Coda Minerals Ltd.

ABN: 49 625 763 957

2020
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 2020 and the Auditor's Report thereon. The prior year's financial report was the first financial report for the Company and accordingly it covers the period from 26 April 2018 (date of incorporation) up to the balance date of 30 June 2019. This Directors Report covers the period from 1 July 2019 up to the date of authorisation of this financial report.

1. 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 BBus, FCA, FAICD, FFin Non-Executive Chairman Appointed: 26 April 2018	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. 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 currently serves as the Chairman of Cannings Purple and Non-Executive Director of ASX listed Ora Banda Mining Limited. 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. 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 I Eng (UK), MAICD Non-Executive Director Independent Non-Executive Director Appointed: 19 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. 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. 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 BSc (Hons), FAusIMM (CP), FSEG, GAICD.Non-Executive Director Appointed: 21 August 2019	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. 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 33 years since 1987.

	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 Merdeka Copper Gold Tbk. Mr. Moorhead is Immediate Past President of The Australasian Institute of Mining and Metallurgy (AusIMM) and a former member of The JORC Committee. He is also a graduate of Harvard Business School Advanced Management Program (AMP183, 2012).
Mr Paul Hallam BE(Hons)Mining, FAICD, FAusIMM Non-Executive Director Appointed: 21 August 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. 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. 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 BA (Hons), MA (Oxon), MSc, GAICD Chief Executive Officer 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. 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. 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 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 Bachelor Degree of Engineering in Materials Management Non-Executive Director Appointed: 22 May 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. Mr Li is also a Director of Karara Mining Limited and of Ansteel Investment Company. He joined the Board of Coda as a Nominee of Ansteel Mining on 22 May 2020.
Mr Zhu Changjiang Bachelor of Mining Mechanical Engineering Non-Executive Director Appointed: 22 May 2020	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). He joined the Board of Coda as a Nominee of Ansteel Mining on 22 May 2020.
Ms Rebecca Moylan BBus, CPA, Grad Dip Applied Finance (FINSIA), GAICD Appointed: 26 April 2018 Resigned: 23 July 2019	Director from incorporation until 19 July 2019. Ms Moylan was the CFO and Company Secretary for Gindalbie Metals Limited and has extensive corporate experience working with listed and unlisted companies in various industries.

2. COMPANY SECRETARIES

The Company's company secretary is Telma Southgate (also the Company's chief financial officer). Mrs Southgate was appointed on 3 February 2020.

Telma Southgate, BCom, CA Chief Financial Officer & Company Secretary Appointed: 3 February 2020	Mrs Southgate is a Chartered Accountant with 20 years of Corporate and Big 4 Professional Services experience in Perth, Sydney and London across a range of industries. Prior to joining Coda, she was the General Manager of Finance at Optus Stadium in Perth responsible for the Finance and Corporate Services functions and was part of the Executive Team. She was also part of the opening team that established the Stadium's operations and was instrumental in developing the finance function and stakeholder management. Prior to this, she was the State Commercial Manager for Stockland (an ASX 50 listed company and one of Australia's largest diversified property groups) and a Director at PwC and Deloitte Transaction Services focusing on mining clients and public transactions.
Alex Neuling, BSc, FCA (ICAEW), FCIS Co-Company Secretary Appointed: 19 July 2019 Resigned: 31 March 2020	Served as Co-Company Secretary from 19 July 2019 until his resignation in March 2020.
Finian Koong, BCom, CA Chief Financial Officer & Co-Company Secretary Appointed: 1 August 2019 Resigned: 17 February 2020	Served as Co-Company Secretary from 1 August 2019 until his resignation in February 2020.
Ms Rebecca Moylan BBus, CPA, Grad Dip Applied Finance (FINSIA), GAICD Chief Financial Officer & Company Secretary Appointed: 26 July 2018 Resigned: 19 July 2019	Served as Company Secretary from the date of incorporation until her resignation in July 2019.

3. 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 (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.

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 as the Company has been focussing on the final stage of the Seismic Study which has not required fieldwork or interstate travel. The Company's COVID-19 management plan has been established to address the ongoing potential future impact.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 23 July 2019, the Company was demerged from its former holding company, Gindalbie Metals Limited ('Gindalbie') pursuant to the implementation of the Gindalbie shareholder and court approved demerger scheme. As a result of the demerger scheme;

- Coda received an $8.06 million capital injection from Gindalbie;
- the capital structure of Coda was restructured by way of an equal sub-division of shares such that Coda now has 33,463,651 shares on issue;
- Gindalbie shareholders received shares in Coda on the basis of 1 Coda share for every 45 Gindalbie shares held at Record Date;
- Coda is no longer a subsidiary of Gindalbie;

3. PRINCIPAL ACTIVITIES (continued)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS (continued)

- relevant assets and leases were novated to Gindalbie;
- Coda employed staff including former employees and Key Management Personnel ('KMP') of Gindalbie. Gindalbie settled all employee benefits liabilities at demerger in respect of these former employees and KMP.
- Coda ceased to be a member of the Gindalbie Metals Limited tax consolidated group and therefore ceased to be party to the tax funding arrangement and tax sharing agreements. Accordingly, all tax losses incurred by Coda up to the date of demerger remain with Gindalbie, and all tax gains or losses incurred by Coda from the date of demerger will remain with Coda.

4. RESULTS OF OPERATIONS

The net loss for the year ended 30 June 2020 was $3,937,764 (net loss for the period ended 30 June 2019 was $2,331,965). As at the reporting date, the Company has $4,192,295 of cash reserves.

5. 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

6. 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

7. 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	9	9	1	1	3	3
A. Marshall	9	9	1	1	3	3
C. Moorhead	7	7	1	1	-	-
P. Hallam	7	7	1	1	3	3
C. Stevens	9	9	-	-	-	-
Z. Li	3	3	-	-	-	-
C. Zhu	3	3	-	-	-	-
R. Moylan	1	-	-	-	-	-

8. CORPORATE STRATEGY & LIKELY DEVELOPMENTS

The Company's primary short term focus will be on exploration and development opportunities on its Elizabeth Creek Copper Cobalt Project and to pursue an Initial Public Offering on the ASX.

9. EVENTS SUBSEQUENT TO REPORTING DATE

The Company issued 10,117,162 new shares on 9th July 2020 following completion of its Rights Issue, (Prospectus dated 8th June 2020). An additional 12,262,790 shares are expected to be issued on completion of the Shortfall allocation following the Rights Issue. The Rights Issue 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 will be used to further exploration and evaluation of the Elizabeth Creek Project, general working capital and to fund the costs of the Rights Issue.

On 3 July 2020, the Company granted 6,000,000 options to key management personnel as part of the Employee Incentive Plan. Refer below to Note 11 for further details on these options.

10. 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.

11. SHARE OPTIONS

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	$0.23	Upon reaching a share price of $0.23
B	2,000,000	28 May 2024	$0.27	Upon reaching a share price of $0.27
C	2,000,000	28 May 2024	$0.30	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.

12. LEAD AUDITOR'S INDEPENDENCE DECLARATION & NON-AUDIT SERVICES

The Lead Auditor's Independence Declaration is set out on Page 6 and forms part of the Directors' Report for the year ended 30 June 2020.

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 2020	30 June 2019
Auditors of the Company – *Deloitte Touche Tohmatsu*	$	$
Audit and review of financial reports	32,700	9,500
Other assurance and agreed-upon procedures under other legislation or contractual arrangements	16,000	-
Other services - Tax consulting services	18,879	-
Auditor's Remuneration	**67,579**	**9,500**

13. INDEMNIFICATION AND INSURANCE - OFFICER OR AUDITOR

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

The indemnification is subject to various specific exclusions and limitation.

The Company provided Directors and Officers' liability insurance during the year.

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

Signed in accordance with a resolution of Directors at Perth, WA on 6 August 2020.

K F Jones
Director

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

Board of Directors
Coda Minerals Limited
6 Altona street
West Perth, WA 6005

06 August 2020

Dear Directors

Auditor's Independence Declaration to 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 audit of the financial report of Coda Minerals Limited for the year ended 30 June 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 audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

DELOITTE TOUCHE TOHMATSU

David Newman
Partner
Chartered Accountants

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

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

Opinion

We have audited the financial report of Coda Minerals Limited (the "Entity") which comprises the statement of financial position as at 30 June 2020, 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 Entity is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Entity's financial position as at 30 June 2020 and of its financial performance for the year then ended; and

(ii) 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 Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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.

Other Information

The directors are responsible for the other information. The other information comprises the Entity's annual report the year then ended 30 June 2020 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 express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information 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, 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 Entity 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 Entity 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 Entity 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 Entity'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 Entity'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 Entity 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.

Deloitte.

- Obtain sufficient appropriate audit evidence regarding the financial information of the Entity or business activities within the Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Entity's audit. We remain solely responsible for our audit opinion.

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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

David Newman
Partner
Chartered Accountants
Perth, 06 August 2020

DIRECTORS' DECLARATION
For the year ended 30 June 2020

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 2020 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 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2020.

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 6th day of August 2020.

Signed in accordance with a resolution of the directors.

KF Jones
Director

CODA MINERALS LTD
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 30 June 2020

	Note	1 July 2019 to 30 June 2020 $	26 April 2018 to 30 June 2019 $
Other income		-	-
Administration expenses	7 (a)	(1,297,800)	(18,860)
Exploration & evaluation expenses	7 (b)	(1,650,269)	(2,301,409)
Corporate finance expenses	7 (c)	(885,512)	-
Other expenses	7 (d)	(114,603)	(11,638)
Results from operating activities		**(3,948,184)**	**(2,331,907)**
Finance income	7 (e)	20,928	(58)
Finance expenses	7 (f)	(10,508)	-
Loss before income tax		**(3,937,764)**	**(2,331,965)**
Income tax benefit / (expense)	9	-	-
Loss for the period attributable to owners of the Company		**(3,937,764)**	**(2,331,965)**
Other comprehensive income		-	-
Total comprehensive (loss) for the period attributable to owners of the Company		**(3,937,764)**	**(2,331,965)**
Earnings per share			
Basic and diluted (loss) per share	24	(0.12)	(2,331.96)

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.

CODA MINERALS LTD
STATEMENT OF FINANCIAL POSITION
As at 30 June 2020

	Note	30 June 2020 $	30 June 2019 $
CURRENT ASSETS			
Cash and cash equivalents	11	4,192,295	17,542
Trade and other receivables	12	118,173	13,855
Prepayments		23,304	1,080
Other assets	13	230,295	-
TOTAL CURRENT ASSETS		**4,564,067**	**32,477**
NON-CURRENT ASSETS			
Exploration licence bonds		55,000	-
Property, plant and equipment	14	142,120	-
Intangible assets	16	157,886	171,219
Exploration and evaluation assets	15	1,416,359	1,416,359
TOTAL NON-CURRENT ASSETS		**1,771,365**	**1,587,578**
TOTAL ASSETS		**6,335,433**	**1,620,055**
CURRENT LIABILITIES			
Trade and other payables	17	434,517	161,910
Employee benefits		29,884	-
Lease liabilities current	18	91,652	-
TOTAL CURRENT LIABILITIES		**556,053**	**161,910**
NON-CURRENT LIABILITIES			
Lease liabilities non-current	18	8,002	**-**
TOTAL NON-CURRENT LIABILITIES		**8,002**	**-**
TOTAL LIABILITIES		**564,056**	**161,910**
NET ASSETS		**5,771,377**	**1,458,145**
EQUITY			
Issued capital	20	1,000	1,000
Capital contribution reserve	21	12,040,106	3,789,110
Accumulated losses	19	(6,269,729)	(2,331,965)
TOTAL EQUITY		**5,771,377**	**1,458,145**

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 2020

	Issued capital $	Capital contribution reserve $	Accumulated losses $	Total $
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**

	Issued capital $	Capital contribution reserve $	Accumulated losses $	Total $
Period from 26 April 2018 to 30 June 2019				
Opening balance at 26 April 2018	-	-	-	-
Loss for the period			(2,331,965)	(2,331,965)
Total comprehensive loss for the period			(2,331,965)	(2,331,965)
Capital contribution	-	3,789,110	-	3,789,110
Share capital on incorporation	1,000	-	-	1,000
Closing balance at 30 June 2019	**1,000**	**3,789,110**	**(2,331,965)**	**1,458,145**

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	1 July 2019 to 30 June 2020	26 April 2018 to 30 June 2019 $
Cash flows from operating activities			
Payments for exploration and evaluation expenditure		(1,474,802)	(2,162,854)
Payments for administration, corporate finance activities and other expenditure		(2,346,706)	(10,498)
Net cash used in operating activities	**26**	**(3,821,508)**	**(2,173,352)**
Cash flows from investing activities			-
Interest received		20,928	
Payments for property, plant & equipment		(68,197)	-
Net cash used in investing activities		**(47,269)**	**-**
Cash flows from financing activities			
Proceeds from the issue of shares		-	1,000
Payments associated with the issue of shares		(121,418)	-
Proceeds from capital contribution		8,250,996	2,189,894
Repayment of lease liabilities		(86,048)	-
Net cash inflow from financing activities		**8,043,530**	**2,190,894**
Net increase in cash and cash equivalents		4,174,753	17,542
Cash and cash equivalents at beginning of the period		17,542	-
Cash and cash equivalents at the end of the period	**11**	**4,192,295**	**17,542**

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 2020 comprise the Company's results. The prior year's financial report was the first financial report for the Company and accordingly it covers the period from 26 April 2018 (date of incorporation) up to the balance date of 30 June 2019. 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 6 August 2020.

(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 2020, Coda had cash and cash equivalents of $4,192,295 and a net current asset position of $5,771,377 compared to 30 June 2019, when it had cash and cash equivalents of $17,542 and a net current asset deficiency of $129,433. For the year ended 30 June 2020, Coda recorded a loss of $3,937,764 and experienced operating cash outflows of $3,821,508. For the period ended 30 June 2019, Coda recorded a loss of $2,331,965 and experienced net operating cash outflows of $2,173,352.

A Rights Issue completed after 30 June 2020 is expected to raise a further $2,237,995 cash. At the date of this financial report, $1,396,716 has been received with the remaining $841,278 to be received on completion of the Rights Issue.

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 intends to seek additional capital in the form of a further Equity Capital Raising in furtherance of Coda's business objectives, including to enable acceleration of the maturation of the Elizabeth Creek exploration program.

(d) **Functional and presentation currency**

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

(e) **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 3 (l) – 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.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently in these financial statements.

(a) **Foreign currency**

Foreign currency transactions
Transactions in foreign currencies are translated to the respective functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Foreign currency differences arising on retranslation are recognised in profit or loss.

(b) 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 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 impairment of trade receivables which is presented as a bad debt 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Financial instruments (continued)

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.

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.

(c) **Property, plant and equipment**

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) **Property, plant and equipment (continued)**

(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.

(d) **Impairment**

Non-financial assets
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.

(e) **Employee benefits**

(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.

(v) Share-based payment transactions
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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) **Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(g) **Revenue**

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.

(h) **Finance income and expenses**

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

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.

(i) **Income Tax**

As of the date of the Demerger, 23 July 2019, Coda ceased to be a member of the Gindalbie Metals Limited tax consolidated group and party to the tax funding arrangement and tax sharing agreements.

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 tax expense (income), deferred tax liabilities and deferred tax assets arising from temporary differences of Coda are recognised using the 'stand alone taxpayer' approach whereby Coda measures its current and deferred taxes as if it continued to be a separately taxable entity in its own right. Deferred tax assets and deferred tax liabilities are measured by reference to the carrying amounts of the assets and liabilities in Coda's balance sheet and their tax values applying under tax consolidation.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) **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.

(k) **Exploration and evaluation**

Exploration and evaluation assets
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.

(l) Intangible assets

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.

(m) **Segment reporting**

Determination and presentation of operating segments
An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company’s other components. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and exploration expenditure.

As at 30 June 2020 the Company has one operating segment, being the Elizabeth Creek Copper Cobalt Project, located in South Australia.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) **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.

(o) **Common-control transactions**

A common-control transaction is a transfer of assets or an exchange of equity interest between entities under common control. During the prior reporting period, the Company has received a transfer of assets from Gindalbie, who at the time of the transactions, was the Company's ultimate parent entity. In a common-control transaction, the assets are derecognised by the transferring entity and then recognised by the receiving entity at their carrying amounts on the date of transfer. For further information on these transactions refer to notes 15 and 16.

(p) **Changes in significant accounting policies**

AASB 16 Leases

The Company has adopted AASB 16: Leases from 1 July 2019. AASB 16 introduced a single, on balance sheet accounting model for lessees. As a result, 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 changes in the Company's accounting policies are set out below:

Significant accounting policy
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.

Impact on transition
There was no impact on the financial statements from the application of this new standard as the Company did not have any leases as at the date of adoption, being 1 July 2019.

4. 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.

(i) Share-based payment transactions
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.

5. FINANCIAL RISK MANAGEMENT

(a) 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.

(b) 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.

(c) 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.

(d) 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.

5. FINANCIAL RISK MANAGEMENT (continued)

(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 19 and 20, respectively.

6. DEMERGER OF CODA

On 23 July 2019, the Company was demerged from Gindalbie Metals Limited ('Gindalbie') pursuant to the implementation of the Gindalbie shareholder and court approved demerger scheme. As a result of the demerger scheme, the following has occurred:

- Coda received an $8.06 million capital injection from Gindalbie in the form of cash and cash equivalents.
- The capital structure of Coda was restructured by way of an equal sub-division of shares such that Coda now has 33,463,651 shares on issue.
- Gindalbie shareholders received shares in Coda on the basis of 1 Coda share for every 45 Gindalbie shares held at Record Date.
- Coda has demerged from Gindalbie and is no longer a subsidiary of Gindalbie.
- Relevant assets and leases were novated from Gindalbie to Coda.
- Coda employed staff including former employees and Key Management Personnel ('KMP') of Gindalbie. Gindalbie settled all employee benefits liabilities at demerger in respect of these former employees and KMP.
- Subsequent to the demerger from Gindalbie, Coda contracted with staff and suppliers independently from Gindalbie.
- Coda ceased to be a member of the Gindalbie Metals Limited tax consolidated group and therefore also ceased to be a party to the tax funding arrangement and tax sharing agreements. Accordingly, all tax losses incurred by Coda up to the date of demerger remain with Gindalbie, and all tax gains or losses incurred by Coda from the date of demerger will remain with Coda.

Prior to the demerger on 23 July 2019, the Company in its own right:

- Did not have any employees. Personnel affiliated with the Company were employed and paid by the ultimate parent entity, Gindalbie;
- Coda did not have a complete corporate and administration support structure in place; and
- administration expenses and exploration & evaluation expenses were either:
    - incurred initially by Gindalbie and transferred to Coda; or
    - incurred directly by Coda and cash funded by Gindalbie.

7. EXPENSES

	1 July 2019 to 30 June 2020 $	26 April 2018 to 30 June 2019 $
(a) Administration expenses		
Audit fees	(32,700)	(9,500)
Corporate and consultant costs	(290,097)	(6,370)
Director fees, employee salary and on costs expenses	(794,144)	-
Other administration costs	(180,859)	(2,900)
Total administration expenses	(1,297,800)	(18,860)
(b) Exploration and evaluation expenses		
Exploration and evaluation expenses	(1,650,269)	(2,301,409)
(c) Corporate finance expenses (1)		
External advisors, consultants, brokers and legal expenses	(885,512)	-
(d) Other expenses		
Amortisation and depreciation	(114,603)	(11,638)
(e) Finance income		
Interest income	20,928	-
(f) Finance expenses		
Interest expense	(10,508)	(58)
	(3,937,764)	**(2,331,965)**

(1) Corporate finance expenses relate to advisor costs incurred in relation to corporate finance activities including the IPO process (which is ongoing), the completed Voluntary Share Sale Facility and the Rights Issue Capital Raise.

During the period ended 30 June 2019, the Company had no employees. Personnel affiliated with the Company were employed and paid by the ultimate parent entity, Gindalbie. Administration expenses and exploration & evaluation expenses were either incurred initially by Gindalbie and transferred to Coda or incurred directly by Coda.

8. EMPLOYEE BENEFITS EXPENSE

Employee benefits expenses are allocated to exploration and evaluation expenses or administration expenses based upon timewriting records.

	1 July 2019 to 30 June 2020 $	26 April 2018 to 30 June 2019 $
Employee salaries, directors' fees & on cost expenses	(880,700)	-
Post-employment benefits	(74,925)	-
Transfer to exploration & evaluation expenses	161,481	-
Total employee benefits expense	**(794,144)**	**-**

9. INCOME TAX

	1 July 2019 to 30 June 2020 $	26 April 2018 to 30 June 2019 $
Current tax expense		
Current period	-	-
Deferred tax expense		
Origination and reversal of temporary differences	53,151	2,850
Adjustments in relation to prior periods		
Benefit of tax losses and other deferred tax benefits not recognised	(53,151)	(2,850)
Total income tax expense / (benefit)	-	-
Numerical reconciliation between current tax expense/(benefit) and pre-tax net profit/(loss)		
Loss before tax	(3,937,764)	(2,331,965)
Income tax using the domestic corporation tax rate of 30%	(1,181,329)	(699,590)
Increase in income tax expense due to:		
Non-deductible expenses	10,680	-
Deferred income tax not recognised	1,170,649	699,590
Total income tax expense / (benefit)	-	-

The Company had estimated unrecouped tax losses of $1,870,239 at year end to be offset against future taxable income in the tax consolidated group. The Company was part of the tax consolidated group of Gindalbie until 23 July 2019 when the Company demerged from Gindalbie. All tax losses incurred by the Company up to the date of demerger, will remain with Gindalbie as the head entity of the tax consolidated group. Accordingly, no deferred tax asset for the Company has been recognised by the Company on the basis that it is not probable that there will be future taxable income available against which the tax losses can be utilised.

Tax losses incurred by the Company after the demerger from Gindalbie will remain with Coda as a stand-alone tax paying entity.

Tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets 30 June 2020 $	Liabilities 30 June 2020 $	Net 30 June 2020 $
Exploration asset	-	-	-
Intangible asset	-	-	-
Provisions	8,965		
Accrued expenditure	(62,116)		(62,116)
Tax loss	-	53,151	53,151
Tax (assets) / liabilities	**(53,151)**	**53,151**	**-**
Set off of tax	53,151	(53,151)	-
Net tax (assets) / liabilities	**-**	**-**	**-**

9. INCOME TAX (continued)

	Assets 30 June 2019 $	Liabilities 30 June 2019 $	Net 30 June 2019 $
Exploration asset	-	-	-
Intangible asset	-	-	-
Accrued expenditure	(2,850)		(2,850)
Tax loss	-	2,850	2,850
Tax (assets) / liabilities	**(2,850)**	**2,850**	**-**
Set off of tax	2,850	(2,850)	-
Net tax (assets) / liabilities	**-**	**-**	**-**

10. AUDITOR'S REMUNERATION

	30 June 2020	30 June 2019
Auditors of the Company – *Deloitte Touche Tohmatsu*	$	$
Audit and review of financial reports	32,700	9,500
Other assurance and agreed-upon procedures under other legislation or contractual arrangements	16,000	-
Other services - Tax consulting services	18,879	-
Auditor's Remuneration	**67,579**	**9,500**

11. CASH AND CASH EQUIVALENTS

	30 June 2020 $	30 June 2019 $
Bank balances	4,192,295	17,542
Cash and cash equivalents	**4,192,295**	**17,542**

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.

12. TRADE AND OTHER RECEIVABLES

	30 June 2020 $	30 June 2019 $
GST receivable from the ATO	50,121	13,855
Other receivables	68,052	-
Trade and other receivables	**118,173**	**13,855**

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

13. OTHER ASSETS

	30 June 2020	30 June 2019
	$	$
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.

14. PROPERTY, PLANT & EQUIPMENT

	Leased offices	Equipment, fixtures and fittings	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 expires on 23 July 2021, however, has a one-year extension option. This lease is recognised in accordance with the new AASB 16: Leases which the Company adopted on 1 July 2019. Refer to note 3 (q) for further details.

15. EXPLORATION AND EVALUATION ASSETS

	30 June 2020	30 June 2019
	$	$
Carrying amount at beginning of period	1,416,359	-
Additions upon common-control transaction	-	1,416,359
Carrying amount at end of period	**1,416,359**	**1,416,359**

In April 2017, Gindalbie 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 provides 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.

15. EXPLORATION AND EVALUATION ASSETS (continued)

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. Refer to note 6 for further details.

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.

16. INTANGIBLE ASSETS

	30 June 2020	30 June 2019
Intangible assets – Technology licence	$	$
Carrying amount at beginning of period	171,219	-
Additions	-	182,857
Amortisation	(13,333)	(11,638)
Carrying amount at end of period	**157,886**	**171,219**

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.

17. TRADE AND OTHER PAYABLES

	30 June 2020	30 June 2019
	$	$
Trade creditors	227,464	152,410
Other creditors and accruals	207,054	9,500
Trade and other payables	**434,517**	**161,910**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. The amounts are unsecured and are usually 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.

18. LEASE LIABILITY

(a) Lease liability

	30 June 2020	30 June 2019
	$	$
Maturity analysis		
Within one year	95,858	-
Later than one year and not later than three years	8,002	-
Less unearned interest	(4,206)	-
Total lease liability	**99,654**	**-**

18. LEASE LIABILITY (continued)

(a) Lease liability (continued)

	30 June 2020	30 June 2019
	$	$
Current	91,652	-
Non-current	8,002	-
Total lease liability	**99,654**	**-**

(b) Amounts recognised in profit and loss

	30 June 2020	30 June 2019
	$	$
Depreciation expense on right-of use assets (Note 14)	82,195	-
Interest expense on lease liabilities	10,508	-

19. ACCUMULATED LOSSES

	30 June 2020	30 June 2019
	$	$
Retained earnings at beginning of period	(2,331,965)	-
Net loss for the period attributable to members of the entity	(3,937,764)	(2,331,965)
Accumulated losses at end of period	**(6,269,729)**	**(2,331,965)**

20. SHARE CAPITAL

Issued Capital

	30 June 2020 No of Shares	30 June 2020 $	30 June 2019 No of Shares	30 June 2019 $
Ordinary shares				
Balance at beginning of period	1,000	1,000	-	-
Movements during the period:				
Issued on incorporation			1,000	1,000
Issued on demerger from Gindalbie	33,462,651	-	-	-
Balance at end of period	**33,463,651**	**1,000**	**1,000**	**1,000**

On 23 July 2019, 33,463,651 shares were issued in Coda to Gindalbie shareholders as part of the demerger scheme. Refer to note 6 for further details.

20. SHARE CAPITAL (continued)

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.

21. RESERVES

Capital contribution reserve

The capital contribution reserve represents cash and asset contributions from Gindalbie, the Company's previous ultimate parent company during the financial year as part of the Demerger of Coda from Gindalbie. Refer to note 6 for further details on the Demerger of Coda.

	30 June 2020	30 June 2019
	$	$
Reserve at beginning of period	3,789,110	-
Capital contributions during the period	8,250,996	3,789,110
Capital contribution reserve at end of period	**12,040,106**	**3,789,110**

22. 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 15 Exploration and Evaluation Assets, the exploration expenditure commitments include the Elizabeth Creek Copper Cobalt Project.

Payable no later than one period:

	30 June 2020	30 June 2019
	$	$
Annual fees	17,152	19,189
Exploration	-	-
Total commitments	**17,152**	**19,189**

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 5636 which combined are known as the Elizabeth Creek Project Exploration Licences.

23. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share at 30 June 2020 was based on the loss attributable to ordinary shareholders of $3,937,764 and a weighted average number of ordinary shares outstanding during the year ended 30 June 2020 of 1,000 calculated as follows:

23. EARNINGS PER SHARE (continued)

Basic earnings per share (continued)

Basic earnings per share	**30 June 2020**	**30 June 2019**
	$	**$**
Loss attributable to ordinary shareholders	(3,937,764)	(2,331,965)

	30 June 2020	**30 June 2019**
Weighted average number of ordinary shares	**No. of shares**	**No. of shares**
Shares issued on incorporation	1,000	1,000
Effect of shares issued on exercise of share options	-	-
Weighted average number of ordinary shares at 30 June	33,463,651	1,000
Earnings / (loss) per share:		
Basic and diluted	(0.12)	($2,331.96)

24. FINANCIAL INSTRUMENTS

(a) Credit Risk

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 2020**	**30 June 2019**
		$	**$**
GST receivable	12	50,121	13,855
Cash and cash equivalents	11	4,192,295	17,542
Exploration licence bonds		55,000	-
Other receivables		68,052	-

The Company's cash and cash equivalents of $4,192,295 at 30 June 2020 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.

24. FINANCIAL INSTRUMENTS (continued)

(b) Liquidity risk

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 2020		30 June 2019	
	Carrying amount	6 months or less	Carrying amount	6 months or less
	$	$	$	$
Trade and other payables	434,517	434,517	161,910	161,910

(c) 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 2020	30 June 2019 $
Cash and cash equivalents	4,192,295	17,542
	4,192,295	**17,542**

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

(d) Fair values

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.

25. NOTES TO THE STATEMENT OF CASH FLOWS

	30 June 2020	30 June 2019
Reconciliation of cash flows from operating activities	$	$
Loss for the period after income tax	(3,937,764)	(2,331,965)
Adjustments for:		
Depreciation and amortisation	114,603	11,638
Capital raising costs	(108,876)	-
Net finance costs	(10,420)	-
Operating loss before changes in working capital and provisions	**(3,942,457)**	**(2,320,327)**
Decrease / (increase) in receivables	(159,318)	(13,855)
Decrease /(increase) in prepayments	(22,224)	(1,080)
Increase / (decrease) in trade and other payables	272,607	161,910
Increase / (decrease) in employee benefits	29,884	-
Net cash (used in) operating activities	**(3,821,508)**	**(2,173,352)**

25. NOTES TO THE STATEMENT OF CASH FLOWS (continued)

Non-Cash Transactions

During the period ended 30 June 2019, the novation of the following assets between Gindalbie and Coda resulted in non-cash financing and investing:

- Exploration & Evaluation asset: Elizabeth Creek Copper Cobalt Project	1,416,359
- Intangible Assets: Glycene license	182,857

26. RELATED PARTIES DISCLOSURES

Parent entities

The Company was controlled during the prior reporting period ended 30 June 2019 and until 23 July 2019 by the following entity:

Name	Type	Place of Incorporation	Ownership %
Gindalbie Metals Limited	Immediate and ultimate parent	Australia	100

Transactions with related parties

As disclosed in Notes 15 and 16, during the year, the Company's previous ultimate parent entity undertook common-control transactions. Refer to these notes for further information. Additionally, during the reporting period, Gindalbie transferred to the Company cash of $1,951,500. These amounts have been treated as a capital contribution.

Key Management Personnel compensation

The compensation paid to the Company's Key Management Personnel is shown below.

During the prior reporting period, the Company had no employees. All Key Management Personnel were paid and remunerated for services by Gindablie.

	1 July 2019 to 30 June 2020 $	26 April 2018 to 30 June 2019 $
Employee salaries, directors' fees & on cost expenses	(602,169)	-
Post-employment benefits	(49,991)	-
Transfer to exploration & evaluation expenses	-	-
Total employee benefits expense	**(652,160)**	**-**

27. CONTINGENT ASSETS AND LIABILITIES

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

28. EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to year end, the Company issued 10,117,162 new shares on 9th July 2020 following completion of its Rights Issue, (Prospectus dated 8th June 2020). An additional 12,262,790 shares are expected to be issued on completion of the Shortfall allocation following the Rights Issue. The Rights Issue 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 will be used to further exploration and evaluation of the Elizabeth Creek Project, general working capital and to fund the costs of the Rights Issue.

On 3 July 2020, the Company granted 6,000,000 options to key management personnel as part of the Employee Incentive Plan. Refer below to Note 11 of the Directors Report for further details on these options.

28. EVENTS SUBSEQUENT TO REPORTING DATE (continued)

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 as the Company has been focussing on the final stage of the Seismic Study which has not required fieldwork or interstate travel. 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.