

**CODA**  
MINERALS



Half-Year Financial Report  
December 2019



# DIRECTORS' REPORT

## For the period ended 31 December 2019

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 2019 and the Auditor's Review Report thereon. The Company was incorporated on 26 April 2018. The comparative period ended 31 December 2018 covers the period from incorporation up to 31 December 2018.

### 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, FFin Chairman	Director since 26 April 2018 Appointed Chairman 26 April 2018
Mr Andrew Marshall I Eng(UK), MAICD Non-Executive Director Non-Executive Director	Director since 19 July 2019
Mr Colin Moorhead BSc (Hons), FAusIMM (CP), FSEG, GAICD. Non-Executive 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 Chris Stevens BA (Hons), MA (Oxon), MSc, GAICD Chief Executive Officer	Director since 26 April 2018
Ms Rebecca Moylan BBus, CPA, Grad Dip Applied Finance (FINSIA), GAICD Director	Appointed as a Director effective 26 April 2018 Resigned 23 July 2019

### 2. PRINCIPAL ACTIVITIES

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

#### Key events for the half year ended 31 December 2019:

- July 2019: Coda was demerged from its former holding company, Gindalbie Metals Limited ('Gindalbie'), resulting in the Company with in excess of \$8 million in cash, interests in the Mt Gunson Copper-Cobalt Project and being free of the historical liabilities associated with Gindalbie.
- July 2019: Completion of detailed metallurgical testwork to refine the processing flowsheet for MG14 and Windabout mineralisation. MG14 and Windabout are copper-cobalt deposits within the Mt Gunson Copper-Cobalt Project.
- September 2019: Coda completed Stage 2 Earning Obligation under the Mt Gunson Farm-in and Joint Venture Agreement. This increases Coda's interest in the Mt Gunson Copper Cobalt Project from 25% to 51%. Under this agreement, Coda has a right to earn up to a 75% interest.

### 3. RESULT OF OPERATIONS

The net loss for the six-month period ended 31 December 2019 was \$1,720,669. As at the reporting date, the Company has \$6,668,193 of cash reserves, and net assets of \$8,020,131.

### 4. EVENTS SUBSEQUENT TO REPORTING DATE

There have been no events subsequent to reporting date which would have a material effect on the Company's financial statements at 31 December 2019.

### 5. 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 30 January 2020.



K F Jones  
Director

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

30 January 2020

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 2019, 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

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

We have reviewed the accompanying half-year financial report of Coda Minerals Limited which comprises the condensed statement of financial position as at 31 December 2019, and the condensed statement of profit or 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 5 to 17.

### *Directors' Responsibility for the Half-Year Financial Report*

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

### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 entity's financial position as at 31 December 2019 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*. As the auditor of Coda Minerals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

### *Auditor's Independence Declaration*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Coda Minerals Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

## Conclusion

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 Coda Minerals Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the entity's financial position as at 31 December 2019 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*.



**DELOITTE TOUCHE TOHMATSU**



**David Newman**

Partner

Chartered Accountants

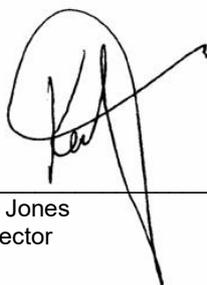
Perth, 30 January 2020

**DIRECTORS' DECLARATION**  
For the period ended 31 December 2019

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 31 December 2019 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 30th day of January 2020.

Signed in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to be 'KF Jones', written over a horizontal line. The signature is stylized and includes a long, sweeping stroke that extends to the right.

KF Jones  
Director

Coda Minerals Limited  
 Condensed Statement of Profit or Loss and Other Comprehensive Income  
 For the period ended 31 December 2019

	Note	Six months to 31 December 2019 \$	26 April 2018 to 31 December 2018 \$
Other income		-	-
Administration expenses	4(a)	(710,837)	(403)
Exploration & evaluation expenses	4(b)	(559,949)	(1,156,953)
Listing costs	4(c)	(396,855)	-
Other expenses	4(d)	(55,663)	(4,971)
<b>Results from operating activities</b>		<b>(1,723,304)</b>	<b>(1,162,327)</b>
Finance income	4(e)	9,451	-
Finance expenses	4(f)	(6,816)	(24)
<b>Loss before income tax</b>		<b>(1,720,669)</b>	<b>(1,162,351)</b>
Income tax benefit / (expense)		-	-
<b>Loss for the period attributable to owners of the Company</b>		<b>(1,720,669)</b>	<b>(1,162,351)</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive (loss) for the period attributable to owners of the Company</b>		<b>(1,720,669)</b>	<b>(1,162,351)</b>
<b>Earnings per share</b>			
Basic and diluted loss per share	10	(0.05)	(0.03)

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 2019

	Note	31 December 2019 \$	30 June 2019 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		6,668,193	17,542
Trade and other receivables		18,647	13,855
Prepayments		61,321	1,080
<b>TOTAL CURRENT ASSETS</b>		<b>6,748,161</b>	<b>32,477</b>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	6	188,623	-
Exploration and evaluation assets	7	1,416,359	1,416,359
Intangible asset	8	164,552	171,219
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,769,534</b>	<b>1,587,578</b>
<b>TOTAL ASSETS</b>		<b>8,517,695</b>	<b>1,620,055</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		333,046	161,910
Lease liability		86,875	-
Employee benefits		22,757	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>442,678</b>	<b>161,910</b>
<b>NON CURRENT LIABILITIES</b>			
Lease liability	9	54,886	-
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>54,886</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>497,564</b>	<b>161,910</b>
<b>NET ASSETS</b>		<b>8,020,131</b>	<b>1,458,145</b>
<b>EQUITY</b>			
Issued capital	10	1,000	1,000
Capital contribution reserve	11(a)	12,040,106	3,789,110
Share based payments reserve	11(b)	31,659	-
Accumulated losses		(4,052,634)	(2,331,965)
<b>TOTAL EQUITY</b>		<b>8,020,131</b>	<b>1,458,145</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 2019

	Issued capital \$	Capital contribution reserve \$	Share based payments reserve \$	Accumulated losses \$	Total \$
<b>Six months ended 31 December 2019</b>					
<b>Opening balance at 1 July 2019</b>	<b>1,000</b>	<b>3,789,110</b>	<b>-</b>	<b>(2,331,965)</b>	<b>1,458,145</b>
Loss for the period				(1,720,669)	(1,720,669)
Other comprehensive income for the period				-	-
<b>Total comprehensive loss for the period</b>				<b>(1,720,669)</b>	<b>(1,720,669)</b>
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>
<b>Period from 26 April 2018 to 31 December 2018</b>					
<b>Opening balance at 26 April 2018</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Loss for the period				(1,162,351)	(1,162,351)
Other comprehensive income for the period				-	-
<b>Total comprehensive loss for the period</b>				<b>(1,162,351)</b>	<b>(1,162,351)</b>
Capital contribution	-	2,447,629	-	-	2,447,629
Share capital on incorporation	1,000	-	-	-	1,000
<b>Closing balance at 31 December 2018</b>	<b>1,000</b>	<b>2,447,629</b>	<b>-</b>	<b>(1,162,351)</b>	<b>1,286,278</b>

The condensed 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 2019

	Six months to 31 December 2019 \$	26 April 2018 to 31 December 2018 \$
<b>Cash flows from operating activities</b>		
Payments for exploration and evaluation expenditure	(638,101)	(721,488)
Payments for administration, listing and other expenditure	(875,837)	(449)
Interest received	9,451	-
<b>Net cash outflow from operating activities</b>	<b>(1,504,487)</b>	<b>(721,937)</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant & equipment	(2,136)	-
<b>Net cash outflow from investing activities</b>	<b>(2,136)</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
Repayment of lease liabilities	(33,433)	-
Proceeds from the issue of shares	-	1,000
Proceeds from contributions	8,190,707	848,414
<b>Net cash inflow from financing activities</b>	<b>8,157,274</b>	<b>849,414</b>
Net increase in cash and cash equivalents	6,650,651	127,477
Cash and cash equivalents at beginning of the period	17,542	-
<b>Cash and cash equivalents at the financial period end</b>	<b>6,668,193</b>	<b>127,477</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. Reporting entity

Coda Minerals Ltd (the 'Company' or 'Coda') is a company domiciled in Australia. The condensed interim financial report of the Company as at and for the six months ended 31 December 2019 comprise the Company's results.

The annual financial report of the Company as at and for the year ended 30 June 2019 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. Basis of preparation

### (a) 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 2019.

The condensed interim financial statements were approved by the Board of Directors on 30 January 2020.

### (b) Basis of measurement

The condensed financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

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 2019 financial report for the period ended 30 June 2019, except for the accounting policy on leases described below which has changed as a result of the adoption of AASB 16 *Leases*.

### (c) Accounting policies

#### Share-based payment transactions

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.

#### Standards and Interpretations in use not yet adopted

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.

#### 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, will recognise 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 leases 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.

#### (d) 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 31 December 2019, Coda had cash and cash equivalents of \$6,668,193 and net current assets of \$6,305,483 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 six month period ending on 31 December 2019, Coda recorded a loss of \$1,720,669 and experienced net operating cash outflows of \$1,504,487. For the period ended 31 December 2018, Coda recorded a loss of \$1,162,351 and experienced net operating cash outflows of \$721,936.

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 Mt Gunson 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 Mt Gunson exploration program.

#### (e) 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 2019.

#### (f) Operating segments

The Company has one operating segment, being the Mt Gunson Copper Cobalt project.

### 3. 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.

Coda Minerals Limited  
Notes to the Condensed Financial Statements

For the period ended 31 December 2019

- 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.

Coda's statutory financial information for the comparative half year ended 31 December 2018 presents Coda's performance in compliance with statutory reporting obligations for that half year, as a result of the impact of the aforementioned demerger activities it does not provide a like for like comparator to the statutory financial information for the half year ended 31 December 2019.

#### 4. Expenses

	Six months to 31 December 2019 \$	26 April 2018 to 31 December 2018 \$
<b>(a) Administration expenses</b>		
Audit fees	(10,000)	-
Corporate and consultant costs	(149,786)	(403)
Administration employee benefits expense	(410,452)	-
Other administration costs	(140,600)	-
<b>Total administration expenses</b>	<b>(710,839)</b>	<b>(403)</b>
<b>(b) Exploration and evaluation expenses</b>		
Exploration and evaluation expenses	(559,948)	(1,156,953)
<b>(c) Listing costs</b>		
External advisors, consultants, brokers and legal expenses	(396,855)	-
<b>(d) Other expenses</b>		
Amortisation & depreciation	(55,663)	(4,971)
<b>(e) Finance income</b>		
Bank interest	9,451	-
<b>(f) Finance expenses</b>		
Lease interest expense (refer Note 9)	(5,680)	-
Other finance charges	(1,136)	(24)
<b>Total finance expenses</b>	<b>(6,816)</b>	<b>(24)</b>
<b>Total expenses</b>	<b>(1,720,669)</b>	<b>(1,162,351)</b>

Please refer to Note 3 for further information related to the demerger of Coda.

## 5. Employee benefits expense

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

	Six months to 31 December 2019 \$	26 April 2018 to 31 December 2018 \$
Employee salaries, directors' fees & on cost expense	(421,888)	-
Share based payment expense	(31,659)	-
Post employment benefits	(33,342)	-
<b>Total employee benefits expense</b>	<b>(486,889)</b>	<b>-</b>

## 6. Property, plant & equipment

	Leased offices	Equipment, fixtures and fittings	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 and evaluation assets

	31 December 2019 \$	30 June 2019 \$
Carrying amount at beginning of period	1,416,359	-
Additions upon common-control transaction (refer note 3)	-	1,416,359
<b>Carrying amount at end of period</b>	<b>1,416,359</b>	<b>1,416,359</b>

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 Mt Gunson Copper-Cobalt Project, located 135km north-west of Port Augusta in South Australia.

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

Exploration 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 2019 \$	30 June 2019 \$
<b>Intangible assets – Technology licence</b>		
Carrying amount at beginning of period	171,219	-
Additions		182,857
Amortisation	(6,667)	(11,638)
<b>Carrying amount at end of period</b>	<b>164,552</b>	<b>171,219</b>

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.

## 9. Lease liability

### (a) Lease liability

	31 December 2019	30 June 2019
Maturity analysis		
Within one year	94,773	-
Later than one year and not later than three years	56,022	-
Less unearned interest	(9,034)	-
<b>Total lease liability</b>	<b>141,761</b>	<b>-</b>
Current	86,875	-
Non current	54,886	-
<b>Total lease liability</b>	<b>141,761</b>	<b>-</b>

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

	31 December 2019	30 June 2019
Depreciation expense on right-of-use assets	38,397	-
Interest expense on lease liabilities	5,680	-

## 10. Share capital

### Issued Capital

	31 December 2019 No. of Shares	31 December 2019 \$	30 June 2019 No. of Shares	30 June 2019 \$
<b>Ordinary shares</b>				
Balance at beginning of period	-	-	-	-
Movements during the period:				
Issued on incorporation	1,000	1,000	1,000	1,000
Issued on demerger from Gindalbie (refer Note 3)	33,462,651	-	-	-
<b>Balance at end of period</b>	<b>33,463,651</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>

Coda Minerals Limited  
Notes to the Condensed Financial Statements

For the period ended 31 December 2019

On 19 July 2019, the Company approved the issuance of 6,000,000 options to key management personnel ('KMP'). The options have an exercise price of \$0.30 per share, and a maximum vesting period of 3 years from the grant date with vesting prices of \$0.35, \$0.40 and \$0.45 for every one-third of options granted. On 4 December 2019, the Board delegated to the CEO the execution of the option scheme with the ability to amend the structure of the scheme with the condition that there is no material variation to the key financial terms or conditions. This enables the Company to execute the issuance of options that cater for changing market conditions leading up to the planned listing on the ASX. The scope of amendments to the structure of the scheme available to the CEO are the number of options, exercise price and vesting prices with the key conditions that the valuation of the options and the maximum vesting period remain materially consistent with the 19 July 2019 approval.

*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.

## 11. Reserves

### (a) Capital contribution reserve

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

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

### (b) Share based payments reserve

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 2019 \$	30 June 2019 \$
Reserve at beginning of period	-	-
Share based payments expensed during the period	31,659	-
<b>Share based payments reserve at end of period</b>	<b>31,659</b>	<b>-</b>

## 12. Earnings per share

### Basic earnings per share

The calculation of basic earnings per share at 31 December 2019 was based on the loss attributable to ordinary shareholders of \$1,715,706 and a weighted average number of ordinary shares outstanding during the six month period ended 31 December 2019 of 29,280,820 calculated as follows:

	2019	2018
<b>Basic earnings per share</b>		
Loss attributable to ordinary shareholders	(1,720,669)	(1,162,351)

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Weighted average number of ordinary shares for the purpose of basic earnings per share	33,463,651	33,463,651
Earnings / (loss) per share:		
Basic and diluted	(\$0.05)	(\$0.03) <sup>(1)</sup>

In July 2019, 6,000,000 options were granted to KMP. Refer to Note 10 for more information.

<sup>(1)</sup> The earnings per share for the period ended 31 December 2018 has been adjusted to reflect the weighted average number of ordinary shares as a result of the share split which occurred as part of the demerger. Please refer to Note 3 for further information related to the demerger of Coda.

### 13. Related party disclosures

#### Parent entities

On 23 July 2019, the Company was demerged from Gindalbie pursuant to the implementation of the scheme of arrangement following Gindalbie shareholder and court approvals.

In the periods reported up to 23 July 2019, the Company was controlled 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 Note 6 and 7, during the reporting period, the ultimate parent entity undertook common-control transactions. Refer to these notes for further information. Additionally, Gindalbie transferred to the Company cash of \$8,190,707 and \$848,414 for the periods ended 31 December 2019 and 31 December 2018 respectively. These transfers occurred prior to and up to the date of the Company's demerger from Gindalbie. These amounts have been treated as capital contributions.

#### Key management personnel (KMP) compensation

As described in Note 3 Demerger of Coda, the Company had no employees up to 23 July 2019. Prior to that date, all KMP were paid and remunerated for services by Gindalbie. After 23 July 2019, the Company employed staff including KMP.

#### 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:

Number of shares as at 31 December 2019						
	Held at 1 July 2019	Purchases or held at date of employment/demerger	Received on exercise of options	Sales	Less balance held upon resignation	Held at 31 December 2019
<b>Directors</b>						
Mr K F Jones	-	2,370,267	-	-	-	2,370,267
Mr P D Hallam	-	116,111	-	-	-	116,111
Mr A R Marshall	-	20,873	-	-	-	20,873
Mr C A Moorhead	-	-	-	-	-	-
<b>Executives</b>						
Mr C Stevens	-	138,888	-	-	-	138,888
Ms R Moylan	-	74,369	-	-	(74,369)	-
Mr F Koong	-	-	-	-	-	-

During the reporting period ended 31 December 2018, the KMP did not hold directly or indirectly any ordinary shares of the Company.

#### Options and rights over equity instruments

As described in Note 10, on 19 July 2019, the KMP were granted 6,000,000 options over ordinary shares of the Company.

**14. Contingent assets and liabilities**

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

**15. Events subsequent to reporting date**

There have been no events subsequent to reporting date which would have a material effect on the Company's financial statements at 31 December 2019.