

# **Canterbury Resources Limited and Controlled Entities**

**ABN 59 152 189 369**

**Condensed consolidated financial report for the half-year ended 31 December 2022**

# Canterbury Resources Limited and Controlled Entities

ABN 59 152 189 369

31 December 2022

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# Canterbury Resources Limited and Controlled Entities

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## Directors' report 31 December 2022

The directors of Canterbury Resources Limited submit the half-year report of the consolidated entity ("the group") consisting of Canterbury Resources Limited ("the company") and the entities it controlled at the end of, or during the half-year ended 31 December 2022. The directors' report is as follows:

### Information about the directors

The names of the directors of the company in office since the beginning of the financial period and up to the date of this report are:

#### Name

John Ernest Douglas Anderson  
Grant Alan Craighead  
Ross Earle Moller  
Michael Matthew Erceg  
Robyn Watts

### Company secretary

Ms Veronique Morgan-Smith, Solicitor, and Mr Ross Earle Moller, Director held the position of co-company secretaries of Canterbury Resources Limited during the reporting period.

### Principal activity

The principal activity of the group is the participation in mineral exploration projects, with tenements currently held in Queensland and Papua New Guinea (PNG). The group primarily targets prospects with potential to host large scale copper and/or gold deposits.

There were no significant changes in the group's activities during the period.

### Review of operations

During the half year, the group continued to explore large-scale porphyry copper-gold prospects in Queensland and Papua New Guinea.

At the Briggs Copper Project in Queensland, a Mineral Resource of 142.8Mt at 0.29% copper has been outlined at Briggs Central. During the period, a 6-hole, ~3,000m core drilling program commenced testing large-scale Exploration Targets at the Northern Porphyry and Briggs Central areas. Initial drilling at the Northern Porphyry area has outlined very broad (>400m) intervals of low-medium grade copper mineralisation. The drilling program is continuing. Activity at Briggs is funded by Alma Metals (ASX: ALM) which has the right to earn up to 70% joint venture interest in the Project by sole-funding up to \$15.25 million of assessment activity.

In PNG, the group has active projects at Bismarck (40%), Ekuti Range (100%) and Wamum (100%).

The Bismarck Project on Manus Island is the subject of a Farm-In and Joint Venture with Rio Tinto Exploration (PNG) Limited which is earning a project interest by completing staged exploration programs. A major field program of surface sampling and mapping was completed around the Chiniwea, Dremsel and Tahi areas, targeting porphyry related mineralisation, alteration and veining. Data from this program is informing the design of potential drill targets. Visual observations from the program appear consistent with the presence of a significant porphyry-style copper-gold-molybdenum system.

At Ekuti Range, a soil sampling program was completed outlining extensions of the narrow, high-grade Otibanda and Waikanda Au-Cu lodes.

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## Directors' report 31 December 2022

### Review of operations (cont'd)

At the Wamum Project, Canterbury is assessing potential drill targets aimed at expanding its resources at the Idzan Creek (137.3Mt at 0.53g/t Au and 0.24% Cu) and Wamum Creek (141.5Mt at 0.18g/t Au and 0.31% Cu) deposits.

### Results of operations

The loss of the group after providing for income tax amounted to \$418,684 for the half-year ended 31 December 2022 (half-year ended 31 December 2021: loss of \$628,053).

### Changes in the state of affairs

Alma Metals Limited has exercised its option to commence an Earn-In joint venture at the Briggs, Mannersley and Fig Tree Hill project in central Queensland. Alma can earn up to 70% interest in the project through staged exploration and expenditure totalling \$15.25million.

On 30 September 2022, the group completed a Share Purchase Plan (SPP) at 0.04 cents per share raising \$433,000.

Other than as noted above, there were no other significant changes in the state of affairs of the group during the reporting period.

### Subsequent events

On 7 February 2023, the group raised \$400,000 via private placement of 10 million fully paid ordinary shares at \$0.04 per share, plus five million unlisted options with an exercise price of \$0.08 and an expiry date of 31 December 2025.

Other than as noted above, there has not arisen in the interval between the end of the half-year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the activities, or the state of affairs of the group in future financial years.

### Environmental regulation

The Manager-Exploration reports to the Board on all significant safety, health and environmental incidents. The Board also has a Risk Committee which has oversight of the safety, health and environmental performance of the group.

The activities of the group are subject to environmental regulation under the jurisdiction of the countries in which those activities are conducted, including Australia and Papua New Guinea. Each tenement is subject to environmental regulation as part of their granting. Each site is also required to manage their environmental obligations in accordance with group policies.

The group has internal reporting systems. Environmental incidents are reported and assessed according to their environmental consequence and environmental authorities are notified where required and remedial action is undertaken.

The Board believes that the group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of these environmental requirements as they apply to the group.

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## Directors' report 31 December 2022

### Dividends

In respect of the half-year ended 31 December 2022, no dividend was paid (half-year ended 31 December 2021: nil).

### Commitments for expenditure

To maintain the group's tenements in good standing with the relevant authorities, the group incurs exploration expenditure under the terms of each licence. The indicative minimum exploration expenditure requirement for FY23 is approximately \$2.2 million, of which approximately \$1.7 million is covered by our JV partners. This is a pro rata estimate, based on annualised licence terms, converted to AUD at current exchange rates.

### Climate change

The group's exploration activities are assessed as having relatively low energy intensity, producing low exposure to climate change risks related to the transition to a lower carbon economy.

Exploration activities may be carried out at sites that are vulnerable to physical climate impacts. Extreme weather events have the potential to damage infrastructure and disrupt or delay field activities. The group is adapting its site-specific operating plans to ensure that this risk factor is considered.

### Indemnification of Officers and Auditors

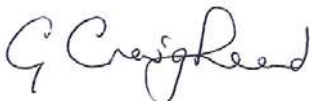
During the half-year, the company paid a premium in respect of a contract insuring the directors of the group, the group secretaries, and all executive officers of the group and of any related body corporate against a liability incurred as such by a director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium. The group has not otherwise, during or since the end of the half-year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the group or of any related body corporate against a liability incurred as such by an officer or auditor.

### Auditor's independence declaration

The auditor's independence declaration is included after this report.

This directors' report is signed in accordance with a resolution of directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the Directors



.....  
Grant Craighead  
Director

Dated: 15 March 2023

## Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Canterbury Resources Limited and Controlled Entities

To the directors of Canterbury Resources Limited

I declare that, to the best of my knowledge and belief during the half year ended 31 December 2022 there have been:

- i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

BDJ Partners

.....  
Greg Cliffe  
Partner

13 March 2023

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# Canterbury Resources Limited and Controlled Entities

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## Condensed consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2022

	Note	Half-year ended	
		31 Dec 2022	31 Dec 2021
		\$	\$
Revenue	4	26,941	-
Other income	4	136,664	197,317
Other losses		-	(55,776)
Administration expenses		(38,616)	(93,982)
Employee benefits expense		(291,151)	(346,263)
Corporate costs		(144,588)	(164,863)
Consultancy costs		(11,360)	(17,671)
Depreciation and amortisation expense		(13,225)	(14,384)
Insurance expense		(17,574)	(15,484)
Share based payment expense		(43,844)	(88,996)
Finance cost - interest expense		(890)	(1,457)
Other expenses		(21,041)	(26,494)
<b>Loss before tax</b>		<b>(418,684)</b>	<b>(628,053)</b>
Income tax expense		-	-
<b>Loss for the half-year</b>		<b>(418,684)</b>	<b>(628,053)</b>
Attributable to:			
Owners of the parent		(418,684)	(628,053)
<b>Other comprehensive income for the half-year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the half-year</b>		<b>(418,684)</b>	<b>(628,053)</b>
<b>Total comprehensive loss attributable to:</b>			
Owners of the parent		(418,684)	(628,053)
<b>Loss per share</b>			
<b>From continuing operations:</b>			
Basic (cents per share)	5	(0.33)	(0.53)
Diluted (cents per share)	5	(0.33)	(0.53)

The accompanying notes form part of these condensed consolidated financial statements.

# Canterbury Resources Limited and Controlled Entities

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## Condensed consolidated statement of financial position

As at 31 December 2022

	Note	31 Dec 2022	30 Jun 2022
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	256,532	362,795
Trade and other receivables	7	155,619	6,846
Other current assets	8	20,267	19,380
<b>Total current assets</b>		<u>432,418</u>	<u>389,021</u>
<b>Non-current assets</b>			
Property, plant and equipment	9	22,452	25,900
Right-of-use assets	10	22,812	32,589
Exploration and evaluation expenditure	11	10,951,913	10,933,112
Financial assets	12	83,808	83,808
Other non-current assets	8	11,942	11,942
<b>Total non-current assets</b>		<u>11,092,927</u>	<u>11,087,351</u>
<b>Total assets</b>		<u>11,525,345</u>	<u>11,476,372</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	13	132,392	125,828
Provisions	14	60,564	65,734
Lease liabilities	15	20,427	19,824
<b>Total current liabilities</b>		<u>213,383</u>	<u>211,386</u>
<b>Non-current liabilities</b>			
Provisions	14	23,387	19,325
Lease liabilities	15	3,525	13,891
<b>Total non-current liabilities</b>		<u>26,912</u>	<u>33,216</u>
<b>Total liabilities</b>		<u>240,295</u>	<u>244,602</u>
<b>Net assets</b>		<u>11,285,050</u>	<u>11,231,770</u>
<b>Equity</b>			
Issued capital	16	17,856,750	17,428,630
Reserves	17	190,562	146,718
Accumulated losses		<u>(6,762,262)</u>	<u>(6,343,578)</u>
<b>Total equity</b>		<u>11,285,050</u>	<u>11,231,770</u>

The accompanying notes form part of these condensed consolidated financial statements.



# Canterbury Resources Limited and Controlled Entities

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## Condensed consolidated statement of changes in equity For the half-year ended 31 December 2022

	Share capital \$	Reserves \$	Accumulated losses \$	Total equity \$
<b>Balance at 1 July 2021</b>	16,158,630	164,477	(4,655,066)	11,668,041
Loss for the period	-	-	(628,053)	(628,053)
Total comprehensive loss for the period	-	-	(628,053)	(628,053)
<i>Transactions with owners:</i>				
Contributions of equity, net of transaction costs	1,270,000	-	-	1,270,000
Options issued during the period	-	88,996	-	88,996
<b>Balance at 31 December 2021</b>	<b>17,428,630</b>	<b>253,473</b>	<b>(5,283,119)</b>	<b>12,398,984</b>
<b>Balance at 1 July 2022</b>	17,428,630	146,718	(6,343,578)	11,231,770
Loss for the period	-	-	(418,684)	(418,684)
Total comprehensive loss for the period	-	-	(418,684)	(418,684)
<i>Transactions with owners:</i>				
Contributions of equity, net of transaction costs	428,120	-	-	428,120
Options issued during the period	-	43,844	-	43,844
<b>Balance at 31 December 2022</b>	<b>17,856,750</b>	<b>190,562</b>	<b>(6,762,262)</b>	<b>11,285,050</b>

The accompanying notes form part of these condensed consolidated financial statements.

# Canterbury Resources Limited and Controlled Entities

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## Condensed consolidated statement of cash flows for the half-year ended 31 December 2022

	Note	Half-year ended	
		31 Dec 2022	31 Dec 2021
		\$	\$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(472,346)	(645,081)
Management fees received		26,941	-
Finance costs		(890)	(1,457)
Other receipts		39,867	165,565
		<u>(406,428)</u>	<u>(480,973)</u>
<b>Net cash used in operating activities</b>			
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		-	(7,260)
Payments for exploration expenditure		(118,192)	(304,036)
		<u>(118,192)</u>	<u>(311,296)</u>
<b>Net cash used in investing activities</b>			
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares (net of costs)		428,120	1,000,000
Repayment of lease liabilities		(9,763)	(9,196)
		<u>418,357</u>	<u>990,804</u>
<b>Net cash generated by financing activities</b>			
Net (decrease)/increase in cash and cash equivalents		(106,263)	198,535
Cash and cash equivalents at the beginning of the period		<u>362,795</u>	<u>545,568</u>
<b>Cash and cash equivalents at the end of the period</b>	6	<u>256,532</u>	<u>744,103</u>

The accompanying notes form part of these condensed consolidated financial statements.

# Canterbury Resources Limited and Controlled Entities

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## Notes to the condensed consolidated financial statements for the half-year ended 31 December 2022

### 1. General information

Canterbury Resources Limited (the “company”) is a public company incorporated in Australia.

The address of its registered office and principal place of business is as follows:

Suite 301  
55 Miller St  
Pymont NSW 2009

The principal activity of the group during the period was the exploration for minerals.

These condensed consolidated financial statements and notes represent Canterbury Resources Limited and controlled entities (“consolidated group” or “group”).

### 2. Significant accounting policies

#### (a) Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

The financial statements were authorised for issue by the directors on 15 March 2023.

#### Rounding off of amounts

The group is of the kind referred to in *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the half-year consolidated financial statements are rounded off to the nearest dollar unless otherwise indicated.

#### (b) Basis of preparation

The condensed consolidated half-year 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 consolidated half-year financial statements are consistent with those adopted and disclosed in the group's annual financial report for the financial year ended 30 June 2022. The accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

#### (c) Application of new and revised Accounting Standards

##### **Amendments to Accounting Standards that are mandatorily effective for the current reporting period**

The group has adopted all of the new and revised Standards and interpretations issued by the Australian Accounting Standards Board (“AASB”) that are relevant to its operations and effective for the current reporting period. There has been no material impact of these changes on the group's accounting policies.

# Canterbury Resources Limited and Controlled Entities

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## Notes to the condensed consolidated financial statements for the half-year ended 31 December 2022

### 2. Significant accounting policies (cont'd)

#### (c) Application of new and revised Accounting Standards (cont'd)

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

*AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments.*

*AASB 2021-7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections.*

#### Standards and Interpretations in issue not yet effective

At the date of authorisation of the financial statements, the Standards and Interpretations that were issued but not yet effective are listed below:

<b>Standard/Interpretation</b>	<b>Effective for annual reporting periods beginning on or after</b>	<b>Expected to be initially applied in the financial year ending</b>
<i>AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current and AASB 2020-6 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current - Deferral of Effective Date</i>	1 January 2023	31 December 2023
<i>AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates</i>	1 January 2023	31 December 2023
<i>AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023	31 December 2023

#### (d) Going concern

The consolidated net loss of the group, after tax was \$418,684 for the half-year ended 31 December 2022 (31 December 2021: loss of \$628,053), with cash outflows from operating activities of \$406,428 (31 December 2021: cash outflows of \$480,973); and a working capital surplus of \$219,035 (30 June 2022: \$177,635).

These consolidated financial statements for the half-year have been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The directors are aware of the fact that future development and administration activities are constrained by available cash assets and are confident the group will be able to raise funds as and when necessary to fund the short-term working capital and forecasted exploration requirements of the group.

The directors have reached the conclusion that based on all available facts and information currently available, there are reasonable grounds to believe that the group will be able to pay its debts as and when they become due and payable and is a going concern.

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## Notes to the condensed consolidated financial statements for the half-year ended 31 December 2022

### 2. Significant accounting policies (cont'd)

#### (d) Going concern (cont'd)

The group has a cash balance of \$580,000 at the date of signing the financial statements 15 March 2023, to meet its expenses over the next twelve months.

#### (e) Exploration and development expenditure

Exploration, evaluation and development expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area.

Costs of site restoration are provided for over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legalisation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

#### (f) Leases

##### The group as lessee

The group assesses whether a contract is or contains a lease, at inception of the contract. The group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the group uses its incremental borrowing rate.

# Canterbury Resources Limited and Controlled Entities

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## Notes to the condensed consolidated financial statements for the half-year ended 31 December 2022

### 2. Significant accounting policies (cont'd)

#### (f) Leases (cont'd)

##### The group as lessee (cont'd)

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The group applies AASB 136 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, plant and equipment' policy (as outlined in the financial report for the 30 June 2022 annual reporting period).

# Canterbury Resources Limited and Controlled Entities

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## Notes to the condensed consolidated financial statements for the half-year ended 31 December 2022

### 2. Significant accounting policies (cont'd)

#### (f) Leases (cont'd)

##### The group as lessee (cont'd)

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss.

As a practical expedient, AASB 16 *Leases* permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement.

The group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

#### (g) Share based payments

##### Employee share option plan

The group operates an employee share option plan for employees and contractors of the group. In accordance with the provisions of the plan, employees may be granted options to purchase parcels of ordinary shares at specified exercise prices. Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Each employee share option converts into one ordinary share of the group on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights.

Options may be exercised at any time from the date of vesting to the date of their expiry.

#### (h) Comparative figures

Prior year figures have been adjusted where appropriate to conform to changes in presentation for the current financial year and enhance comparability.

# Canterbury Resources Limited and Controlled Entities

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## Notes to the condensed consolidated financial statements for the half-year ended 31 December 2022

### 3. Critical accounting judgements and key sources of estimation uncertainty

In the application of group's accounting policies, which are described in Note 2, the directors of the group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the group's carrying amounts of assets and liabilities within the next financial year.

#### Capitalised exploration and development expenditure

Exploration, evaluation and development expenditures incurred are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area.

#### Useful lives of property, plant and equipment

The group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

#### Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences as it is probable that future taxable amounts will be available to utilise those temporary differences. Further, the group has determined that it is not probable that it will derive sufficient taxable income in the near future to recover the tax losses and as a result they have not been recognised as deferred tax assets in the 2022 half-year financial period.

#### Provision for rehabilitation

Costs of site restoration have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted for on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation.



# Canterbury Resources Limited and Controlled Entities

ABN 59 152 189 369

## Notes to the condensed consolidated financial statements for the half-year ended 31 December 2022

	Half-year ended	
	31 Dec 2022	31 Dec 2021
	\$	\$
<b>4. Revenue and other income</b>		
Management fees (i)	26,941	-
Expense recoveries	136,664	197,317
	<u>163,605</u>	<u>197,317</u>

(i) During the half-year ended 31 December 2022, the group received management fees from Rio Tinto (Exploration) Limited of \$13,447 and Alma Metals Limited of \$13,493 for managing projects in Papua New Guinea and Queensland.

### 5. Loss per share

#### Basic loss per share

From continuing operations (cents per share)	<u>(0.33)</u>	<u>(0.53)</u>
--	---------------	---------------

#### Diluted loss per share

From continuing operations (cents per share)	<u>(0.33)</u>	<u>(0.53)</u>
--	---------------	---------------

The loss and weighted average number of ordinary shares used in the calculation of basic and diluted loss per share are as follows:

Loss used in the calculation of basic and diluted loss per share	<u>(418,684)</u>	<u>(628,053)</u>
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	<u>128,640,607</u>	<u>118,413,466</u>

	Half-year ended	
	31 Dec 2022	30 Jun 2022
	\$	\$
<b>6. Cash and cash equivalents</b>		
<b>(a) Reconciliation of cash</b>		
Cash at bank	256,532	362,795
	<u>256,532</u>	<u>362,795</u>

### 7. Trade and other receivables

Trade receivables	128,801	-
Goods and Services Tax receivable	26,818	-
Other receivables	-	6,846
	<u>155,619</u>	<u>6,846</u>

There were no debtor balances that indicated the need to be provided for, for the half-year ended 31 December 2022 (2021: nil).

There are no expected credit losses (ECL) for receivables for the half-year ended 31 December 2022 (2021: nil).

# Canterbury Resources Limited and Controlled Entities

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## Notes to the condensed consolidated financial statements for the half-year ended 31 December 2022

	Half-year ended	
	31 Dec 2022	30 Jun 2022
	\$	\$
<b>8. Other assets</b>		
<b>Current</b>		
Prepayments	20,267	19,380
<b>Non-current</b>		
Security deposit	11,942	11,942

### 9. Property, plant and equipment

	Plant and equipment \$	Website development \$	Computer hardware \$	Motor vehicles \$	Total \$
<b>Half-year ended 31 December 2022</b>					
<b>Cost</b>					
Balance at 1 July 2022	4,700	15,000	12,922	30,560	63,182
Additions	-	-	-	-	-
<b>Balance at 31 December 2022</b>	<b>4,700</b>	<b>15,000</b>	<b>12,922</b>	<b>30,560</b>	<b>63,182</b>
<b>Accumulated depreciation</b>					
Balance at 1 July 2022	(2,832)	(10,963)	(6,141)	(17,346)	(37,282)
Depreciation expense	(161)	(505)	(1,130)	(1,652)	(3,448)
<b>Balance at 31 December 2022</b>	<b>(2,993)</b>	<b>(11,468)</b>	<b>(7,271)</b>	<b>(18,998)</b>	<b>(40,730)</b>
<b>Net book value 31 December 2022</b>	<b>1,707</b>	<b>3,532</b>	<b>5,651</b>	<b>11,562</b>	<b>22,452</b>
<b>Year-ended 30 June 2022</b>					
<b>At cost</b>					
Balance at 1 July 2021	4,700	15,000	5,662	30,560	55,922
Additions	-	-	7,260	-	7,260
<b>Balance at 30 June 2022</b>	<b>4,700</b>	<b>15,000</b>	<b>12,922</b>	<b>30,560</b>	<b>63,182</b>
<b>Accumulated depreciation</b>					
Balance at 1 July 2021	(2,516)	(9,727)	(3,158)	(13,301)	(28,702)
Depreciation expense	(316)	(1,236)	(2,983)	(4,045)	(8,580)
Balance at 30 June 2022	(2,832)	(10,963)	(6,141)	(17,346)	(37,282)
<b>Net book value 30 June 2022</b>	<b>1,868</b>	<b>4,037</b>	<b>6,781</b>	<b>13,214</b>	<b>25,900</b>

	Half-year ended	
	31 Dec 2022	30 Jun 2022
	\$	\$
<b>10. Right-of-use assets</b>		
Right-of-use assets - at cost	58,660	58,660
Accumulated depreciation	(35,848)	(26,071)
	<u>22,812</u>	<u>32,589</u>

# Canterbury Resources Limited and Controlled Entities

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## Notes to the condensed consolidated financial statements for the half-year ended 31 December 2022

	Half-year ended	
	31 Dec 2022	30 Jun 2022
	\$	\$
<b>11. Exploration and development expenditure</b>		
Opening balance	10,933,112	10,906,713
Additions	18,801	628,087
Write-offs	-	(601,688)
Balance at the end of the period	<u>10,951,913</u>	<u>10,933,112</u>

The recoverability of exploration expenditure capitalised by the group during the half-year ending 31 December 2022 is dependent on successful development and commercial exploitation, or alternatively, on the sale of the respective areas of interest.

There were no write-offs during the half-year ended 31 December 2022. During the prior period, an impairment of \$601,688 was recorded with respect to tenements in Papua New Guinea that were relinquished.

	Half-year ended	
	31 Dec 2022	30 Jun 2022
	\$	\$
<b>12. Financial assets</b>		
Investment in listed shares - fair value through profit or loss (FVTPL) (a)	<u>83,808</u>	<u>83,808</u>

(a) Investments in listed shares are recorded at their purchase price at acquisition date and at balance date are based on quoted bid prices or the transaction prices of similar investments. The fair value of the financial assets are classified as fair value hierarchy Level 1 (fair value measurements that are derived from quoted prices (unadjusted) in active markets for identical assets or liabilities) and was derived from quoted prices for that financial instrument.

	Half-year ended	
	31 Dec 2022	30 Jun 2022
	\$	\$
<b>13. Trade and other payables</b>		
<i>Unsecured – at amortised cost</i>		
Goods and Services Tax payable	-	5,716
Sundry payables and accrued expenses	<u>132,392</u>	<u>120,112</u>
	<u>132,392</u>	<u>125,828</u>

# Canterbury Resources Limited and Controlled Entities

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## Notes to the condensed consolidated financial statements for the half-year ended 31 December 2022

	Half-year ended	
	31 Dec 2022	30 Jun 2022
	\$	\$
<b>14. Provisions</b>		
<b>Current</b>		
Employee benefits	<u>60,564</u>	<u>65,734</u>
<b>Non-current</b>		
Employee benefits	<u>23,387</u>	<u>19,325</u>
<b>15. Lease liabilities</b>		
<b>Current</b>		
Lease liabilities	<u>20,427</u>	<u>19,824</u>
<b>Non-current</b>		
Lease liabilities	<u>3,525</u>	<u>13,891</u>
<b>16. Issued capital</b>		
134,023,530 fully paid ordinary shares (30 June 2022: 123,198,530)	<u>17,856,750</u>	<u>17,428,630</u>

During the period, the company issued the following additional shares:

- 10,825,000 shares at a value of \$0.04 raising \$433,000; less
- Capitalised share issuance costs of \$4,880.

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

There were no other movements in the ordinary share capital or other issued share capital of the company in the current or prior half-year, other than as noted below.

### Movement in ordinary share capital

	31 Dec 2022		30 Jun 2022	
	Number of shares	\$	Number of shares	\$
Balance at the beginning of the period	123,198,530	17,428,630	111,865,197	16,158,630
Shares issued during the period	<u>10,825,000</u>	<u>428,120</u>	<u>11,333,333</u>	<u>1,270,000</u>
Balance at the end of the period	<u>134,023,530</u>	<u>17,856,750</u>	<u>123,198,530</u>	<u>17,428,630</u>

# Canterbury Resources Limited and Controlled Entities

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## Notes to the condensed consolidated financial statements for the half-year ended 31 December 2022

### 17. Reserves

	Half-year ended	
	31 Dec 2022	30 Jun 2022
	\$	\$
<b>Share based payments (i)</b>		
Opening balance	146,718	164,477
Options issued	43,844	88,996
Options expired	-	(106,755)
<b>Total reserves</b>	<u>190,562</u>	<u>146,718</u>

(i) Share-based payments reserve records the value of options issued to directors, employees and consultants as part of the remuneration for their services.

### 18. Operating segment

#### Identification of two reportable operating segments

The Chief Operating Decision Maker (CODM) has restructured the reporting structures into two reportable segments representing business operating segments for management, reporting and allocation of resources purposes. Operating segments have been identified based on financial information that is regularly reviewed by the CODM.

The group aggregates two or more operating segments into a single reportable operating segment when the group has assessed and determined the aggregated operating segments share similar economic and geographical characteristics.

The group has the following reportable segments:

- Australia
- Papua New Guinea.

The performance of each segment forms the basis of all reporting to the CODM. The steering committee primarily uses Earnings Before Interest and Tax (EBIT) to assess the performance of a segment. It will also review the assets and working capital of each segment on a regular basis. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

In reporting the EBIT to the steering committee, results for the normal operations of the segment separately show reporting of non-recurring events.

#### Accounting policy for operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the CODM. The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

# Canterbury Resources Limited and Controlled Entities

ABN 59 152 189 369

## Notes to the condensed consolidated financial statements for the half-year ended 31 December 2022

### 18. Operating segment (cont'd)

December 2022	Australia \$	Papua New Guinea \$	Total \$
Revenue	26,941	-	26,941
Other income	136,664	-	136,664
Administration expenses	(30,653)	(7,963)	(38,616)
Employee benefits expense	(291,151)	-	(291,151)
Corporate costs	(144,588)	-	(144,588)
Consultancy	(11,360)	-	(11,360)
Depreciation and amortisation expense	(13,225)	-	(13,225)
Insurance	(17,574)	-	(17,574)
Share based payment expense	(43,844)	-	(43,844)
Other expenses	(17,283)	(3,758)	(21,041)
<b>EBIT</b>	(406,073)	(11,721)	(417,794)
Finance expense	(890)	-	(890)
<b>Loss before income tax</b>	(406,963)	(11,721)	(418,684)
Income tax	-	-	-
<b>Loss for the year</b>	(406,963)	(11,721)	(418,684)
<b>Assets</b>			
Segment assets (a)	2,956,732	8,568,613	11,525,345
<b>Total assets</b>	2,956,732	8,568,613	11,525,345
<b>Liabilities</b>			
Segment liabilities	236,537	3,758	240,295
<b>Total liabilities</b>	236,537	3,758	240,295

#### (a) Segment assets

Segment assets are measured in the same way as in the consolidated financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

	Australia \$	Papua New Guinea \$	Total \$
Segment assets	2,956,732	8,568,613	11,525,345
Increase/(decrease) in non-current assets	2,980	2,596	5,576

# Canterbury Resources Limited and Controlled Entities

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## Notes to the condensed consolidated financial statements for the half-year ended 31 December 2022

### 18. Operating segment (cont'd)

December 2021	Australia \$	Papua New Guinea \$	Total \$
Revenue	-	-	-
Other income	190,317	7,000	197,317
Other losses	(55,776)	-	(55,776)
Administration expenses	(82,382)	(11,600)	(93,982)
Employee benefits expense	(346,263)	-	(346,263)
Corporate costs	(164,863)	-	(164,863)
Consultancy	(17,671)	-	(17,671)
Depreciation and amortisation expense	(14,384)	-	(14,384)
Insurance	(15,484)	-	(15,484)
Share based payment expense	(88,996)	-	(88,996)
Other expenses	(17,853)	(8,641)	(26,494)
<b>EBIT</b>	(613,355)	(13,241)	(626,596)
Finance expense	(1,457)	-	(1,457)
<b>Profit/(loss) before income tax</b>	(614,812)	(13,241)	(628,053)
Income tax	-	-	-
<b>Profit/(loss) for the year</b>	(614,812)	(13,241)	(628,053)
<b>Assets</b>			
Segment assets (a)	3,822,790	8,803,404	12,626,194
<b>Total assets</b>	<u>3,822,790</u>	<u>8,803,404</u>	<u>12,626,194</u>
<b>Liabilities</b>			
Segment liabilities	227,210	-	227,210
<b>Total liabilities</b>	<u>227,210</u>	<u>-</u>	<u>227,210</u>

#### (a) Segment assets

Segment assets are measured in the same way as in the consolidated financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

	Australia \$	Papua New Guinea \$	Total \$
Segment assets	3,822,790	8,803,404	12,626,194
Increase/(decrease) in non-current assets	407,614	172,633	580,247

# Canterbury Resources Limited and Controlled Entities

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## Notes to the condensed consolidated financial statements for the half-year ended 31 December 2022

### 19. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the significant accounting policies described in note 2:

Name of entity	Country of incorporation	Ownership interest	
		31 Dec 2022	30 Jun 2022
		%	%
Canterbury Exploration Pty Ltd	Australia	100	100
Canterbury Resources (PNG) Ltd	Papua New Guinea	100	100
Finny Limited	Papua New Guinea	100	100
Neillkins Mining Pty Ltd	Australia	100	100

### 20. Joint venture

During the half-year ended 31 December 2022, Alma Metals Limited has exercised its option to commence an Earn-In joint venture at the Briggs, Mannersley and Fig Tree Hill project in central Queensland. Alma can earn up to 70% interest in the project through staged exploration and expenditure totalling \$15.25million.

### 21. Fair value measurements

The investment in New Talisman Gold Mines Limited is measured at fair value (refer Note 12).

Other than as noted above, there are no other financial assets or financial liabilities that are measured at fair value at the end of the reporting period.

There were no transfers between fair value hierarchy levels 1, 2, and 3 for recurring fair value measurements during the half-year. The carrying amount of other financial assets or financial liabilities recorded in the consolidated financial statements approximate their fair values.

### 22. Key management personnel

Remuneration arrangements of key management personnel are disclosed in the 30 June 2022 annual financial report.

### 23. Contingent liabilities

The group did not have any contingent liabilities at 31 December 2022 (2021: nil).

### 24. Events after the reporting period

On 7 February 2023 Canterbury Resources Limited raised \$400,000 via a private placement of 10 million fully paid ordinary shares at \$0.04 per share, plus five million unlisted options with an exercise price of \$0.08 and an expiry date of 31 December 2025.

Other than as noted above, there has not arisen in the interval between the end of the half-year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the activities, or the state of affairs of the group in future financial years.



# Canterbury Resources Limited and Controlled Entities

ABN 59 152 189 369

## Directors' declaration

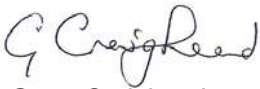
The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

(b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated group.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors



Grant Craighead  
Director

Dated: 15 March 2023

## Independent Auditor's Review Report

To the members of Canterbury Resources Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Canterbury Resources Limited and controlled entities (the consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

The directors of Canterbury Resources Limited (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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2022 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 the consolidated entity, 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.

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## Independence

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 the company, would be in the same terms if given to the directors as at the time of this auditor's 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 Canterbury Resources Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting and Corporations Regulations 2001*.

BDJ Partners



.....  
 Greg Cliffe  
 Partner

15 March 2023