no special terms or features attached to the shares on offer.

The net cash received from the increase in share capital will be used principally to fund further exploration and evaluation of the Elizabeth Creek Copper Project, the Cameron River Copper- Gold Project, and to provide general working capital.

The Company also granted 6,000,000 options to key management personnel on the 3 July 2020 as part of the Employee Incentive Plan. The options issued were in the form of a Premium exercise price options "PEPO". The options carry an exercise price of $0.2145 per option and vesting conditions requiring continued service, and the Company's ASX listed share price achieving the following hurdle prices of $0.23, $0.27, and $0.30 for each third of options granted. The options may be exercised on or before 3 July 2024.

On 22 January 2021 Coda announced that it had increased its holding to 70% in the Elizabeth Creek Copper Cobalt Project as a result of satisfaction of the Stage 3 Earning Obligation under the Farm-in and Joint Venture Agreement with Terrace Mining Pty Ltd. As a result of Coda reaching the Stage 3 Earning Obligation, Terrace has granted Coda an irrevocable option to acquire an additional 5% interest in the Project for a payment of A$1.5M. This option may be exercised at any time up to 60 days from the parties reaching a Decision to Mine. The Free Carry Expenditure Limit was reached on the 7 April 2021 triggering creation of an unincorporated joint venture under which each party will contribute funding to continued exploration and feasibility work in accordance with their respective interests in the Elizabeth Creek Project.

On 22 March 2021 the Company announced that it had secured an addition to its portfolio of Australian copper exploration projects after entering into a Farmin and Joint Venture Agreement over the highly prospective Cameron River Project, located in the heart of the world class Mt Isa mineral province in North Queensland. Coda entered into a binding Farm-in and Joint Venture Agreement with Wilgus Investments Pty Ltd ("Wilgus") giving it the right to acquire up to an 80% ownership in the Cameron River project ("Cameron River") near Mt Isa in Queensland by spending up to $2 million on exploration in stages over a three-year period.

On 9 June 2021, the Company announced that it had encountered approximately 200m of intense IOCG alteration including approximately 50m of visually identified copper sulphide mineralisation in deep diamond hole DD21EB0018. This was the first deep diamond hole targeting an IOCG (iron oxide copper-gold) anomaly at the Company's Emmie Bluff Deeps Copper-Gold prospect at the Elizabeth Creek Copper Project in South Australia. Subsequent to year end, independent laboratory assays confirmed copper-gold mineralisation in hole DD21EB0018 as well as two additional wedge holes from the parent hole.

**RESULTS OF OPERATIONS**

The net loss for the year ended 30 June 2021 was $6,523,291 (net loss for the period ended 30 June 2020 was $3,937,764). As at the reporting date, the Company has $21,787,110 of cash reserves.

**CORPORATE GOVERNANCE**

In recognising the need for high standards of corporate behaviour and accountability, the Directors support and have substantially adhered to the best practice recommendations set by the ASX Corporate Governance Council.

The Company's corporate governance policies are all available on the Company's website at www.codaminerals.com

**COMMITTEE MEMBERSHIPS**

The Company maintains an Audit and Risk Committee and a Nomination and Remuneration Committee which consist of the following Directors:

| Audit and Risk Committee | Nomination and Remuneration Committee |
|---|---|
| P Hallam (Chairman) | KF Jones (Chairman) |
| KF Jones | A Marshall |
| A Marshall | P Hallam |
| | C Moorhead |

**DIRECTORS' MEETINGS**

The number of Directors' meetings held during the financial year and the numbers of meetings attended by each Director were:

| | Directors' meetings | | Nomination and Remuneration Committee meetings | | Audit and Risk Committee meetings | |
|---|---|---|---|---|---|---|
| | **Eligible** | **Attended** | **Eligible** | **Attended** | **Eligible** | **Attended** |
| KF. Jones | 11 | 11 | 2 | 2 | 2 | 2 |
| A. Marshall | 11 | 11 | 2 | 2 | 2 | 2 |
| C. Moorhead | 11 | 11 | 2 | 2 | - | - |
| P. Hallam | 11 | 10 | 2 | 2 | 2 | 2 |
| C. Stevens | 11 | 11 | - | - | - | - |
| Z. Li | 0 | 0 | - | - | - | - |
| C. Zhu | 11 | 3 | - | - | - | - |

**CORPORATE STRATEGY & LIKELY DEVELOPMENTS**

Coda's business strategy is to build long term shareholder value through the exploration and commercialisation of copper, gold, cobalt and other base and battery minerals in the world's premier mining jurisdictions.

Coda's primary focus is on exploration and development opportunities at its Elizabeth Creek Copper Project in South Australia. The Company has a dual strategy for success at Elizabeth Creek. Firstly, it is working to further define and extend known Zambian-style copper-cobalt resources across multiple prospects and is preparing to deliver a maiden resource at its flagship Emmie Bluff Copper-Cobalt deposit. Secondly, it is implementing a substantial drill programme at Emmie Bluff Deeps to evaluate the potential rapidly and efficiently for a Tier-1 IOCG system following a major mineralised intercept in June 2021.

While the Company remains resolutely focused on work at Elizabeth Creek, particularly the ongoing resource definition drilling at Emmie Bluff and the exciting IOCG work, the opportunity to acquire Cameron River provided Coda with additional highly prospective exposure to copper-gold exploration assets. This was a logical and complementary addition to Coda's existing portfolio of copper projects in South Australia that will open up a second platform for discovery, exploration success and, ultimately, resource growth for Coda in a Tier-1 copper province. With numerous shallow, well-defined targets, Cameron River offers the potential for rapid, low-cost exploration without compromising the pace of ongoing activity at the flagship Emmie Bluff Project or upcoming IOCG exploration at Elizabeth Creek.

**EVENTS SUBSEQUENT TO REPORTING DATE**

Since 30 June 2021 there were two corporate changes; Ansteel Nominee Director, Mr Zhu Changjiang resigned from office effective 31 August 2021.

The Company appointed experienced mining executive, Mr Kudzai Mtsambiwa as Chief Financial Officer greatly augmenting the executive team.

The Company released assays from its first IOCG diamond hole at Emmie Bluff Deeps on 28 July 2021 and assays from two wedge holes from the parent hole 23 August 2021.

**ENVIRONMENTAL REGULATION**

The Company's current exploration and development activities are conducted in accordance with environmental regulations under both Commonwealth and State legislation.

As stated in the Environmental Policy, the Company is committed to achieving superior standards in its environmental performance. It has employed environmental professionals to monitor this area of operating performance, with responsibility for monitoring of environmental exposures and compliance with environmental regulations.

Compliance with the requirements of environmental regulations and with specific requirements of the relevant managing authorities including the Department of Environment and Conservation, and the Department of Industry and Resources was achieved across all aspects of the current operations.

There were no instances of non-compliance in relation to any instructions or directions from the relevant governing agencies. The Board is not aware of any significant breaches during the period covered by this report.

**REMUNERATION REPORT – Audited**

The directors present the Coda Minerals Ltd 2021 remuneration report, outlining key aspects of our remuneration policy and framework, and remuneration awarded this year.

**(a) Key management personnel**

The following persons were deemed to be Key Management Personnel ("KMP") during or since the end of the financial year for the purpose of Section 300A of the Corporations Act 2001 and unless otherwise stated were KMP for the entire reporting period.

**Non-executive directors**

| | |
|---|---|
| Keith F. Jones | Non-Executive Director & Chairman |
| Andrew Marshall | Non-Executive Director |
| Colin Moorhead | Non-Executive Director |
| Paul Hallam | Non-Executive Director |
| Zhu Changjiang | Non-Executive Director |

Mr Li Zhiqi was a Non-Executive Director until his resignation on 25 August 2020. He did not receive any remuneration during the financial year.

**Executive directors**

| | |
|---|---|
| Chris Stevens | Chief Executive Officer & Executive Director |

**Other executives**

| | |
|---|---|
| Telma Southgate | Chief Financial Officer & Company Secretary |

Ms Southgate served as Company Secretary until her resignation on 25 November 2020 and Chief Financial Officer until her resignation on 16 December 2020.

**(b) Remuneration policy for key management personnel**

The Board is responsible for determining the appropriate remuneration for directors and senior management via the Remuneration Committee. The committee is made up of independent non-executive directors.

The Company's remuneration policy is designed to:

- ensure that coherent remuneration policies and practices are observed which enable the attraction and retention of directors and management who will create value for shareholders;
- fairly and responsibly reward directors and senior management having regard to the Company's performance, the performance of the senior management and the general pay environment; and
- comply with all relevant legal and regulatory provisions.

**Remuneration policy for key management personnel (continued)**

**Non-executive directors**
The board's policy is to remunerate Non-executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Remuneration Committee on behalf of the board determines payments to the Non-executive Directors and reviews their remuneration annually to ensure it remains aligned to business needs and meets remuneration principles. From time to time, the committee also engages external remuneration consultants to assist with this review. Although no remuneration consultant was engaged during the current Financial Year the board undertook comparable benchmarking of peer remuneration. In particular, the board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the company to attract and retain key talent;
- aligned to the company's strategic and business objectives and the creation of shareholder value;
- transparent and easily understood; and
- acceptable to shareholders.

The maximum aggregate amount of fees that can be paid to Non-executive Directors is $950,000 as approved by shareholders in July 2019. Fees for Non-executive Directors are not linked to the performance of the economic entity. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company.

**Executive directors and other senior executives**
The remuneration policy for employees is developed by the Remuneration Committee taking into account market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

The Board will make decisions regarding the remuneration of executive directors and senior management having regard to various factors including performance and any recommendations made by the Managing Director/CEO, senior management, compensation consultants and other advisors. The Board will also make a decision regarding the remuneration of non-executive directors having regard to, amongst other things, any recommendations made by compensation consultants and other advisors.

The Company adopted a Employee Incentive Plan ("EIP") for its staff, executive KMP and Non-executive Directors on 19 June 2020. The board believes that the EIP will assist the Company in remunerating and providing ongoing incentives to employees of the Company. The rules of the EIP enable the Company to issue shares, option or performance rights to eligible personnel subject to performance and vesting conditions determined by the Company. All remuneration provided to KMP in the form of share based payments are valued pursuant to AASB 2 Share-based Payment at fair value on grant date and are expensed on a pro rata basis over the vesting period of the relevant security.

**(c) Elements of remuneration**

Remuneration for non-executive directors may contain any or all of the following:
(i) annual fees - reflecting the value of the individuals' personal performance, time commitment and responsibilities of the role;
(ii) equity based remuneration - issues of shares or securities, reflecting the contribution of the Director towards the Company's medium and long term performance objectives; and
(iii) other benefits - superannuation payments, but not including retirement benefits that are additional to the individual's superannuation.

Remuneration for executive directors and other senior executives may incorporate fixed and variable pay performance elements with both a short term and long term focus.

Remuneration packages may contain any or all of the following:
(i) annual base salary - reflecting the value of the individuals' personal performance, their ability and experience, as well as the Company's obligations at law and labour market conditions and should be relative to the scale of the business of the Company;
(ii) performance based remuneration - rewards, bonuses, special payments and other measures available to reward individuals and teams following a particular outstanding business contribution having regard to clearly specified performance targets and to the Company's circumstances, values and risk appetite;
(iii) equity based remuneration - share participation via employee share and option schemes, reflecting the Company's short, medium and long term performance objectives;
(iv) other benefits - such as holidays, sickness benefits, superannuation payments and long service benefits;
(v) expense reimbursement - for any expenses incurred in the course of the personnel's duties; and
(vi) termination payments - any termination payments should reflect contractual and legal obligations and will not be made when an executive is removed for misconduct.

### (d) Link between remuneration and performance

The table below sets out summary information about the Consolidated Entity's earnings and movements in shareholder wealth for the two years to June 2021.

| | 30 June 2021<br>$ | 30 June 2020<br>$ |
|---|---|---|
| Revenue | - | - |
| Net loss before tax | (6,523,291) | (3,937,764) |
| Net loss after tax | (6,523,291) | (3,937,764) |
| | **$/share** | **$/share** |
| Share price at start of year | $ 0.30[1] | - |
| Share price at end of year | $1.245 | - |
| | **cents/share** | **cents/share** |
| Basic earnings per share | (0.07) | (0.12) |

### (e) KMP remuneration expenses

The KMP received the following amounts during the year as compensation for their services as directors and executives of the Company.

| 2021 | Short-Term Employee Benefit | | | | Post-Employment Benefit | Share Based Payments | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Salary & Fees | Bonus(iv) | Non-Monetary(iii) | Annual Leave Movement(ii) | Super-annuation | Shares | Performance Rights | Total | Remuneration Linked to Performance |
| | $ | $ | $ | $ | $ | $ | $ | $ | % |
| **Non-executive directors** | | | | | | | | | |
| Keith F. Jones | 100,000 | - | - | - | 9,500 | - | 27,815 | 137,315 | - |
| Andrew Marshall | 50,000 | - | - | - | 4,750 | - | 9,271 | 64,021 | - |
| Colin Moorhead | 50,000 | - | - | - | 4,750 | - | 9,271 | 64,021 | - |
| Paul Hallam | 50,000 | - | - | - | 4,750 | - | 9,271 | 64,021 | - |
| Zhu Changjiang | - | - | - | - | - | - | - | - | - |
| | 250,000 | - | - | - | 23,750 | - | 55,628 | 329,378 | |
| **Executive directors** | | | | | | | | | |
| Chris Stevens | 328,997 | 114,712 | 3,600 | 13,918 | 21,694 | - | 27,815 | 510,736 | 22% |
| | 328,997 | 114,712 | 3,600 | 13,918 | 21,694 | - | 27,815 | 510,736 | |
| **Other executives** | | | | | | | | | |
| Telma Southgate(i) | 78,032 | - | - | (4,512) | 6,485 | - | - | 80,005 | - |
| | 78,032 | - | - | (4,512) | 6,485 | - | - | 80,005 | |
| **Total** | | | | | | | | | |
| | 657,029 | 114,712 | 3,600 | 9,406 | 51,929 | - | 83,443 | 920,119 | |

*Notes:*

*(i) Ms Southgate served as Company Secretary until her resignation on 25 November 2020 and Chief Financial Officer until her resignation on 16 December 2020.*

*(ii) The amounts disclosed represent the movement in the associated annual leave provision balances. The value may be negative when an Executive resigns or takes more leave than the entitlement accrued during the year.*

*(iii) Non-monetary benefits relate to office car parking.*

*(iv) The FY21 bonus was approved by the Remuneration Committee in June 2021 following analysis of attainment of KPIs against criteria set in November 2020. Bonuses for eligible employees are based on a percentage of Total Fixed Remuneration (TFR) and assessed against companywide criteria. During the FY21 period, the CEO was eligible for a cash bonus of up to 23% of TFR.*

*FY21 KPIs were set in November 2020 based on the following criteria:*

[1] The Company listed on ASX on 28 October 2021 at $0.30 per share.

| Area | Threshold | Target | Exceed | Weight |
|---|---|---|---|---|
| | 50% | 75% | 100% | |
| **1. Safety, Environment and Heritage** | 76-100% Construction and Mining Industry benchmark LTIFR. | 51-75% Construction and Mining Industry benchmark LTIFR. | ≤50% Construction and Mining Industry benchmark LTIFR. | 10% |
| **2. Adherence to Budget** | Adherence to approved FY21 budget with utilisation of contingency and minor overruns or variations. | Adherence to FY21 budget with strong budgetary controls and no material overruns or material variations. | Board assesses budgetary control to be beyond expectations and with clear overperformance and/ or cost savings identified. | 20% |
| **3. Share Price** | Share price performance in top 50% of selected basket of peers. | Share price performance in top 75% of selected basket of peers. | Share price growth resulting in an enterprise value > 300% of listing value and being in top quartile of peers. | 40% |
| **4. Business Development** | Material progress towards a maiden resource at Emmie Bluff. | Material progression towards a maiden resource at Emmie Bluff deliverable in CY21 and IOCG targeting or discovery. | Material progression of a material maiden resource at Emmie Bluff and/ or a material IOCG based discovery. | 30% |

*In June 2021 the board passed and approved the payment of bonus against the KPIs as follows:*

| **Area** | 1 | 2 | 3 | 4 |
|---|---|---|---|---|
| **KPI** | Safety | Budget | Share Price | Business Development |
| **KPI Weighting** | 10% | 20% | 40% | 30% |
| **Award Recommended** | Exceed | Target | Exceed | Exceed |
| **Award % Recommended** | 100% | 75% | 100% | 100% |
| **Eligible for Enhanced Award*** | Yes | Yes | Yes | Yes |

** Following suspension of the FY20 Short Term Incentive Plan, the Board resolved to pay FY21 cash bonus incentives at 1.5 times base level for any KPIs attained at >75% attainment. Consequently, the FY 21 cash bonus was increased by 1.5 times base level for eligible employees employed for the whole of the FY20 tax year to compensate for previously forgone bonus payments.*

| 2020 | Short-Term Employee Benefit | | | | Post-Employment Benefit | Share Based Payments | | Total | Remuneration Linked to Performance |
|---|---|---|---|---|---|---|---|---|---|
| | Salary & Fees | Bonus | Non-Monetary | Annual Leave Movement | Super-annuation | Shares | Performance Rights | | |
| | $ | $ | $ | $ | $ | $ | $ | $ | % |
| **Non-executive directors** | | | | | | | | | |
| Keith F. Jones | 58,333 | - | - | - | 5,542 | - | - | 63,875 | - |
| Andrew Marshall | 29,167 | - | - | - | 2,771 | - | - | 31,938 | - |
| Colin Moorhead | 29,167 | - | - | - | 2,771 | - | - | 31,938 | - |
| Paul Hallam | 29,167 | - | - | - | 2,771 | - | - | 31,938 | |
| Zhu Changjiang | - | - | - | - | - | - | - | - | - |
| | 145,834 | - | - | - | 13,855 | - | - | 159,689 | |
| **Executive directors** | | | | | | | | | |
| Chris Stevens | 309,173 | - | - | - | 21,002 | - | - | 330,175 | - |
| | 309,173 | - | - | - | 21,002 | - | - | 330,175 | |
| **Other executives** | | | | | | | | | |
| Telma Southgate(i) | 58,654 | - | - | - | 5,572 | - | - | 64,226 | |
| | 58,654 | - | - | - | 5,572 | - | - | 64,226 | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Total** | 513,661 | - | - | - | 40,429 | - | - | 554,090 |

*Notes:*

*(i) Ms Southgate served as Company Secretary until her resignation on 25 November 2020 and Chief Financial Officer until her resignation on 16 December 2020.*

### (f) KMP contractual arrangements

**Executive directors and other executives**

| Component | Executive Director – Chris Stevens | Other Executive – Telma Southgate |
|---|---|---|
| Fixed remuneration (pa) | $ 350,000 inclusive of superannuation | $ 164,250 inclusive of superannuation |
| Contract duration | Ongoing contract | Resigned 16 December 2020 |
| Notice by the individual/company | 6 weeks' notice (individual)<br>6 weeks' notice plus 3 months remuneration (Company). | 6 weeks |
| Termination of employment (without cause) | Entitlement to pro-rata STI for the year<br>Unvested LTI will remain on foot subject to achievement of the performance hurdles at the original date of testing.<br>The Board has discretion to award a greater or lower amount. | |
| Termination of employment (with cause) or by the individual | STI is not awarded, and all unvested LTI will lapse.<br>Vested and unexercised LTI can be exercised within a period of 30 days from termination. | |

**Non-executive directors**

| Component | Chair | Member |
|---|---|---|
| Board base fees (pa) | $100,000 | $50,000 |
| Additional fees (pa): | | |
| Audit & Risk Management Committee | - | - |
| Remuneration & Nomination Committee | - | - |

All non-executive directors enter into a service agreement with the company in the form of a letter of appointment. The letter summarises the board policies and terms, including remuneration, relevant to the office of director.

### (g) KMP share holding

Details of fully paid ordinary shares held by KMP during the financial year is set out below:

| 2021 | Opening Balance | Granted as Compensation | Received on Exercise of Options | Purchases Entitlement Offer[1] | Purchases IPO | Net Other Change | Closing Balance |
|---|---|---|---|---|---|---|---|
| **Non-executive directors** | | | | | | | |
| Keith F. Jones | 2,370,267 | - | - | 4,740,534 | - | - | 7,110,801 |
| Andrew Marshall | 20,873 | - | - | 191,746 | 16,674 | - | 229,293 |
| Colin Moorhead | - | - | - | 500,000 | - | - | 500,000 |
| Paul Hallam | 116,111 | - | - | 1,132,777 | - | - | 1,248,888 |
| Zhu Changjiang | - | - | - | - | | - | - |
| **Executive directors** | | | | | | | |
| Chris Stevens | 138,889 | - | - | 200,031 | | - | 338,920 |
| **Other executives** | | | | | | | |
| Telma Southgate | - | - | - | 100,000 | | - | 100,000[2] |

*[1]2/3 shares purchased under entitlement offer are subject to escrow. 4,498,928 are held in escrow until 28 October 2022.*
*[2]Shares held as at the date of Ms Southgate resignation, 16th December 2020.*

### Options and performance rights

The following tables summarises information relevant to the current financial year in relation to the grant of performance rights to KMP as part of their remuneration.

| Name | Grant Date | Number Granted | Number Vested | Fair Value at Grant date | Exercise Date |
|---|---|---|---|---|---|
| **Non-executive directors** | | | | | |
| Keith F. Jones | 3/7/2020 | 2,000,000 | 2,000,000[1] | 112,000 | 3/7/2024 |
| Andrew Marshall | 3/7/2020 | 666,666 | 666,666[1] | 37,333 | 3/7/2024 |
| Colin Moorhead | 3/7/2020 | 666,667 | 666,667[1] | 37,333 | 3/7/2024 |
| Paul Hallam | 3/7/2020 | 666,667 | 666,667[1] | 37,333 | 3/7/2024 |
| Zhu Changjiang | | | | | |
| **Executive directors** | | | | | |
| Chris Stevens | 3/7/2020 | 2,000,000 | 2,000,000[1] | 112,000 | 3/7/2024 |
| **Other executives** | | | | | |
| Telma Southgate | - | - | - | - | - |

[1]*All Options have an exercise price of $0.2145, an expiry date of 28 May 2024 and are subject to escrow until 28 October 2022.*
*The options vested in tranches as follows:*
*1/3 of the options vested upon reaching a share price of $0.23*
*1/3 of the options vested upon reaching a share price of $0.27*
*1/3 of the options vested upon reaching a share price of $0.30*

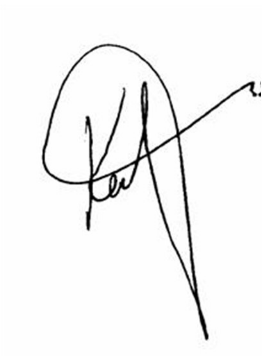
Details of options and performance rights held by KMP during the financial year is set out below:

| 2021 | Opening Balance | Vested During Period | Expired During Period | Net Other Change | Closing Balance |
|---|---|---|---|---|---|
| **Non-executive directors** | | | | | |
| Keith F. Jones | - | 2,000,000[1] | - | - | 2,000,000 |
| Andrew Marshall | - | 666,666[1] | - | - | 666,666 |
| Colin Moorhead | - | 666,667[1] | - | - | 666,667 |
| Paul Hallam | - | 666,667[1] | - | - | 666,667 |
| Zhu Changjiang | - | - | - | - | - |
| **Executive directors** | | | | | |
| Chris Stevens | - | 2,000,000[1] | - | - | 2,000,000 |
| **Other executives** | | | | | |
| Telma Southgate | - | - | - | - | |

[1]*All Options have an exercise price of $0.2145, an expiry date of 28 May 2024 and are subject to escrow until 28 October 2022.*
*The options vested in tranches as follows:*
*1/3 of the options vested upon reaching a share price of $0.23*
*1/3 of the options vested upon reaching a share price of $0.27*
*1/3 of the options vested upon reaching a share price of $0.30*

**End of audited remuneration report.**

Signed in accordance with a resolution of Directors at Perth, WA on 29 September 2021.



K F Jones
Director

## SHARE OPTIONS AND PERFORMANCE RIGHTS

### Unissued shares under option

At the date of this financial report unissued ordinary shares of the Company under option are:

| Tranche | Number of Options | Expiry date | Exercise Price | Vesting Condition |
|---|---|---|---|---|
| **A** | 2,000,000 | 28 May 2024 | $0.2145 | Upon reaching a share price of $0.23 |
| **B** | 2,000,000 | 28 May 2024 | $0.2145 | Upon reaching a share price of $0.27 |
| **C** | 2,000,000 | 28 May 2024 | $0.2145 | Upon reaching a share price of $0.30 |

All options are employee options and vesting is subject to the option holder maintaining continuous employment with the Company. Should option holders resign, the Board may at its discretion waive the vesting condition relating to the requirement to remain a Director of the Company and allow the option holder to continue to hold the options following resignation.

The above options do not entitle the holder to participate in any potential share issue of the Company.

### Shares issued on exercise of options

During the financial year, the Company has issued nil ordinary shares as a result of the exercise of options.

## NON-AUDIT SERVICES

Details of the amounts paid to the auditor of the Company, Deloitte Touche Tohmatsu, and its related practices for audit and non-audit services provided during the period are set out below:

| | 30 June 2021 | 30 June 2020 |
|---|---|---|
| Auditors of the Company – *Deloitte Touche Tohmatsu* | **$** | **$** |
| Audit and review of financial reports | 39,863 | 32,700 |
| Other assurance and agreed-upon procedures under other legislation or contractual arrangements | - | 16,000 |
| Other services - Tax consulting services | 14,777 | 18,879 |
| **Auditor's Remuneration** | **54,639** | **67,579** |

## INDEMNIFICATION AND INSURANCE - OFFICER OR AUDITOR

During the financial year, the Company has indemnified each of the Directors and Officers against all liabilities incurred by them as Directors or Officers of the Company and all legal expenses incurred by them as Directors or Officers of the Company.

The indemnification is subject to various specific exclusions and limitation.

The Directors and Officers of the Company have been insured against all liabilities and expenses arising as a result of work performed in their respective capacities, to the extent permitted by law. The contract of insurance prohibits the disclosure of the amount of the insurance premiums paid during the year ended 30 June 2021.

The Company did not provide any insurance or indemnification for the auditors of the Company.

## LEAD AUDITOR'S INDEPENDENCE DECLARATION

In accordance with section 307C of the Corporations Act 2001, the directors received the attached Independence Declaration set out on page 13 and forms part of the Directors' Report for the year ended 30 June 2021

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Tower 2, Brookfield Place
123 St Georges Terrace
Perth WA 6000
GPO Box A46
Perth WA 6837 Australia

Tel: +61 8 9365 7000
Fax: +61 8 9365 7001
www.deloitte.com.au

The Board of Directors
Coda Minerals Ltd
6 Altona Street
West Perth WA 6005

29 September 2021

Dear Board Members

**Auditor's Independence Declaration to Coda Minerals Ltd**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Coda Minerals Ltd.

As lead audit partner for the audit of the financial report of Coda Minerals Ltd for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

**David Newman**
Partner
Chartered Accountants

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Tower 2, Brookfield Place
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# Independent Auditor's Report to the members of Coda Minerals Ltd

## Report on the Audit of the Financial Report

### *Opinion*

We have audited the financial report of Coda Minerals Ltd (the "Company") which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001.*

### *Basis for Opinion*

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key Audit Matter</th><th>How the scope of our audit responded to the Key Audit Matter</th></tr>
<tr><td>

**Accounting for exploration and evaluation assets and expenditure**

As at 30 June 2021, the carrying value of exploration and evaluation assets was $1.69 million as disclosed in Note 13. In addition, exploration and evaluation expenditure of $3.99 million was expensed during the year then ended.

Significant judgement is applied in determining the treatment of exploration and evaluation expenditure including:

- determining whether facts and circumstances indicate that the exploration and evaluation assets should be tested for impairment; and
- determining the treatment of exploration and evaluation expenditure incurred, including:
  - whether the particular area of interest meets the recognition conditions for an asset; and
  - which elements of exploration and evaluation expenditures qualify for capitalisation for each area of interest.

</td><td>

Our procedures associated with exploration and evaluation expenditure incurred during the year included, but were not limited to:

- obtaining an understanding of the relevant controls associated with the expensing of exploration and evaluation expenditure; and
- testing on a sample basis, exploration and evaluation expenditure to confirm the nature and valuation of the costs incurred, and the appropriateness of the classification as asset or expense.

Our procedures associated with assessing the carrying value of exploration and evaluation assets included, but were not limited to:

- assessing the relevant controls associated with the identification of indicators of impairment; and
- evaluating management's impairment indicator assessment, including whether any of the following events exist at the reporting date which may indicate that exploration and evaluation assets may not be recoverable by:
  - obtaining a schedule of the areas of interest held by the Company and confirming whether the rights to tenure of those areas of interest remained current at balance date;
  - inquiring of management as to the status of ongoing exploration programmes in the respective areas of interest, and reviewing announcements made by the Company to corroborate these inquiries; and
  - assessing whether any facts or circumstances existed to suggest impairment testing was required.

We also assessed the appropriateness of the disclosures in Note 13 to the financial statements.

</td></tr>
</table>

*Other Information*

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

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

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

*Responsibilities of the Directors for the Financial Report*

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte.

## Report on the Remuneration Report

*Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 5 to 10 of the Directors' Report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Coda Minerals Ltd, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001.*

*Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

DNewman

David Newman
Partner
Chartered Accountants
Perth, 29 September 2021

1. In the opinion of the directors of Coda Minerals Ltd ("the Company"):

   (a) the financial statements and notes, are in accordance with the Corporations Act 2001, including:

      (i) giving a true and fair view of the financial position of the Company as at 30 June 2021 and of its performance, for the financial period ended on that date; and

      (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

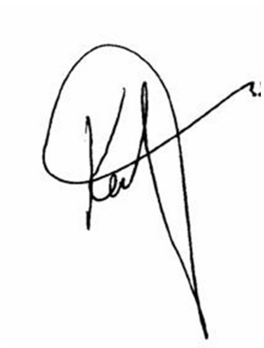
   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The directors have been given the declarations required by section 295A of the Corporations Act 2001 for the financial year ended 30 June 2021.

3. The Directors draw attention to Note 2(a) to the financial statements, which include a statement of compliance with International Financial Reporting Standards.

Dated at Perth this 29th day of September 2021.

Signed in accordance with a resolution of the directors.



KF Jones
Director

| | Note | 30 June 2021 $ | 30 June 2020 |
|---|---|---|---|
| Other income | 5 | 37,500 | - |
| Administration expenses | 5 (a) | (2,135,524) | (1,297,800) |
| Exploration & evaluation expenses | 5 (b) | (3,991,793) | (1,650,269) |
| Corporate finance expenses | 5 (c) | (311,799) | (885,512) |
| Other expenses | 5 (d) | (122,134) | (114,603) |
| **Results from operating activities** | | **(6,523,750)** | **(3,948,184)** |
| Finance income | 5 | 8,682 | 20,928 |
| Finance expenses | 5 (e) | (8,222) | (10,508) |
| **Loss before income tax** | | **(6,523,291)** | **(3,937,764)** |
| Income tax benefit / (expense) | 7 | - | - |
| **Loss for the period attributable to owners of the Company** | | **(6,523,291)** | **(3,937,764)** |
| **Other comprehensive income** | | - | - |
| **Total comprehensive (loss) for the period attributable to owners of the Company** | | **(6,523,291)** | **(3,937,764)** |
| **Earnings per share** | | | |
| Basic and diluted (loss) per share | 22 | (0.09) | (0.12) |

The statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements. Refer to Note 2 on basis of preparation.

| | Note | 30 June 2021 $ | 30 June 2020 $ |
|---|---|---|---|
| **CURRENT ASSETS** | | | |
| Cash and cash equivalents | 8 | 21,787,110 | 4,192,295 |
| Receivables | 9 | 179,968 | 118,173 |
| Prepayments | 10 | 69,036 | 23,304 |
| Other assets | 20 | - | 230,295 |
| **TOTAL CURRENT ASSETS** | | **22,036,114** | **4,564,067** |
| **NON-CURRENT ASSETS** | | | |
| Exploration licence bonds | 9 | 55,000 | 55,000 |
| Property, plant and equipment | 11 | 280,229 | 142,120 |
| Intangible assets | 12 | 144,552 | 157,886 |
| Exploration and evaluation assets | 13 | 1,686,359 | 1,416,359 |
| **TOTAL NON-CURRENT ASSETS** | | **2,166,141** | **1,771,365** |
| **TOTAL ASSETS** | | **24,202,255** | **6,335,433** |
| **CURRENT LIABILITIES** | | | |
| Trade and other payables | 15 | 927,299 | 434,517 |
| Employee benefits | 16 | 101,070 | 29,884 |
| Lease liabilities current | 17 | 98,268 | 91,652 |
| **TOTAL CURRENT LIABILITIES** | | **1,126,637** | **556,053** |
| **NON-CURRENT LIABILITIES** | | | |
| Lease liabilities non-current | 17 | 91,786 | 8,002 |
| **TOTAL NON-CURRENT LIABILITIES** | | **91,786** | **8,002** |
| **TOTAL LIABILITIES** | | **1,218,424** | **564,056** |
| **NET ASSETS** | | **22,983,832** | **5,771,377** |
| **EQUITY** | | | |
| Issued capital | 18 | 23,473,301 | 1,000 |
| Capital contribution reserve | 19 | 12,040,106 | 12,040,106 |
| Share based payment reserve | 19 | 263,444 | - |
| Accumulated losses | | (12,793,019) | (6,269,729) |
| **TOTAL EQUITY** | | **22,983,832** | **5,771,377** |

The statement of financial position is to be read in conjunction with the notes to the financial statements. Refer to Note 2 on basis of preparation.

CODA MINERALS LTD
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2021

| | Issued capital<br>$ | Capital contribution reserve<br>$ | Share based payments reserve<br>$ | Accumulated losses<br>$ | Total<br>$ |
|---|---|---|---|---|---|
| **Year ended 30 June 2021** | | | | | |
| **Opening balance at 1 July 2020** | **1,000** | **12,040,106** | | **(6,269,729)** | **5,771,377** |
| Loss for the year | - | - | - | (6,523,291) | (6,523,291) |
| **Total comprehensive loss for the year** | 1,000 | 12,040,106 | - | (12,793,020) | (751,913) |
| Share based payments to Directors and Employees | - | - | 83,444 | - | 83,444 |
| Share based payment consideration – Cameron River Farm-in | - | - | 180,000 | - | 180,000 |
| Shares issued under non-renounceable entitlement offer | 1,011,716 | - | - | - | 1,011,716 |
| Shares issued under non-renouncement entitlement offer | 1,360,304 | - | - | - | 1,360,304 |
| Shares issued under initial public offer | 8,500,000 | - | - | - | 8,500,000 |
| Shares issued under a Placement | 14,400,000 | - | - | - | 14,400,000 |
| Consideration Shares – Cameron River Farm-in | 90,000 | - | - | - | 90,000 |
| Share issue costs | (1,889,719) | - | - | - | (1,889,719) |
| **Closing balance at 30 June 2021** | **23,473,301** | **12,040,106** | **263,444** | **(12,793,020)** | **22,983,832** |

| | Issued capital<br>$ | Capital contribution reserve<br>$ | Share based payments reserve<br>$ | Accumulated losses<br>$ | Total<br>$ |
|---|---|---|---|---|---|
| **Year ended 30 June 2020** | | | | | |
| **Opening balance at 1 July 2019** | **1,000** | **3,789,110** | **-** | **(2,331,965)** | **1,458,145** |
| Loss for the year | - | - | - | (3,937,764) | (3,937,764) |
| **Total comprehensive loss for the year** | - | - | - | (3,937,764) | (3,937,764) |
| Capital contribution | - | 8,250,996 | - | - | 8,250,996 |
| **Closing balance at 30 June 2020** | **1,000** | **12,040,106** | **-** | **(6,269,729)** | **5,771,377** |

The statement of changes in equity is to be read in conjunction with the notes to the financial statements. Refer to Note 2 on basis of preparation.

| | Note | 30 June 2021 $ | 30 June 2020 $ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Payments for exploration and evaluation expenditure | | (4,149,924) | (1,474,802) |
| Payments for administration, corporate finance activities and other expenditure | | (1,400,134) | (2,346,706) |
| **Net cash used in operating activities** | 24 | **(5,550,058)** | **(3,821,508)** |
| **Cash flows from investing activities** | | | |
| Interest received | | 8,682 | 20,928 |
| Payments for property, plant & equipment | | (248,075) | (68,197) |
| **Net cash used in investing activities** | | **(239,393)** | **(47,269)** |
| **Cash flows from financing activities** | | | |
| Payments associated with the issue of shares | | (1,889,719) | (121,418) |
| Proceeds from issue of shares | | 25,362,020 | 8,250,996 |
| Repayment of lease liabilities | | (88,035) | (86,048) |
| **Net cash inflow from financing activities** | | **23,384,266** | **8,043,530** |
| Net increase in cash and cash equivalents | | 17,594,815 | 4,174,753 |
| Cash and cash equivalents at beginning of the year | | 4,192,295 | 17,542 |
| **Cash and cash equivalents at the end of the year** | 8 | **21,787,110** | **4,192,295** |

The statement of cash flows is to be read in conjunction with the notes to the financial statements. Refer to Note 2 on basis of preparation.

## 1. REPORTING ENTITY

Coda Minerals Ltd (the 'Company' or 'Coda') is a company domiciled in Australia. The address of the Company's registered office is 6 Altona Street, West Perth. The financial statements of the Company as at and for the year ended 30 June 2021 comprise the Company's results.

The Company is a for-profit entity primarily involved in the exploration and evaluation of mineral resources.

## 2. BASIS OF PREPARATION

### a) Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards ("AAS") adopted and other authoritative pronouncements issued by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. The financial statements comply with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB").

The financial statements were authorised for issue by the Directors on 29th September 2021.

### b) Basis of preparation

The financial statements have been prepared on the historical cost basis where cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars unless otherwise noted.

### c) Going concern

The Directors believe that Coda will continue as a going concern, and as a result the financial information has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

As at 30 June 2021, Coda had cash and cash equivalents of $21,787,110 and a net asset position of $22,983,832 compared to 30 June 2020, when it had cash and cash equivalents of $4,192,295 and a net asset position of $5,771,377. For the year ended 30 June 2021, Coda recorded a loss of $6,523,291 and experienced operating cash outflows of $5,549,258. For the period ended 30 June 2020, Coda recorded a loss of $3,937,764 and experienced net operating cash outflows of $3,821,508.

The Directors believe that, based on current conditions and performance assumptions, that Coda is sufficiently funded to meet its anticipated near-term funding needs, including required expenditure under the Elizabeth Creek Copper Cobalt Project and Cameron River Project over the next 12 months.

### d) Use of estimates and judgements

The preparation of financial statements in conformity with AASB 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. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in Note 13 – Exploration and evaluation.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial period are included in the notes if applicable. There were no significant estimations of useful life for the current reporting period.

### e) Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

**f) Goods and services tax ('GST')**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office ('ATO'). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Cash flows are presented in the statement of cash flows on a gross basis.

**g) Functional and presentation currency**

These financial statements are presented in Australian dollars, which is the Company's functional currency.

**h) COVID-19**

The ongoing COVID-19 pandemic affecting Australia and the world has had a limited impact on Coda's operations with restrictions on interstate travel and challenges associated with maintaining government recommended social distancing practices being the key areas the Company has had to consider. Although these factors have the potential to impact Coda's ability to undertake fieldwork safely and cost effectively, the impact to date has been limited during the current field programme. The Company has retained experienced, South Australia based geologists and field staff who are not required to cross state borders.

The Company's COVID-19 management plan has been established to address the ongoing potential future impact. The Company will continue to monitor and manage the impact on its operations.

## 3. SIGNIFICANT ACCOUNTING POLICIES

Significant and other accounting policies that summarise the measurement basis used and which are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements. Where possible, wording has been simplified to provide clearer commentary on the financial report of the Company. Accounting policies determined non-significant are not included in the financial statements.

## 4. SEGMENT INFORMATION

### Accounting policy

An operating segment is a component of the Company that engages in business activities from which it may incur expenses. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and exploration expenditure.

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

For management purposes, the Company has identified two reportable segments relating to exploration activities in the following business segments: the Elizabeth Creek Copper Cobalt project and the Cameron River Copper Gold project. The business segments include the activities associated with the determination and assessment of the existence of commercial reserves, from the Company's mineral assets that fall under those projects.

The following is an analysis of the Company's results by reportable operating segment for the full year under review:

| | 30 June 2021<br>$ | 30 June 2020<br>$ |
|---|---|---|
| **Operating segment results** | | |
| Elizabeth Creek | (3,948,715) | (1,650,269) |
| Cameron River | (43,078) | - |
| Total Exploration & Evaluation Expenses | **(3,991,793)** | **(1,650,269)** |
| | | |
| *Reconciliation of segment result to net loss:* | | |
| Other income | 37,500 | - |
| Administration costs | (2,135,524) | (1,297,800) |
| Other corporate costs | (433,934) | (1,000,115) |
| Finance income | 8,682 | 20,928 |
| Finance costs | (8,222) | (10,508) |
| **Loss before tax** | **(6,523,291)** | **(3,937,764)** |
| Income tax expense | - | - |
| **Consolidated loss for the period** | **(6,523,291)** | **(3,937,764)** |

**SEGMENT INFORMATION (continued)**

## Accounting policy

The following is an analysis of the Group's assets and liabilities by reportable operating segment:

| | 30 June 2021 $ | 30 June 2020 $ |
|---|---|---|
| **Segment assets** | | |
| Elizabeth Creek | 3,467,491 | 1,629,245 |
| Cameron River | 270,000 | - |
| | | |
| **Segment liabilities** | | |
| Elizabeth Creek | (556,751) | (64,692) |
| Cameron River | (9,700) | - |
| | | |
| **Total segments** | **3,171,040** | **1,564,553** |
| Unallocated assets[1] | 20,464,764 | 4,706,188 |
| Unallocated liabilities[2] | (651,973) | (499,364) |
| **Consolidated assets and liabilities** | **22,983,832** | **5,771,377** |

| | | |
|---|---|---|
| **Included in segment assets are:** | | |
| **Additions to non-current assets** | | |
| Elizabeth Creek | - | - |
| Cameron River | 270,000 | - |
| | | |
| **Total segments** | **270,000** | **-** |
| Unallocated additions[3] | 246,910 | 243,389 |
| **Consolidated additions to non-current assets** | **516,910** | **243,389** |

Notes:

1. Unallocated assets predominately relate to cash and cash equivalents
2. Unallocated liabilities relate to lease liabilities, employee benefits and trade and other payables
3. Unallocated additions relate to right of use asset for office lease and office equipment, fixtures and fittings

## 5. REVENUE, OTHER INCOME AND EXPENSES

### Accounting policy

Revenue is measured at the fair value of the gross consideration received or receivable. The Company recognises revenue when the amount of revenue can be reliably measured, and when it is probable that future economic benefits will flow to the entity.

*Finance income*

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues, using the effective interest method.

| | 30 June 2021 $ | 30 June 2020 $ |
|---|---|---|
| **Finance income** | | |
| Interest income | 8,682 | 20,928 |
| | | |
| **Other income** | | |
| Government cash flow boost(i) | 37,500 | - |

*Note:*

*(i) The Company benefited from the government's temporary Cash Flow Boost support package designed to assist businesses manage cashflow challenges and help retain employees during the economic downturn associated with COVID-19 19. Eligible businesses who employed staff received cash flow boosts delivered as credits via the activity statement system (not as direct payments to the business). The cash flow boost payments were made in two stages. The initial cash flow boost was based on the amount of the Company's PAYG withholding for the period April to June 2020. Eligible businesses that withheld tax on their employees' salary and wages received a credit equal to 100% of the amount withheld to a maximum payment of $50,000. The second payments were made for the July to September 2020 quarter. Eligible businesses received an additional payment equal to the total that they had been paid in the first round of payments to a maximum of $50,000, regardless of the amount of PAYG tax actually paid to the Australian Taxation Office (ATO). Refer Note 2 Accounting Policies.*

**REVENUE, OTHER INCOME AND EXPENSES (continued)**

## Accounting policy

*Finance expenses*

Finance expenses comprise interest expense on borrowings, bank charges, unwinding of the discount on provisions and performance bond facility fees. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method. Foreign currency gains and losses are reported on a net basis either as finance income or finance costs depending on whether they are in a net gain or loss position.

| | Note | 30 June 2021<br>$ | 30 June 2020<br>$ |
|---|---|---|---|
| **(a) Administration expenses** | | | |
| Audit or review of financial reports: | | | |
| - Group | | (39,863) | (32,700) |
| Corporate and consultant costs | | (503,570) | (290,097) |
| Director fees, employee salary and on costs expenses | | (1,368,327) | (794,144) |
| Other administration costs | | (223,766) | (180,859) |
| Total administration expenses | | (2,135,524) | (1,297,800) |
| **(b) Exploration and evaluation expenses** | | | |
| Exploration and evaluation expenses | | (3,991,793) | (1,650,269) |
| **(c) Corporate finance expenses**[(i)] | | | |
| External advisors, consultants, brokers and legal expenses | | (311,799) | (885,512) |
| **(d) Other expenses** | | | |
| Amortisation and depreciation | 11,12 | (122,134) | (114,603) |
| **(e) Finance expenses** | | | |
| Interest expense | | (8,222) | (10,508) |
| **Total Expenses** | | **(6,569,473)** | **(3,937,794)** |

[(i)] Corporate finance expenses relate to advisor costs incurred in relation to corporate finance activities including the completed Voluntary Share Sale Facility from FY20 ($885,512) and the IPO process, the Rights Issue Capital Raise and the Institutional Placement during FY21 ($311,799).

## 6. EMPLOYEE BENEFITS EXPENSE

Employee benefits expenses are allocated to exploration and evaluation expenses or administration expenses based upon time-writing records.

| | 30 June 2021<br>$ | 30 June 2020<br>$ |
|---|---|---|
| Employee salaries, directors' fees & on cost expenses | (1,007,410) | (880,700) |
| Share based payment | (83,444) | - |
| Staff bonuses STIP | (192,083) | - |
| Post-employment benefits | (85,390) | (74,925) |
| Transfer to exploration & evaluation expenses | 195,631 | 161,481 |
| **Total employee benefits expense** | **(1,172,695)** | **(794,144)** |

## 7. INCOME TAX

### Accounting policy

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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

| | 30 June 2021<br>$ | 30 June 2020<br>$ |
|---|---|---|
| **Current tax expense** | | |
| Current period | - | - |
| | | |
| **Deferred tax expense** | | |
| Origination and reversal of temporary differences | - | - |
| Benefit of tax losses and other deferred tax benefits not recognised | - | - |
| Total income tax expense / (benefit) | - | - |

**INCOME TAX (continued)**

| **Numerical reconciliation between current tax expense/(benefit) and pre-tax net profit/(loss)** | | |
|---|---|---|
| Loss before tax | (6,523,291) | (3,937,764) |
| Income tax using the statutory rate of 30% | (1,956,987) | (1,181,329) |
| Increase in income tax expense due to: | | |
| Permanent differences | 17,233 | 10,680 |
| Deferred income tax not recognised | 1,939,835 | 1,170,649 |
| Total income tax expense / (benefit) | - | - |

**Tax assets and liabilities**
Deferred tax assets and liabilities are attributable to the following:

| | 30 June 2020<br>$ | Movement<br>$ | 30 June 2021<br>$ |
|---|---|---|---|
| **Deferred tax assets / (liabilities)** | | | |
| Exploration asset | - | - | - |
| Intangible asset | - | 11,491 | 11,491 |
| Provisions | 8,965 | 10,017 | 18,982 |
| Accrued expenditure | (62,116) | 67,741 | 5,625 |
| Right of use asset | - | (54,942) | (54,942) |
| Lease liabilities | - | 57,016 | 57,016 |
| Capital raising costs | - | 692,797 | 692,797 |
| Tax losses | 915,874 | 2,021,204 | 2,937,078 |
| Deferred tax asset not recognised | (862,723) | (2,805,324) | (3,668,047) |
| **Net deferred tax assets / (liabilities)** | **-** | **-** | **-** |

**Unrecognised deferred tax assets**
As at 30 June 2021 gross tax losses totalling $9,790,261 (2020: $2,875,743) have not been recognised as deferred tax assets. A deferred tax asset has not been recognised in respect of the above tax losses because it is not probable that future taxable profit will be available against which the consolidated entity can utilise the benefit.

## 8. CASH AND CASH EQUIVALENTS

### Accounting policy
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash at bank earns interest at floating rates based on daily bank deposit rates.

| | 30 June 2021<br>$ | 30 June 2020<br>$ |
|---|---|---|
| Bank balances | 21,787,110 | 4,192,295 |
| **Cash and cash equivalents** | **21,787,110** | **4,192,295** |

## 9. RECEIVABLES

### Accounting policy

Receivables are initially recognised at fair value and subsequently at the amounts considered receivable (financial assets at amortised cost). In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

| **Current Receivables** | **30 June 2021** | **30 June 2020** |
|---|---|---|
| | **$** | **$** |
| GST receivable from the ATO | 76,491 | 50,121 |
| Other receivables | 103,477 | 68,052 |
| **Current receivables** | **179,968** | **118,173** |

| **Non-current Receivables** | **30 June 2021** | **30 June 2020** |
|---|---|---|
| | **$** | **$** |
| Exploration license bonds | 55,000 | 55,000 |
| **Non-current receivables** | **55,000** | **55,000** |

All receivables are short term in nature, consequently their carrying amount is assumed to approximate their fair value.

## 10. PREPAYMENTS

| | **30-Jun-21** | **30-Jun-20** |
|---|---|---|
| | **$** | **$** |
| Prepaid office rent | 11,454 | - |
| Other prepayments | 57,582 | 23,304 |
| **Prepayments** | **69,036** | **23,304** |

## 11. PROPERTY, PLANT & EQUIPMENT

### Accounting policy

*(i) Recognition and measurement*

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income/other expenses in profit or loss.

*ii) Depreciation and amortisation*

Depreciation is recognised in profit or loss on a straight line basis over the estimated useful lives of each part or item of property, plant and equipment.

The estimated useful lives for the current and comparative periods are as follows:

- furniture fittings and equipment 3-8 years
- leased plant and equipment 5-15 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

| | Right of use asset (leased offices) | Equipment, fixtures and fittings | Project Equipment | Total |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| **Cost** | | | | |
| At 1 July 2020 | 175,194 | 68,195 | - | 243,389 |
| Additions | 178,035 | 68,875 | - | 246,910 |
| At 30 June 2021 | 353,229 | 137,071 | - | 490,300 |
| **Accumulated depreciation** | | | | |
| At 1 July 2020 | (82,195) | (19,074) | - | (101,269) |
| Depreciation | (87,895) | (20,906) | - | (108,801) |
| At 30 June 2021 | (170,090) | (39,980) | - | (210,070) |
| **Net book value** | | | | |
| At 1 July 2020 | 92,999 | 49,121 | - | 142,120 |
| At 30 June 2021 | 183,139 | 97,091 | - | 280,229 |

| | Leased offices | Equipment, fixtures and fittings | Project Equipment | Total |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| **Cost** | | | | |
| At 1 July 2019 | - | - | - | - |
| Additions | 175,194 | 68,195 | - | 243,389 |
| At 30 June 2020 | 175,194 | 68,195 | - | 243,389 |
| **Accumulated depreciation** | | | | |
| At 1 July 2019 | - | - | - | - |
| Depreciation | (82,195) | (19,074) | - | (101,269) |
| At 30 June 2020 | (82,195) | (19,074) | - | (101,269) |
| **Net book value** | | | | |
| At 1 July 2019 | - | - | - | - |
| At 30 June 2020 | 92,999 | 49,121 | - | 142,120 |

The Company leases its corporate office at 6 Altona Street West Perth. The lease expired on 23 July 2021. The lease has been renewed for a further 2 years. This lease is recognised in accordance with the new AASB 16: *Leases* which the Company adopted on 1 July 2019. Refer to note 17 for further details.

## 12. INTANGIBLE ASSETS

### Accounting policy

Licences acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straightline method over 15 years, which is the estimated useful lives and periods of contractual rights.

| | 30 June 2021 | 30 June 2020 |
|---|---|---|
| Intangible assets – Technology licence | $ | $ |
| Carrying amount at beginning of year | 157,886 | 171,219 |
| Amortisation | (13,333) | (13,333) |
| **Carrying amount at end of year** | **144,553** | **157,886** |

Gindalbie executed licence agreements for the use of mineral processing technology in 2017. This licence provides the Company with the right to use the technology on new projects that may be identified during ongoing business development and strategy work.

The license was novated to Coda as part of a common-control transaction whereby the capitalised amounts in Gindalbie's books were transferred at the net book value to its 100% owned subsidiary Coda.

## 13. EXPLORATION AND EVALUATION ASSETS

### Accounting policy

Expenditure on exploration and evaluation is accounted for in accordance with the 'area of interest' method and with AASB 6 *Exploration for and Evaluation of Mineral Resources*, which is the Australian equivalent of IFRS 6.

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

For each area of interest, expenditure incurred in the acquisition of rights to explore is capitalised, classified as tangible or intangible, and recognised as an exploration and evaluation asset. Exploration and evaluation assets are measured at cost at recognition. Exploration and evaluation expenditure incurred by the Company subsequent to acquisition of the rights to explore is expensed as incurred, up until the point at which a scoping study is completed, a pre-feasibility study entered into and the pre-feasibility study enters the stage where a case to proceed with preliminary engineering design work has been made by the Project Steering Committee or the Company's Board.

Exploration and evaluation assets are only recognised if the rights of tenure to the area of interest are current and either:

(i) the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or

(ii) activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from intangible assets to mining property and development assets within property, plant and equipment. 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.

| | 30 June 2021<br>$ | 30 June 2020<br>$ |
|---|---|---|
| Elizabeth Creek[1] | 1,416,359 | 1,416,359 |
| Cameron River[2] | 270,000 | - |
| **Total Exploration and Evaluation Assets** | **1,686,359** | **1,416,359** |
| | | |
| **Movement of Exploration and Evaluation Assets** | | |
| Carrying amount at beginning of year[1] | 1,416,359 | 1,416,359 |
| Additions[2] | 270,000 | - |
| **Carrying amount at end of year** | **1,686,359** | **1,416,359** |

Notes:

1 – In April 2017, Gindalbie Metals Ltd entered into a Farm-in and Joint Venture Agreement ("Agreement") with Terrace Mining Pty Ltd, a wholly owned subsidiary of Torrens Mining Limited. The Agreement provided Gindalbie the opportunity to earn up to 75% interest in the Elizabeth Creek Copper-Cobalt Project, located 135km north-west of Port Augusta in South Australia.

Following the receipt of approval by the Foreign Investment Review Board in August 2018, Gindalbie finalised a Novation Agreement with Terrace Mining Pty Ltd to novate the Mt Gunson Farm-in and Joint Venture Agreement to Coda. As a result of the novation, a common-control transaction took place whereby the capitalised amounts in Gindalbie were transferred at the net book value to its 100% owned subsidiary Coda.

**EXPLORATION AND EVALUATION ASSETS (continued)**

2 – In March 2021, Coda entered into a Farm-in and Joint Venture Agreement with Wilgus Investments Pty Ltd ("Wilgus"), giving Coda the right to acquire up to an 80% interest in the Cameron River Project near Mount Isa in Queensland. In June 2021, 250,000 shares fair valued at $90,000 and 500,000 performance rights fair valued at $180,000 were issued to Wilgus on completion of all conditions precedent associated with the Cameron River Farm In Agreement. This has been treated as an asset acquisition as it is an exploration stage project, and does not satisfy the definition of a business combination.

The key terms of the earn-in commitments under the Cameron River agreement were as follows:

Stage 1: Expenditure of $1 million on exploration activities within 2 years from execution to earn a 51% interest in the Project.

Stage 2: Expenditure of an additional $1 million on exploration activities within 1 year of earning the Stage 1 interest, to earn an additional 29% interest in the Project. Coda has the right to determine exploration activity conducted on the Project during the farm-in.

Exploration programs in each area of interest continue but have not reached a stage which permits a reasonable assessment of economically recoverable reserves. The recoverability of the carrying amounts of exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective area of interest.

## 14. IMPAIRMENT OF NON FINANCIAL ASSETS

### Accounting policy

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset of the Company that generates cash flows that are largely independent from other assets. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

At 30 June 2021 there were no internal or external indicators of impairment and as a result, no impairment testing was conducted.

## 15. TRADE AND OTHER PAYABLES

### Accounting policy

Trade and other payables are initially recognised at the value of the invoice received from a supplier and subsequently measured at amortised cost. They represent liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and generally paid within 60 days of recognition.

Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. The carrying amounts of trade and other payables are assumed to be the same as their fair values, due to their short-term nature.

| | **30 June 2021** | **30 June 2020** |
|---|---|---|
| | **$** | **$** |
| Trade creditors | 307,949 | 227,464 |
| Other creditors and accruals | 619,350 | 207,054 |
| **Trade and other payables** | **927,299** | **434,517** |

## 16. EMPLOYEE BENEFITS

### Accounting policy

A current liability is recognised for the amount expected to be paid to an employee for annual leave they are presently entitled to as a result of past service. The liability includes allowances for on-costs such as superannuation and payroll taxes, as well as any future salary and wage increases that the employee may reasonably be entitled to. The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service up to reporting date, plus related on costs.

*(i) Defined contribution superannuation funds*

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in profit or loss when they are owed.

*(ii) Other long-term employee benefits*

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus on-costs; that benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on AA credit-rated (Corporate bond rate) bonds that have maturity dates approximating the terms of the Company's obligations.

*(iii) Termination benefits*

Termination benefits are recognised as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date.

*(iv) Short-term benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

| | **30 June 2021** | **30 June 2020** |
|---|---|---|
| | **$** | **$** |
| **Current** | | |
| Employee benefits | 101,070 | 29,884 |
| **Total employee benefit provision** | **101,070** | **29,884** |

## 17. LEASE LIABILITY

### Accounting policy

The Company as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments.

The Company as a lessee will assess whether a contract is, or contains, a lease under AASB 16. A contract is,or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

If the contract is assessed to be, or contains, a lease, the Company will recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability.

Depreciation is based on the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability, offset by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases lease term of 12 months or less and leases for low-value assets. The Company will recognise the payments associated with these leases as an expense on a straight-line basis over the lease term.

#### (a) Lease liability

| | 30 June 2021 | 30 June 2020 |
|---|---|---|
| | $ | $ |
| Maturity analysis | | |
| Within one year | 98,268 | 95,858 |
| Later than one year and not later than three years | 91,786 | 8,002 |
| Less unearned interest | - | (4,206) |
| **Total lease liability** | **190,054** | **99,654** |

| | 30 June 2021 | 30 June 2020 |
|---|---|---|
| | $ | $ |
| Current | 98,268 | 91,652 |
| Non-current | 91,786 | 8,002 |
| **Total lease liability** | **190,054** | **99,654** |

#### (b) Amounts recognised in profit and loss

| | 30 June 2021 | 30 June 2020 |
|---|---|---|
| | $ | $ |
| Depreciation expense on right-of use assets (Note 11) | 87,895 | 82,195 |
| Interest expense on lease liabilities | 8,222 | 10,508 |

## 18. ISSUED CAPITAL

### Accounting policy

**Issued Capital**
Ordinary shares are classified as contributed equity. Costs directly attributable to the issue of new shares or options are shown in issued capital as a deduction from the proceeds.

| | Note | 30 June 2021 No. of Shares | 30 June 2021 $ | 30 June 2020 No. of Shares | 30 June 2020 $ |
|---|---|---|---|---|---|
| Balance at beginning of period | | 33,463,651 | 1,000 | 1,000 | 1,000 |
| Movements during the period: | | | | | |
| Issued on demerger from former parent entity(i) | | - | - | 33,462,651 | - |
| Issued under non-renounceable entitlement offer(ii) | | 10,117,162 | 1,011,716 | - | - |
| Issued under non-renouncement entitlement offer(ii) | | 13,603,037 | 1,360,304 | - | - |
| Issued under initial public offer(iii) | | 28,333,334 | 8,500,000 | - | - |
| Capital raising costs | | - | (966,825) | - | - |
| Issued under a Placement(iv) | | 12,000,000 | 14,400,000 | | |
| Placement costs | | - | (922,894) | | |
| Consideration Shares – Cameron River Farm-in | 13 | 250,000 | 90,000 | | |
| **Balance at end of period** | | **97,767,184** | **23,473,301** | **33,463,651** | **1,000** |

*Note:*

*(i) On 23 July 2019, the Company was demerged from its former parent entity pursuant to the implementation of the parent entity's shareholder and court approved demerger scheme. As a result of the demerger scheme;*
- *Coda received an $8.06 million capital injection from the former parent entity;*
- *the capital structure of Coda was restructured by way of an equal sub-division of shares such that Coda had 33,463,651 shares on issue;*
- *The former parent entity's shareholders received shares in Coda on the basis of 1 Coda share for every 45 shares held in the former parent entity at Record Date;*
- *Coda is no longer a subsidiary of the former parent entity.*

*(ii) Legally issued pursuant to the Prospectus dated 8 June 2020 to existing shareholders under a non-renounceable entitlement offer of one fully paid New Share for every Share held by eligible shareholders on Record Date at an issue price of $0.10 per New Share. There were no special terms or features attached to the shares on offer.*

*(iii) Legally issued pursuant to the IPO Prospectus dated 4 September 2020 and the Supplementary Prospectus dated 18 September 2020 of one fully paid New Share per successful applicant at $0.30 per share. There were no special terms or features attached to the shares on offer.*

*(iv) Legally issued on 28 June 2021 pursuant to the placement to sophisticated and institutional investors under Section 708A(5)e of the Corporations Act. There were no special terms or features attached to the shares on offer.*

*Terms and conditions*
Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders meetings. In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

## 19. RESERVES

**Nature and purpose of reserves**

### (a) Capital contribution reserve

The capital contribution reserve represents cash and asset contributions from the Company's former ultimate parent company made prior to the completion of the demerger on 23 July 2019.

| | 30 June 2021 | 30 June 2020 |
|---|---|---|
| | $ | $ |
| Reserve at beginning of year | 12,040,106 | 3,789,110 |
| Capital contributions during the year | - | 8,250,996 |
| **Capital contribution reserve at end of period** | **12,040,106** | **12,040,106** |

### (b) Share based payments reserve

The fair value of options, as at the grant date, granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period during which the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest, except where forfeiture is only due to share prices not achieving the threshold for vesting. The fair value of the performance rights consideration for the Cameron River Farm-in is recognised as an exploration and evaluation asset with a corresponding increase in equity at the date of the commencement of the Farm-in Agreement.

The share based payments reserve comprises the net value of employee options expensed over the vesting period as well as performance rights consideration for Cameron River Farm-in calculated at grant date using the Modified Binomial, Black-Scholes or Monte Carlo model, depending on whether they contain market performance conditions. For employee options with a future vesting period, the option value is brought to account progressively over the term of the vesting period.

| | 30 June 2021 | 30 June 2020 |
|---|---|---|
| | $ | $ |
| Reserve at beginning of year | - | - |
| Share based payments to Directors & Employees expensed during the year | 83,444 | - |
| Share based payments consideration capitalised – Cameron River Farm-in | 180,000 | - |
| **Share based payments reserve at end of period** | **263,444** | **-** |

## 20. Other Assets

| | 30 June 2021 | 30 June 2020 |
|---|---|---|
| | $ | $ |
| Capital raising costs | - | 230,295 |
| **Other assets** | **-** | **230,295** |

The above capital raising costs relate to the Rights Issue (Prospectus dated 9 June 2020). As at 30 June 2020, these costs have been recorded as Other Assets, however, will be offset against cash proceeds from the Rights Issue when it completes.

## 21. CAPITAL AND OTHER COMMITMENTS

### (a) Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Company is required to perform minimum exploration work to meet the minimum expenditure requirements specified by the Government of South Australia. These requirements are subject to renegotiation when application for a mining lease is made and at other times.

As described in Note 13 Exploration and Evaluation Assets, the exploration expenditure commitments include the Elizabeth Creek Copper Cobalt Project.

Payable no later than one period:

| | 30 June 2021 | 30 June 2020 |
|---|---|---|
| | $ | $ |
| Annual fees – Elizabeth Creek (70%) | 11,611 | 17,152 |
| Annual Fees – Cameron River | 1,845 | - |
| Exploration | - | - |
| **Total commitments** | **13,456** | **17,152** |

Coda received an extension to the Elizabeth Creek Project Amalgamated Expenditure Arrangement on 22 July 2020 confirming the minimum exploration expenditure of $1.1 million required to be spent for a 24 month period ending 30 June 2022. This agreement applies to exploration licences 6265, 6141 and 6518 which combined are known as the Elizabeth Creek Project Exploration Licences. See note 13 for the terms of the Cameron River Joint Ventrue and Farm-In Agreement.

## 22. EARNINGS PER SHARE

The Company presents basic and diluted earnings per share ('EPS') data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

**Basic earnings per share**

The calculation of basic earnings per share at 30 June 2021 was based on the loss attributable to ordinary shareholders of $6,523,291 and a weighted average number of ordinary shares outstanding during the year ended 30 June 2021 of 75,076,122 calculated as follows:

| **Basic earnings per share** | **30 June 2021** | **30 June 2020** |
|---|---|---|
| | **$** | **$** |
| **Loss attributable to ordinary shareholders** | (6,523,291) | (3,937,764) |
| | **30 June 2021** | **30 June 2020** |
| **Weighted average number of ordinary shares** | **No. of shares** | **No. of shares** |
| Shares on issue at the beginning of the year / on incorporation | 33,463,651 | 1,000 |
| Effect of shares issued on exercise of share options | - | - |
| Weighted average number of ordinary shares at the end of the year | 75,076,122 | 33,463,651 |
| **Earnings / (loss) per share:** | | |
| Basic and diluted | (0.09) | (0.12) |

## 23. FINANCIAL INSTRUMENTS & FINANCIAL RISK MANAGEMENT

### Accounting policy

**Financial Instruments**
*Recognition and derecognition*
Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

**FINANCIAL INSTRUMENTS & FINANCIAL RISK MANAGEMENT (continued)**

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

*Classification and initial measurement of financial assets*

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss ("FVTPL")
- fair value through other comprehensive income ("FVOCI").

In the period presented in this financial report the Company does not have any financial assets categorised as FVOCI or FVTPL.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for expected credit losses of trade receivables which is presented in other expense.

***Financial Assets at Amortised Cost***
Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held under a business model whose objective it is "hold to collect and sell" the associated cash flows and sell; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade receivables and most other receivables fall into this category of financial instruments.

***Financial Assets at FVTPL***
Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of an entity's business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

***Financial Assets at FVTOCI***
The Company accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is "hold to collect and sell" the associated cash flows and sell; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income ("OCI") will be recycled upon derecognition of the asset.

*Impairment of financial assets*
The Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

**FINANCIAL INSTRUMENTS & FINANCIAL RISK MANAGEMENT (continued)**

*Trade and other receivables*
The Company makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical

experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

*Classification and measurement of financial liabilities*
The Company's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

All interest-related charges are recognised in profit or loss within finance costs, finance income or other financial items.

*Fair values versus carrying amounts*
The estimated fair value of financial instruments has been determined by the Company using available market information and appropriate valuation methods. The estimates presented are not necessarily indicative of the amounts that will ultimately be realized by the Company upon maturity or disposal. The use of different market assumptions and/or estimation methods may have a material effect on the estimated fair value amounts. For all financial assets and liabilities, the carrying value approximates fair value.

**Financial Risk Management Overview**
The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital including risks resulting from its investment in fair value accounted Investment. Further quantitative disclosures are included throughout the financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board is responsible for developing and monitoring risk management policies. The Board reviews its activities regularly.

Risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

**(a) Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash, cash equivalents and term deposits.

*Exposure to credit risk*
The carrying amount of the Company's financial assets represents the maximum credit exposure. Refer to Note 5 for the credit management process. The Company's maximum exposure to credit risk at the reporting date was:

| | **Note** | **30 June 2021** | **30 June 2020** |
|---|---|---|---|
| | | **$** | **$** |
| Cash and cash equivalents | 8 | 21,787,110 | 4,192,295 |
| Other receivables | | 103,477 | 68,052 |

**FINANCIAL INSTRUMENTS & FINANCIAL RISK MANAGEMENT (continued)**

The Company's cash and cash equivalents of $21,787,110 at 30 June 2021 represent its maximum credit exposure on these assets. The cash and cash equivalents are held with bank and financial institution counterparties, which are rated at between A2 and A1+ from Standard & Poor's and A from Moody's.

None of the Company's receivables are past due.

**(b) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the contractual maturities of the Company's financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

**Non-derivative financial liabilities**

| | **30 June 2021** | | **30 June 2020** | |
|---|---|---|---|---|
| | **Carrying amount** | **6 months or less** | **Carrying amount** | **6 months or less** |
| | **$** | **$** | **$** | **$** |
| Trade and other payables | 927,299 | 927,299 | 434,517 | 434,517 |

**(c) Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**(d) Interest rate risk**

*Exposure to interest rate risk*
The Company's exposure to interest rate risk at balance date was as follows, based on notional amounts:

| **Variable rate instruments** | **30 June 2021** | **30 June 2020** |
|---|---|---|
| | **$** | **$** |
| Cash and cash equivalents | 21,787,110 | 4,192,295 |
| | **21,787,110** | **4,192,295** |

At reporting date, the Company did not hold any instruments that exposed it to any material interest rate risk.

**(e) Capital management**

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company manages its capital to ensure it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of its capital structure.

Since the Company's demerger from Gindalbie, the Board's capital management policy remains unchanged.

The capital structure of the Company consists of issued capital, reserves and retained earnings as disclosed in Notes 18 and 19, respectively.

## 24. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of loss after income tax to net cash inflow from operating activities:

| | 30 June 2021<br>$ | 30 June 2020<br>$ |
|---|---|---|
| **Loss for the period after income tax** | (6,523,291) | (3,937,764) |
| **Adjustments for:** | | |
| Depreciation and amortisation | 122,134 | 114,603 |
| Employee option expense EOST | 83,445 | - |
| Net finance costs | (8,222) | (10,420) |
| **Operating loss before changes in working capital and provisions** | **(6,325,934)** | **(3,833,582)** |
| Decrease / (increase) in receivables | 129,893 | (104,318) |
| Decrease/(increase) in exploration license bonds | - | (55,000) |
| Decrease /(increase) in prepayments | (9,926) | (22,224) |
| Increase / (decrease) in trade and other payables | 624,833 | 163,731 |
| Increase / (decrease) in employee benefits | 31,076 | 29,884 |
| **Net cash (used in) operating activities** | **(5,550,058)** | **(3,821,508)** |

## 25. RELATED PARTIES DISCLOSURES

**Key management personnel (KMP) compensation**
The compensation paid to the Company's Key Management Personnel is shown below.

| | 30 June 2021<br>$ | 30 June 2020<br>$ |
|---|---|---|
| Employee salaries & directors' fees | (657,029) | (513,661) |
| Share based payment | (83,443) | - |
| Staff bonuses STIP | (114,712) | - |
| Annual leave movement | (9,406) | - |
| Post-employment benefits | (51,929) | (40,429) |
| Non-monetary benefits | (3,600) | - |
| **Total employee benefits expense** | **(920,119)** | **(554,090)** |

Detailed remuneration disclosures are provided in the remuneration report on page 7.

**Equity holdings and transactions**
The movement during the reporting period in the number of ordinary shares of Coda Minerals Limited held, directly, indirectly, or beneficially by each key management person, including their related parties is as follows:

| | Held at 1 July 2020 | Purchased or granted as compensation | Received on exercise of options | Sold or disposed of | Held at 30 June 2021 |
|---|---|---|---|---|---|
| **Directors** | | | | | |
| Mr K F Jones | 2,370,267 | 4,740,534(i) | - | - | 7,110,801 |
| Mr P D Hallam | 116,111 | 1,132,777 (i) | - | - | 1,248,888 |
| Mr A R Marshall | 20,873 | 208,420(i) | - | - | 229,293 |
| Mr C A Moorhead | - | 500,000(i) | - | - | 500,000 |
| **Executive Director** | | | | | |
| Mr C Stevens | 138,889 | 200,031(i) | - | - | 338,920 |

*Notes:*
*(i) 2/3 shares purchased under entitlement offer are subject to escrow. 4,498,928 are held in escrow until 28 October 2022*

**Options and rights over equity instruments**

As described on page 10, on 3 July 2020, the KMP were granted 6,000,000 options over ordinary shares of the Company. Each option exercisable at $0.2145 each expiring on 3rd July 2024 (subject to escrow until 28th October 2022.)

| Number of options as at 30 June 2021 | Held at 1 July 2020 | Purchased or granted as compensation | Expired during the period | Converted to shares | Held at 30 June 2021 |
|---|---|---|---|---|---|
| **Directors** | | | | | |
| Mr K F Jones | - | 2,000,000 | - | - | 2,000,000 |
| Mr P D Hallam | - | 666,667 | - | - | 666,667 |
| Mr A R Marshall | - | 666,666 | - | - | 666,666 |
| Mr C A Moorhead | - | 666,667 | - | - | 666,667 |
| **Executive Director** | | | | | |
| Mr C Stevens | - | 2,000,000 | - | - | 2,000,000 |

**Transactions with other related parties**

There have been no related party transactions during the reporting period.

**26. SHARE BASED PAYMENTS**

**Accounting policy**

The fair value of employee stock options is measured using an acknowledged valuation formula. Measurement inputs include share price on measurement date, exercise price of the option, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), expected life of the option, expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the option are not taken into account in determining fair value. Details in relation to the options granted during the period, including the valuation model applied are included below.

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period during which the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest, except where forfeiture is only due to share prices not achieving the threshold for vesting.

**Options over Ordinary Shares**

On 3 July 2020, the Company granted 6,000,000 options to key management personnel as part of the Employee Incentive Plan. The options issued were in the form of a Premium exercise price options "PEPO". The options carry an exercise price of $0.2145 per option and vesting conditions requiring continued service, and the Company's ASX listed share price achieving the following hurdle prices of $0.23, $0.27, and $0.30 for each third of options granted. The options may be exercised on or before 3 July 2024.

| Tranche | Number of Options | Expiry date | Exercise Price | Vesting Condition |
|---|---|---|---|---|
| **A** | 2,000,000 | 28 May 2024 | $0.2145 | Upon reaching a share price of $0.23 |
| **B** | 2,000,000 | 28 May 2024 | $0.2145 | Upon reaching a share price of $0.27 |
| **C** | 2,000,000 | 28 May 2024 | $0.2145 | Upon reaching a share price of $0.30 |

The options were valued using a Barrier Up and In Trinomial Option Pricing Model. The model takes into consideration that the options can vest at any time during the performance period, given the Company's share price meets or exceeds pre-determined barriers.

The following table provides a summary of terms under which the options were issued:

| Item | Tranche A | Tranche B | Tranche C |
|---|---|---|---|
| Value of underlying security | $0.10 | $0.10 | $0.10 |
| Exercise price | $0.2145 | $0.2145 | $0.2145 |
| Share price barrier | $0.230 | $0.270 | $0.300 |
| Valuation date | 28 May 2020 | 28 May 2020 | 28 May 2020 |
| Expiry date | 28 May 2024 | 28 May 2024 | 28 May 2024 |
| Expiration period (years) | 4.00 | 4.00 | 4.00 |
| Volatility | 100% | 100% | 100% |
| Risk-free interest rate | 0.405% | 0.405% | 0.405% |
| Number of options | 2,000,000 | 2,000,000 | 2,000,000 |
| Valuation per option | $0.056 | $0.056 | $0.056 |

All options have the following vesting conditions:
(a) share price to reach the barrier price at any time during the options life; and
(b) continuous employment is required (unless cessation of employment is due to redundancy or illness).

Should option holders resign, the Board may at its discretion waive the vesting condition relating to the requirement to remain a Director of the Company and allow the option holder to continue to hold the options following resignation.

The above options do not entitle the holder to participate in any potential share issue of the Company.

**Shares issued on exercise of options**

During the financial year, the Company has issued nil ordinary shares as a result of the exercise of options.

## 27. CONTINGENT ASSETS AND LIABILITIES

At the reporting date, the Company had no contingent assets or liabilities.

## 28. AUDITOR'S REMUNERATION

The auditor of Coda Resources Ltd is Deloitte Touche Tohmatsu.

| | 30 June 2021 | 30 June 2020 |
|---|---|---|
| | $ | $ |
| Audit and review of financial reports | 39,863 | 32,700 |
| Other assurance and agreed-upon procedures under other legislation or contractual arrangements | - | 16,000 |
| Other services - Tax consulting services | 14,777 | 18,879 |
| **Auditor's Remuneration** | **54,640** | **67,579** |

## 29. EVENTS SUBSEQUENT TO REPORTING DATE

Other than as set out elsewhere in this Annual Financial Report, no matters or circumstances have arisen since the end of the financial year.

**30. NEW AND AMENDED STANDARDS**

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2020. The adoption of these standards has not had a material impact on the Company's financial statements, and the Company has not had to make retrospective adjustments as a result of adopting these standards.

| Title | Key requirements | Effective date |
|---|---|---|
| AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business [AASB 3] | The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.<br>The amendments will likely result in more acquisitions being accounted for as asset acquisitions. | 1 January 2020 |
| AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material [AASB 101 and AASB 108] | The AASB has made amendments to AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors which use a consistent definition of materiality throughout International Financial Reporting Standards and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in AASB 101 about immaterial information.<br>In particular, the amendments clarify:<br>• that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and<br>• the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need. | 1 January 2020 |
| Revised Conceptual Framework for Financial Reporting AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework | The AASB has issued a revised Conceptual Framework which will initially only apply to for-profit private sector entities that have public accountability and are required by legislation to comply with Australian Accounting Standards (AAS), and to other for-profit entities that elect to apply it. Key changes include:<br>• increasing the prominence of stewardship in the objective of financial reporting<br>• reinstating prudence as a component of neutrality • defining a reporting entity, which may be a legal entity, or a portion of an entity<br>• revising the definitions of an asset and a liability • removing the probability threshold for recognition and adding guidance on derecognition<br>• adding guidance on different measurement basis, and<br>• stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.<br>While no changes have been made to any of the current accounting standards, entities that rely on the Framework in determining their accounting policies for transactions, events or conditions that | 1 January 2020 |

| | | |
|---|---|---|
| | are not otherwise dealt with under the accounting standards will need to apply the revised Framework from 1 January 2020 if they have public accountability and are required by legislation to comply with AAS. These entities will need to consider whether their accounting policies are still appropriate under the revised Framework.<br>The consequential changes made to other standards via AASB 2019-1 are designed to retain the previous Framework for the Preparation and Presentation of Financial Statements for entities that do not have yet to apply the revised Framework.<br>AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities extends the application of the framework to certain other for-profit private sector entities from 1 July 2021. | |
| AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet issued in Australia [AASB 1054] | The standard amends AASB 1054 by adding a new requirement for entities to disclose the potential impact of IFRSs that have not yet been issued by the AASB. This disclosure is necessary for entities that wish to state compliance with IFRS, but not required for entities reporting under tier 2 of the reduced disclosure regime.<br>The disclosure is an extension of the requirement in AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors to explain if there are any accounting standards and interpretations which are not yet applied but are expected to have a material effect on the entity in the current period and on foreseeable future transactions. It applies where there are any international standards or interpretations (or amendments thereof) that have not yet been endorsed by the AASB at the time of the completion of the entities' financial statements. | 1 January 2020 |

The following standards and interpretations have been issued but are not yet mandatory for annual reporting periods ending on 30 June 2021. The adoption of these standards is not expected to have a material impact on the financial statements.

| Title | Key requirements | Effective date |
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| AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments [AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 & AASB 141] | The following improvements and other amendments were made in June 2020:<br>• AASB 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities.<br>• AASB 16 Leases – amends the illustrative example 13 by removing the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.<br>• AASB 1 First-time Adoption of International Financial Reporting Standards – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same AASB 1 exemption.<br>• AASB 3 Business Combinations – updates the references to the Conceptual Framework for Financial Reporting and adds an exception for the recognition of liabilities and contingent liabilities within the scope of AASB 137 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date. | 1 January 2022 |

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| | • AASB 116 Property, Plant and Equipment (PP&E) – prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.<br>• AASB 137 – clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract. | |
| AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current [AASB 101]<br>AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date [AASB 101] | The narrow-scope amendments to AASB 101 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (eg the receipt of a waver or a breach of covenant). The amendments also clarify what AASB 101 means when it refers to the 'settlement' of a liability.<br>The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.<br>They must be applied retrospectively in accordance with the normal requirements in AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. | 1 January 2023 |