

# Coda Minerals Ltd.

ABN: 49 625 763 957

Directors' Report and  
Half Year Financial Report  
31 December 2020



# DIRECTORS' REPORT

## For the period ended 31 December 2020

The directors present their report together with the financial statements of Coda Minerals Ltd ('the Company' or 'Coda') for the half-year ended 31 December 2020 and the Auditor's Review Report thereon. In order to comply with the provisions of the Corporations Act 2001, the Directors' report as follows:

### 1. DIRECTORS

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

Name & Qualifications	Period of Directorship
Mr Keith F Jones BBus, FCA, FAICD Chairman	Director and Chairman since 26 April 2018
Mr Andrew Marshall I Eng(UK), MAICD Non-Executive Director	Director since 19 July 2019
Mr Colin Moorhead BSc (Hons), FAusIMM (CP), FSEG, GAICD Non-Executive Director	Director since 21 August 2019
Mr Paul Hallam BE(Hons)Mining, FAICD, FAusIMM Non-Executive Director	Director since 21 August 2019
Mr Christopher Stevens BA (Hons), MA (Oxon), MSc, GAICD, FAusIMM Chief Executive Officer and Executive Director	Director since 26 April 2018
Mr Li Zhiqi Bachelor Degree of Engineering in Materials Management Non-Executive Director	Appointed Director 22 May 2020 Resigned 25 August 2020
Mr Zhu Changjiang Bachelor of Mining Mechanical Engineering Non-Executive Director	Appointed Director 22 May 2020

### 2. PRINCIPAL ACTIVITIES

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

### 3. REVIEW OF OPERATIONS

#### Overview and strategy

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, including Emmie Bluff, Powerline, MG14 North and Hannibal. Secondly, it is now preparing to drill-test copper-gold IOCG targets including Elaine, Elizabeth North, Chianti and also Emmie Bluff Deeps, which were recently redefined through extensive geophysical work.

Key events for the half year ended 31 December 2020:

- Coda was officially admitted to the ASX on 26<sup>th</sup> 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 at an issue price of \$0.30 per share, which is funding an aggressive exploration campaign across the Elizabeth Creek project.
- Immediately following listing, Coda commenced exploration drilling at its flagship Emmie Bluff prospect, with 10 RC pre-collars and 7 diamond tails completed to the end of the half year.
- 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.

#### Investment in Coda

- 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

## DIRECTORS' REPORT

For the period ended 31 December 2020

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.

- The Company issued 10,117,162 shares on 9 July 2020 following completion of its Entitlement Offer, (Prospectus dated 8th June 2020). An additional 13,603,037 shares were issued on 6 August 2020 on completion of the shortfall allocation following the Entitlement Offer. The Entitlement Offer was a pro-rata non-renounceable entitlement offer of one New Share for every Share held by Eligible Shareholders at an issue price of \$0.10 per New Share. The funds raised were to further exploration and evaluation of the Elizabeth Creek Project, general working capital and to fund the costs of the Entitlement Offer.
- The Company issued 28,333,334 shares on 22 October 2020 following an offer to the public under Prospectus dated 8th June 2020 and Supplementary Prospectus dated 18 September 2020. Shares were issued at an issue price of \$0.30 per share raising a total of \$8,500,000. The funds raised will be used to further exploration and evaluation of the Elizabeth Creek Project, general working capital and to fund the costs associated with the initial public offer.

### Material business risks

The material business risks faced by Coda are considered below:

#### 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.

## 4. FINANCIAL POSITION

As at 31 December 2020, Coda had cash and cash equivalents of \$11,781,926 (30 June 20: \$4,192,295) and net current assets of \$13,220,130 (30 June 20: \$5,771,377).

For the half year period ending on 31 December 2020, Coda recorded a loss of \$2,497,886 (31 December 2019: \$1,720,669) and experienced net operating cash outflows of \$2,218,864 (31 December 2019: \$1,513,938).

## 5. 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.

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 over the next 12 months. Notwithstanding this, the Board may seek additional capital in the form of a further Equity Capital Raising if required in furtherance of Coda's business objectives, including to enable acceleration of the maturation of the Elizabeth Creek exploration program.

## 6. EVENTS SUBSEQUENT TO REPORTING DATE

Other than as set out below or elsewhere in this Half Year Financial Report, no matters or circumstances have arisen since the end of the financial year:

On 31 January 2021 the WA Government mandated a 5-day lockdown due to potential transmission of COVID-19 from hotel quarantine into the wider WA community. The lockdown and associated requirements had no impact on Coda's operations during the lockdown period. As at the date of this report all associated restrictions have been removed. Please refer to COVID-19 statement above for information regarding ongoing monitoring of COVID-19 impacts.

DIRECTORS' REPORT  
For the period ended 31 December 2020

**7. AUDITOR INDEPENDENCE**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 2.

Signed in accordance with a resolution of Directors at Perth, WA on 24 February 2021.

A handwritten signature in black ink, appearing to be 'K F Jones', written over a faint circular stamp or watermark.

K F Jones  
Director



Deloitte Touche Tohmatsu  
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The Board of Directors  
Coda Minerals Limited  
6 Altona Street  
West Perth WA 6005

24 February 2021

Dear Board Members

**Coda Minerals Limited**

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 Limited.

As lead audit partner for the review of the financial statements of Coda Minerals Limited for the half-year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

**DELOITTE TOUCHE TOHMATSU**

**David Newman**  
Partner  
Chartered Accountants



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

### *Conclusion*

We have reviewed the half-year financial report of Coda Minerals Limited (the "Company") which comprises the condensed statement of financial position as at 31 December 2020, and the condensed statement of profit and loss and other comprehensive income, the condensed statement of cash flows, and the condensed statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 6 to 20.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Company is not in accordance with the *Corporations Act 2001*, including:

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

### *Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (Including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 review report.

### *Directors' Responsibilities for the Half-year Financial Report*

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

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*Auditor's Responsibilities for the Review of the Half-year Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

A handwritten signature in blue ink that reads "Deloitte Touche Tohmatsu".

**DELOITTE TOUCHE TOHMATSU**

A handwritten signature in blue ink that reads "David Newman".

**David Newman**

Partner

Chartered Accountants

Perth, 24 February 2021

**DIRECTORS' DECLARATION**  
For the period ended 31 December 2020

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 31 December 2020 and of its performance, for the six month period ended on that date; and
  - (ii) complying with Australian Accounting Standards and the Corporations Act 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.

Dated at Perth this 24 day of February 2021.

Signed in accordance with a resolution of the directors.



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KF Jones  
Director



## Condensed Statement of Profit or Loss and Other Comprehensive Income

For the period ended 31 December 2020

Condensed statement of profit or loss and other comprehensive income	Note	31 December 2020 \$	31 December 2019 \$
Other income	4	37,500	-
Administration expenses	5(a)	(782,905)	(710,837)
Exploration & evaluation expenses	5(b)	(1,421,506)	(559,949)
Corporate finance expenses	5(c)	(271,248)	(396,855)
Other expenses	5(d)	(59,363)	(55,663)
<b>Results from operating activities</b>		<b>(2,535,022)</b>	<b>(1,723,304)</b>
Finance income	4	3,678	9,451
Finance expenses	5(e)	(4,042)	(6,816)
<b>Loss before income tax</b>		<b>(2,497,886)</b>	<b>(1,720,669)</b>
Income tax benefit / (expense)		-	-
<b>Loss for the period attributable to owners of the Company</b>		<b>(2,497,886)</b>	<b>(1,720,669)</b>
Other comprehensive income		-	-
<b>Total comprehensive (loss) for the period attributable to owners of the Company</b>		<b>(2,497,886)</b>	<b>(1,720,669)</b>

**Earnings per share**

Basic and diluted (loss) per share	12	(\$0.039)	(\$0.05)
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The condensed 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.

Coda Minerals Limited  
Condensed Statement of Financial Position  
as at 31 December 2020

Condensed statement of financial position		31 December 2020 \$	30 June 2020 \$
	Note		
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		11,781,926	4,192,295
Trade and other receivables		97,726	118,173
Prepayments		86,030	23,304
Other assets		-	230,295
<b>TOTAL CURRENT ASSETS</b>		<b>11,965,682</b>	<b>4,564,067</b>
<b>NON CURRENT ASSETS</b>			
Exploration licence bonds		55,000	55,000
Property, plant and equipment	6	141,962	142,120
Intangible assets	8	151,219	157,886
Exploration and evaluation assets	7	1,416,359	1,416,359
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,764,540</b>	<b>1,771,365</b>
<b>TOTAL ASSETS</b>		<b>13,730,222</b>	<b>6,335,433</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		420,544	434,517
Employee benefits		34,662	29,884
Lease liability	9	54,886	91,652
<b>TOTAL CURRENT LIABILITIES</b>		<b>510,092</b>	<b>556,053</b>
<b>NON CURRENT LIABILITIES</b>			
Lease liability	9	-	8,002
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>-</b>	<b>8,002</b>
<b>TOTAL LIABILITIES</b>		<b>510,092</b>	<b>564,056</b>
<b>NET ASSETS</b>		<b>13,220,130</b>	<b>5,771,377</b>
<b>EQUITY</b>			
Issued capital	10	9,906,195	1,000
Capital contribution reserve	11(a)	12,040,106	12,040,106
Share based payments reserve	11(b)	41,444	-
Accumulated losses		(8,767,615)	(6,269,729)
<b>TOTAL EQUITY</b>		<b>13,220,130</b>	<b>5,771,377</b>

The condensed 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 Limited  
Condensed Statement of Changes in Equity

For the period ended 31 December 2020

31 December 2020

Condensed statement of changes in equity	Issued capital	Capital contribution reserve	Share based payments reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$
<b>Opening balance at 1 July 2020</b>	<b>1,000</b>	<b>12,040,106</b>	-	<b>(6,269,729)</b>	<b>5,771,377</b>
Loss for the period	-	-	-	(2,497,886)	(2,497,886)
Total comprehensive loss for the period				(2,497,886)	(2,497,886)
Securities issued	10,872,020	-	-	-	10,872,020
Equity raising costs	(966,825)	-	-	-	(966,825)
Share-based payment expense	-	-	41,444	-	41,444
<b>Closing balance at 31 December 2020</b>	<b>9,906,195</b>	<b>12,040,106</b>	<b>41,444</b>	<b>(8,767,615)</b>	<b>13,220,130</b>

31 December 2019

Condensed statement of changes in equity	Issued capital	Capital contribution reserve	Share based payments reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$
<b>Opening balance at 1 July 2019</b>	<b>1,000</b>	<b>3,789,110</b>	-	<b>(2,331,965)</b>	<b>1,458,145</b>
Loss for the period	-	-	-	(1,720,669)	(1,720,669)
Total comprehensive loss for the period	-	-	-	(1,720,669)	(1,720,669)
Share-based payment expense	-	-	31,659	-	31,659
Capital contribution	-	8,250,996	-	-	8,250,996
<b>Closing balance at 31 December 2019</b>	<b>1,000</b>	<b>12,040,106</b>	<b>31,659</b>	<b>(4,052,634)</b>	<b>8,020,131</b>

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.

Coda Minerals Limited  
Condensed Statement of Cashflows

For the period ended 31 December 2020

Condensed statement of cash flows	Note	31 December 2020 \$	31 December 2019 \$
<b>Cash flows from operating activities</b>			
Proceeds from government cash flow boost	4	37,500	-
Payments for exploration and evaluation expenditure		(1,295,317)	(638,101)
Payments for administration, listing and other expenditure		(961,047)	(875,837)
<b>Net cash outflow from operating activities</b>		<b>(2,218,864)</b>	<b>(1,513,938)</b>
<b>Cash flows from investing activities</b>			
Interest received		3,678	9,451
Payments for property, plant & equipment		(52,539)	(2,136)
<b>Net cash outflow from investing activities</b>		<b>(48,861)</b>	<b>(7,315)</b>
<b>Cash flows from financing activities</b>			
Proceeds from the issue of shares		10,872,020	-
Payment associated with the issue of shares		(966,825)	-
Proceeds from contributions		-	8,190,707
Repayment of lease liabilities		(47,838)	(33,433)
<b>Net cash inflow from financing activities</b>		<b>9,957,357</b>	<b>8,157,274</b>
Net increase in cash and cash equivalents		7,589,632	6,650,651
Cash and cash equivalents at beginning of the period		4,192,295	17,542
<b>Cash and cash equivalents at the financial period end</b>		<b>11,781,927</b>	<b>6,668,193</b>

The condensed 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. CORPORATE INFORMATION

### Reporting entity

Coda Minerals Ltd (the 'Company' or 'Coda') is a company domiciled in Australia and listed on the Australian Securities Exchange "ASX" (ASX:COD). The condensed interim financial report of the Company as at and for the six months ended 31 December 2020 comprise the Company's results.

The annual financial report of the Company as at and for the year ended 30 June 2020 is available upon request from the Company's registered office at 6 Altona Street, West Perth WA or at [www.codaminerals.com](http://www.codaminerals.com)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Statement of Compliance

The condensed interim financial statements is a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with International Financing Reporting Standard IAS 34 *Interim Financial Reporting*.

The condensed interim financial statements do not include all the information required for a full annual report and should be read in conjunction with the annual financial report of the Company as at and for the year ended 30 June 2020.

The condensed interim financial statements were approved by the Board of Directors on 24 February 2021.

### Basis of preparation

The condensed financial statements have been prepared on the basis of 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.

### Use of estimates and judgements

The preparation of the condensed 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.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report for the period ended 30 June 2020.

### Accounting Policies

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2020 financial report for the period ended 30 June 2020 except where indicated below.

### Change from the annual financial statements

#### *Government responses to the impact of COVID-19*

During the half-year, the Company became eligible for certain government support in response to the coronavirus pandemic (Note 4). The Company's accounting policy for government assistance is explained below.

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

#### Adoption of new and revised Australian Accounting Standards

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

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

- AASB 2018-6 *Amendments to Australian Accounting Standards – Definition of a Business*
- AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material*
- AASB 2019-1 *Amendments to Australian Accounting Standards – References to the Conceptual Framework*
- AASB 2019-5 *Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia*
- AASB 2020-4 *Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions*.

In the current half-year, the Group has applied the below amendments to Australian Accounting Standards [and Interpretations] issued by the Australian Accounting Standards Board (the Board) that are effective for the Group's annual reporting period that began on 1 July 2020.

#### *Amendments to IFRS 3: Definition of a Business*

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the financial statements of the Company, but may impact future periods should the Company enter into any business combinations.

#### *Amendments to IAS 1 and IAS 8 Definition of Material*

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Company.

#### *Conceptual Framework for Financial Reporting issued on 29 March 2018*

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the financial statements of the Company.

#### *AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia*

This Standard makes amendments to AASB 1054 Additional Australian Disclosures by adding a disclosure requirement for an entity intending to comply with IFRS Standards to disclose the information specified in paragraphs 30 and 31 of AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors on the potential effect of an IFRS Standard that has not yet been issued by the AASB. This amendment had no impact on the financial statements of the Company.

#### *Amendments to IFRS 16 COVID-19 Related Rent Concessions*

On 28 May 2020, the IASB issued COVID-19-Related Rent Concessions - amendment to IFRS 16 Leases.

The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the financial statements of the Company.

The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

### 3. SEGMENT INFORMATION

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 one reportable segment being exploration activities in the Australasia geographical region: the Elizabeth Creek Copper Cobalt project. The Australasia segment includes the activities associated with the determination and assessment of the existence of commercial reserves, from the Company's mineral assets in this geographical region.

The following is an analysis of the Company's revenue and results by reportable operating segment for the half-years under review:

	Revenue Half year ended		Segment loss Half year ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	\$	\$	\$	\$
<b>Continuing operations</b>				
Elizabeth Creek	-	-	(1,421,506)	(559,948)
Total segment	-	-	(1,421,506)	(559,948)
Other income	37,500	-	37,500	-
Administration costs	-	-	(782,905)	(749,952)
Other corporate costs	-	-	(330,611)	(414,121)
Finance income	3,678	9,451	3,678	9,451
Finance costs	-	-	(4,042)	(1,136)
<b>Loss before tax</b>			(2,497,886)	(1,715,706)
Income tax expense			-	-
<b>Consolidated segment loss for the period</b>			<b>(2,497,886)</b>	<b>(1,715,706)</b>

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

	Segment assets Year ended		Segment liabilities Year ended	
	31 December 2020	30 June 2020	31 December 2020	30 June 2020
	\$	\$	\$	\$
<b>Segment assets and liabilities</b>				
Elizabeth Creek	1,622,578	1,629,245	353,532	68,984
Total segment	1,622,578	1,629,245	353,532	68,984
Unallocated assets and liabilities	12,107,644	4,726,188	156,559	495,072
<b>Consolidated assets and liabilities</b>	<b>13,730,222</b>	<b>6,335,433</b>	<b>510,092</b>	<b>564,056</b>

	31 December 2020 \$	31 December 2019 \$
<b>4. INCOME</b>		
<b>Finance income</b>		
Bank interest	3,678	9,451
<b>Other income</b>		
Government cash flow boost <sup>(i)</sup>	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. 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.

	31 December 2020 \$	31 December 2019 \$
<b>5. EXPENSES</b>		
<b>(a) Administration expenses</b>		
Audit fees	(13,900)	(10,000)
Corporate and consultant costs	(130,550)	(149,786)
Director Fees and employee benefits expense	(542,757)	(410,452)
Other administration costs	(95,698)	(140,600)
<b>Total administration expenses</b>	<b>(782,905)</b>	<b>(710,839)</b>
<b>(b) Exploration and evaluation expenses</b>		
Exploration and evaluation expenses	(1,421,506)	(559,948)
<b>(c) Corporate finance expenses</b>		
External advisors, consultants, brokers and legal expenses	(222,418)	(396,855)
Investor relations	(48,830)	-
<b>Total corporate finance expenses</b>	<b>(271,248)</b>	<b>(396,855)</b>
<b>(d) Other expenses</b>		
Amortisation & depreciation	(59,363)	(55,663)
<b>(e) Finance expenses</b>		
Lease interest expense (refer Note 9)	(4,042)	(5,680)
Other finance charges	-	(1,136)
<b>Total finance expenses</b>	<b>(4,042)</b>	<b>(6,816)</b>
<b>Total expenses</b>	<b>(2,539,064)</b>	<b>(1,730,120)</b>



## 6. PROPERTY, PLANT & EQUIPMENT

31 December 2020	Right of use asset (leased offices) \$	Equipment, fixtures and fittings \$	Project Equipment \$	Total \$
<b>Cost</b>				
At 1 July 2020	175,194	68,195	-	243,389
Additions	-	546	51,994	52,540
At 31 December 2020	175,194	68,741	51,994	295,929
<b>Accumulated depreciation</b>				
At 1 July 2020	(82,195)	(19,074)	-	(101,269)
Depreciation	(43,799)	(5,900)	(2,999)	(52,698)
At 31 December 2020	(125,994)	(24,974)	(2,999)	(153,967)
<b>Net book value</b>				
At 30 June 2020	92,999	49,121	-	142,120
At 31 December 2020	49,200	43,767	48,995	141,962

31 December 2019	Right of use asset (leased offices) \$	Equipment, fixtures and fittings \$	Project Equipment \$	Total \$
<b>Cost</b>				
At 1 July 2019	-	-	-	-
Additions	175,194	62,425	-	237,619
At 31 December 2019	175,194	62,645	-	237,619
<b>Accumulated depreciation</b>				
At 1 July 2019	-	-	-	-
Depreciation	(38,397)	(10,599)	-	(48,996)
At 31 December 2019	(38,397)	(10,599)	-	(48,996)
<b>Net book value</b>				
At 30 June 2019	-	-	-	-
At 31 December 2019	136,797	51,826	-	188,623

The Company leases its corporate office which will expire 23 July 2021. The lease has a one-year extension option.

## 7. EXPLORATION & EVALUATION ASSETS

	31 December 2019 \$	30 June 2020 \$
Carrying amount at beginning of period	1,416,359	1,416,359
Additions	-	-
<b>Carrying amount at end of period</b>	<b>1,416,359</b>	<b>1,416,359</b>

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.

## 8. INTANGIBLE ASSETS

	31 December 2020 \$	30 June 2020 \$
<b>Intangible assets – Technology licence</b>		
Carrying amount at beginning of period	157,886	171,219
Additions	-	-
Amortisation	(6,667)	(13,333)
<b>Carrying amount at end of period</b>	<b>151,219</b>	<b>157,886</b>

Coda has licence agreements for the use of mineral processing technology. 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.

## 9. LEASE LIABILITIES

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.

### Recognition exemption - Short-term leases and leases of low-value assets

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

	31 December 2020 \$	30 June 2020 \$
Maturity analysis		
Within one year	56,022	95,858
Later than one year and not later than three years	-	8,002
Less unearned interest	(1,136)	(4,206)
<b>Total lease liability</b>	<b>54,886</b>	<b>99,654</b>
Current	54,886	91,652
Non current	-	8,002
<b>Total lease liability</b>	<b>54,886</b>	<b>99,654</b>

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

	31 December 2020 \$	31 December 2019 \$
Depreciation expense on right-of-use assets	(6,667)	(38,397)
Interest expense on lease liabilities	(4,042)	(5,680)

**10. SHARE CAPITAL**

**Issued Capital**

	31 December 2020 No. of Shares	31 December 2020 \$	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 <sup>(i)</sup>	-	-	33,462,651	-
Issued under non-renounceable entitlement offer <sup>(ii)</sup>	10,117,162	1,011,716	-	-
Issued under non-renouncement entitlement offer <sup>(iii)</sup>	13,603,037	1,360,304	-	-
Issued under initial public offer <sup>(iii)</sup>	28,333,334	8,500,000	-	-
Capital raising costs	-	(966,825)	-	-
<b>Balance at end of period</b>	<b>85,517,184</b>	<b>9,906,195</b>	<b>33,463,651</b>	<b>1,000</b>

**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.

**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.

Changes to the Corporations Act abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the Company does not have a limited amount of authorised capital and issued shares do not have a par value.

**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.

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).

## 11. 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. Refer Note 10.

	31 December 2019 \$	30 June 2020 \$
Reserve at beginning of period	12,040,106	3,789,110
Capital contributions during the period	-	8,250,996
<b>Capital contribution reserve at end of period</b>	<b>12,040,106</b>	<b>12,040,106</b>

### (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 share based payments reserve comprises the net value of options expensed over the vesting period calculated at grant date using the Black-Scholes or Monte Carlo model, depending on whether they contain market performance conditions. For options with a future vesting period, the option value is brought to account progressively over the term of the vesting period.

	31 December 2020 \$	30 June 2020 \$
Reserve at beginning of period	-	-
Share based payments expensed during the period	41,444	-
<b>Share based payments reserve at end of period</b>	<b>41,444</b>	<b>-</b>

## 12. EARNINGS PER SHARE

### Basic earnings per share

The calculation of basic earnings per share at 31 December 2020 was based on the loss attributable to ordinary shareholders of \$2,497,886 and a weighted average number of ordinary shares outstanding during the six month period ended 31 December 2020 of 63,941,845 calculated as follows:

	31 December 2020 \$	31 December 2019 \$
<b>Basic earnings per share</b>		
Loss attributable to ordinary shareholders	(2,497,886)	(1,720,669)
Weighted average number of ordinary shares for the purpose of basic earnings per share <sup>(i)</sup>	63,941,845	33,463,651
<b>Earnings / (loss) per share:</b>		
Basic and diluted (loss) per share	(\$0.039)	(\$0.05)

Note:

- (i) The denominator for purposes of calculating both basic and diluted earnings per share has been adjusted for the issuance of shares as disclosed in Note 10.

## 13. RELATED PARTY DISCLOSURES

### Transactions with related parties

There have been no related party transactions during the reporting period to 31 December 2020.

### Key management personnel (KMP) compensation

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

### 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 31 December 2020
<b>Directors</b>					
Mr K F Jones	2,370,267	4,740,534 <sup>(i)</sup>	-	-	7,110,801
Mr P D Hallam	116,111	1,132,777 <sup>(i)</sup>	-	-	1,248,888
Mr A R Marshall	20,873	208,420 <sup>(i)</sup>	-	-	229,293
Mr C A Moorhead	-	500,000 <sup>(i)</sup>	-	-	500,000
<b>Executive Director</b>					
Mr C Stevens	138,889	200,031 <sup>(i)</sup>	-	-	338,920

Notes:

- (i) 4,498,928 are held in escrow until 28<sup>th</sup> October 2022

### Options and rights over equity instruments

As described in Note 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 3<sup>rd</sup> July 2024 (subject to escrow until 28<sup>th</sup> October 2022.)

Number of options as at 31 December 2020					
	Held at 1 July 2020	Purchased or granted as compensation	Expired during the period	Converted to shares	Held at 31 December 2020
<b>Directors</b>					
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
<b>Executive Director</b>					
Mr C Stevens	-	2,000,000	-	-	2,000,000

### 14. CONTINGENT ASSETS & LIABILITIES

At the reporting date, the Company has not identified any contingent assets or liabilities.

### 15. EVENTS SUBSEQUENT TO REPORTING DATE

Other than as set out below or elsewhere in this Half Year Financial Report, no matters or circumstances have arisen since the end of the financial year:

#### 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.

On 31 January 2021 the WA Government mandated a 5-day lockdown due to potential transmission of COVID-19 from hotel quarantine into the wider WA community. The lockdown and associated requirements had no impact on Coda's operations during the lockdown period. As at the date of this report all associated restrictions have been removed.

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.