

Canterbury Resources Limited and Controlled Entities

ABN 59 152 189 369

**Condensed consolidated financial report for the half-year ended
31 December 2023**

Canterbury Resources Limited and Controlled Entities

ABN 59 152 189 369

For the half-year ended 31 December 2023

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Directors' report

For the half-year ended 31 December 2023

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 2023. The directors' report as follows:

Directors

The following persons were directors of the Company since the beginning of the financial period and up to the date of this report, unless noted otherwise:

John Ernest Douglas Anderson: Non-Executive Chairman
Grant Alan Craighhead: Managing Director
Ross Earle Moller: Non-Executive Director and Joint Company Secretary
Michael Matthew Erceg: Executive Director
Robyn Watts: Non-Executive Director

Information about the directors

At the date of this report there are six senior executives comprising four males and two females. The six senior executives include five directors and one joint company secretary. Ross Earle Moller, director, also acts as a joint company secretary.

Joint company secretary information

Joan Dabon - appointed 8 September 2023

Veronique Morgan Smith - resigned 8 September 2023

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 period, Canterbury continued to generate and explore large-scale porphyry copper-molybdenum-gold opportunities in Papua New Guinea and Queensland.

At the Briggs Copper Project in Queensland, the Company has outlined a Mineral Resource of 415Mt at 0.25% Cu and 31ppm Mo, plus an Exploration Target of 480Mt to 880Mt at 0.2% to 0.3% Cu and 25ppm to 40ppm Mo¹. Exploration Target is conceptual in nature and there has been insufficient exploration to estimate a mineral resource. It is uncertain if further exploration will result in an increase in the mineral resource estimate². Recent drilling tested potential extensions to the Mineral Resource, as well as higher-grade settings, with encouraging progressive results. Planning for the next phase of drilling has commenced and will focus on delineating shallow, higher-grade zones of mineralisation in more detail as a key input to a planned Scoping Study. Project funding continues to be provided by Alma Metals (ASX: ALM) under an earn-in agreement.

¹ Refer to ASX release dated 6 July 2023

² Refer to ASX release dated 18 July 2023

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Review of operations (continued)

At the Bismarck Project in PNG additional mapping and sampling was completed, with high priority drill targets generated at Willie and Ndokowai. Planning is well advanced for an 8-hole, ~2,000m drilling program in 2024 which is being funded by Rio Tinto Exploration (PNG) Limited under an earn-in agreement.

Elsewhere in PNG, Canterbury holds a series of tenements in Morobe Province, plus an application on New Ireland. These projects are the subject of an agreement with Syndicate Minerals which can earn up to 70% interest via funding of up to US\$20 million of staged exploration and assessment activities. The tenement package includes significant resources at two deposits; Idzan Creek (137.3Mt at 0.53g/t Au and 0.24% Cu) and Wamum Creek³ (141.5Mt at 0.18g/t Au and 0.31% Cu). Multiple targets have been identified, where significant alteration and mineralisation occurs in areas that have not been drilled. Assessment and prioritisation of drill targets is ongoing.

Competent persons statements

The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC Code') sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves.

The technical information in this report which relates to Exploration Results and Exploration Targets is based on information compiled by Mr Michael Erceg, MAIG RPGeo. Mr Erceg is an Executive Director and shareholder of Canterbury Resources Limited and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Erceg consents to the inclusion in this report of the matters based on that information in the form and context in which it appears.

The information in this report that relates to the Estimation of Mineral Resources, has been prepared by Mr Geoff Reed, who is a Member of the Australasian Institute of Mining and Metallurgy, is a Consulting Geologist of Bluespoint Mining Services (BMS) and is a shareholder of Canterbury Resources Limited. Mr Reed has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Reed consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Results of operations

The loss of the Group after providing for income tax amounted to \$437,909 for the half-year ended 31 December 2023 (2022: loss of \$418,684).

Changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the reporting period.

Subsequent events

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 significantly affect the activities, or the state of affairs of the group in future financial years.

³ Refer to ASX release dated 26 November 2020.

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Directors' report For the half-year ended 31 December 2023

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 its granting. Each site is also required to manage its 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.

Dividends

In respect of the half-year ended 31 December 2023, no dividend was paid (2022: 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 the financial year end 2024 is approximately \$2.4 million, of which approximately \$2.36 million is funded 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 and produce 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 period, the Company paid a premium in respect of a contract insuring the directors of the Group, the Group secretary, 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 financial 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.

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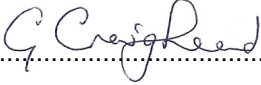
Directors' report For the half-year ended 31 December 2023

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.298(2) of the *Corporations Act 2001*.

On behalf of the Directors

Director: 

Grant Craighead

Dated: 14 March 2024

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 2023 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

11 March 2024

Tax

Accounting

**Financial
Advice**

Super

Audit

Loans

Phone

+61 2 9956 8500

Email

bdj@bdj.com.au

Office

Level 8, 124
Walker Street
North Sydney
NSW 2060

Postal

PO Box 1664,
North Sydney
NSW 2059

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Condensed consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2023

	Note	Half-year ended	
		31 Dec 2023	31 Dec 2022
		\$	\$
Revenue	3	49,448	26,941
Other income	3	126,300	136,664
Realised gain on sale of financial assets		3,725	—
Administrative expenses		(48,555)	(38,616)
Employee benefits expense		(292,490)	(291,151)
Corporate costs		(177,014)	(144,588)
Consultancy costs		(12,420)	(11,360)
Depreciation and amortisation expense		(12,331)	(13,225)
Insurance expense		(18,734)	(17,574)
Share-based payment expense		(20,954)	(43,844)
Finance costs		(288)	(890)
Other expenses		(34,596)	(21,041)
Loss before tax		(437,909)	(418,684)
Income tax benefit		—	—
Loss for the period		(437,909)	(418,684)
<i>Attributable to:</i>			
Owners of the company		(437,909)	(418,684)
Other comprehensive loss for the period, net of tax		—	—
Total comprehensive loss for the period		(437,909)	(418,684)
Total comprehensive loss attributable to:			
Owners of the company		(437,909)	(418,684)
Basic loss per share (cents per share)	4	(0.3002)	(0.3300)
Diluted loss per share (cents per share)	4	(0.3002)	(0.3300)

The accompanying notes form part of these financial statements.

Canterbury Resources Limited and Controlled Entities

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Condensed consolidated statement of financial position as at 31 December 2023

	Note	31 Dec 2023 \$	30 Jun 2023 \$
Assets			
Current assets			
Cash and cash equivalents	5	627,222	294,448
Trade and other receivables	6	12,849	164,489
Other current assets	7	20,856	22,246
Total current assets		660,927	481,183
Non-current assets			
Property, plant and equipment	8	16,942	19,496
Right-of-use assets	9	3,259	13,036
Exploration and evaluation expenditure	10	11,120,599	11,040,109
Financial assets	11	—	29,058
Other non-current assets	7	11,942	11,942
Total non-current assets		11,152,742	11,113,641
Total assets		11,813,669	11,594,824
Liabilities			
Current liabilities			
Trade and other payables	12	182,908	149,398
Provisions	13	84,234	88,077
Lease liabilities	14	3,525	13,891
Total current liabilities		270,667	251,366
Non-current liabilities			
Provisions	13	31,544	27,537
Total non-current liabilities		31,544	27,537
Total liabilities		302,211	278,903
Net assets		11,511,458	11,315,921
Equity			
Issued capital	15	18,899,242	18,286,750
Reserves	16	153,794	132,840
Accumulated losses		(7,541,578)	(7,103,669)
Total equity		11,511,458	11,315,921

The accompanying notes form part of these financial statements.

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Condensed consolidated statement of changes in equity for the half-year ended 31 December 2023

	Issued capital \$	Reserves \$	Accumulated losses \$	Total \$
Balance at 1 July 2022	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>				
Shares issued during the period, net of share issue costs	428,120	—	—	428,120
Options issued during the period	—	43,844	—	43,844
Balance at 31 December 2022	17,856,750	190,562	(6,762,262)	11,285,050
Balance at 1 July 2023	18,286,750	132,840	(7,103,669)	11,315,921
Loss for the period	—	—	(437,909)	(437,909)
Total comprehensive loss for the period	—	—	(437,909)	(437,909)
<i>Transactions with owners:</i>				
Shares issued during the period, net of share issue costs	612,492	—	—	612,492
Options issued during the period	—	20,954	—	20,954
Balance at 31 December 2023	18,899,242	153,794	(7,541,578)	11,511,458

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Condensed consolidated statement of cash flows for the half-year ended 31 December 2023

	Note	Half-year ended	
		31 Dec 2023	31 Dec 2022
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(574,220)	(472,346)
Management fees received		49,448	26,941
Finance costs		(288)	(890)
Other receipts		231,908	39,867
Net cash (used in) operating activities		(293,152)	(406,428)
Cash flows from investing activities			
Proceed from sale of shares in investments		32,783	—
Payments for exploration and development expenditure		(12,446)	(118,192)
Net cash from/(used in) investing activities		20,337	(118,192)
Cash flows from financing activities			
Proceeds from issue of shares (net of costs)		615,667	428,120
Repayment of lease liabilities		(10,078)	(9,763)
Net cash from financing activities		605,589	418,357
Net increase/(decrease) in cash and cash equivalent held		332,774	(106,263)
Cash and cash equivalents at the beginning of the period		294,448	362,795
Cash and cash equivalents at the end of the period	5	627,222	256,532

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Notes to the condensed consolidated financial statements for the half-year ended 31 December 2023

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 Street
Pymont NSW 2009

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

These condensed consolidated financial statements and notes represent the Company and its controlled entities ("the Group").

(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* ("AASB 134"). 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 14 March 2024.

(b) Basis of preparation

The condensed consolidated half-year financial statements have been prepared on the basis of historical cost, except for certain non-current assets and financial instruments that are measured at revalued amounts or fair values. Historical cost is generally 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 2023. The accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

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 condensed consolidated financial statements are rounded off to the nearest dollar unless otherwise indicated.

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2. Significant accounting policies

(a) Adoption 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 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.

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

AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates

AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

(b) Going concern

The condensed consolidated net loss of the Group, after tax was \$437,909 for the half-year ended 31 December 2023 (31 December 2022: loss of \$418,684), with cash outflows from operating activities of \$293,152 (31 December 2022: cash outflow of \$406,428).

The Group has a cash balance of approximately \$529,910 as at the date of signing the report to meet its expenses over the next twelve months.

The directors believe the Group is a going concern. This financial report has 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 believe future identified cash flows are sufficient to fund the short-term working capital and forecasted exploration requirements of the Group.

During the next twelve months there is substantial exploration activity planned to advance the Company's tenement assets, and the directors note that will be largely funded by project funding partners. Furthermore, The Company expects to generate fee income in relation to the management of some of these planned activities, that will further assist in funding the company's operations.

The directors have a high level of confidence in the Group's ability to successfully complete capital raising initiatives as and when required. This is supported by the Group's strong track record in successfully raising capital.

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 2023

3. Revenue and other income

The Group recognises operating revenue from the provision of support services. Such services are recognised as a performance obligation satisfied at a point in time.

	Half-year ended	
	31 Dec 2023	31 Dec 2022
	\$	\$
Revenue		
Management fees	49,448	26,941
	<u>49,448</u>	<u>26,941</u>
Other income		
Expense recoveries	76,300	136,664
Sundry income	50,000	—
	<u>126,300</u>	<u>136,664</u>

4. Loss per share

	Half-year ended	
	31 Dec 2023	31 Dec 2022
	\$	\$
Basic loss per share		
From continuing operations (cents per share)	<u>(0.3002)</u>	<u>(0.3300)</u>
Diluted loss per share		
From continuing operations (cents per share)	<u>(0.3002)</u>	<u>(0.3300)</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>(437,909)</u>	<u>(418,684)</u>
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	<u>145,862,089</u>	<u>128,640,607</u>

5. Cash and cash equivalents

	As at	
	31 Dec 2023	30 Jun 2023
	\$	\$
Cash at bank	627,222	294,448
	<u>627,222</u>	<u>294,448</u>

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Notes to the condensed consolidated financial statements for the half-year ended 31 December 2023

6. Trade and other receivables

	As at	
	31 Dec 2023	30 Jun 2023
	\$	\$
Accounts receivable	8,803	164,489
GST receivable	4,046	—
	<u>12,849</u>	<u>164,489</u>

There are no expected credit losses (ECL) for receivables for the half-year ended 31 December 2023 (2022: nil).

7. Other assets

	As at	
	31 Dec 2023	30 Jun 2023
	\$	\$
Current		
Prepayments	<u>20,856</u>	<u>22,246</u>
	<u>20,856</u>	<u>22,246</u>
Non-current		
Security deposit	<u>11,942</u>	<u>11,942</u>
	<u>11,942</u>	<u>11,942</u>

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Notes to the condensed consolidated financial statements for the half-year ended 31 December 2023

8. Property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and equipment \$	Website development \$	Computer hardware \$	Motor vehicles \$	Total \$
Half-year ended 31 December 2023					
<i>At cost</i>					
Balance at 1 July 2023	4,700	15,000	12,922	30,560	63,182
Balance at 31 December 2023	4,700	15,000	12,922	30,560	63,182
<i>Accumulated depreciation</i>					
Balance at 1 July 2023	(3,121)	(11,909)	(8,213)	(20,443)	(43,686)
Depreciation expense	(118)	(386)	(785)	(1,265)	(2,554)
Balance at 31 December 2023	(3,239)	(12,295)	(8,998)	(21,708)	(46,240)
Net book value 31 December 2023	1,461	2,705	3,924	8,852	16,942
Year-ended 30 June 2023					
<i>At cost</i>					
Balance at 1 July 2022	4,700	15,000	12,922	30,560	63,182
Balance at 30 June 2023	4,700	15,000	12,922	30,560	63,182
<i>Accumulated depreciation</i>					
Balance at 1 July 2022	(2,832)	(10,963)	(6,141)	(17,346)	(37,282)
Depreciation expense	(289)	(946)	(2,072)	(3,097)	(6,404)
Balance at 30 June 2023	(3,121)	(11,909)	(8,213)	(20,443)	(43,686)
Net book value 30 June 2023	1,579	3,091	4,709	10,117	19,496

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Notes to the condensed consolidated financial statements for the half-year ended 31 December 2023

9. Right-of-use assets

	31 Dec 2023	30 Jun 2023
	\$	\$
Cost	58,660	58,660
	<u>58,660</u>	<u>58,660</u>
<i>Accumulated depreciation</i>	(45,624)	(26,071)
Depreciation expense	(9,777)	(16,673)
	<u>(55,401)</u>	<u>(45,624)</u>
Net book value	<u><u>3,259</u></u>	<u><u>13,036</u></u>

10. Exploration and development expenditure

	31 Dec 2023	30 Jun 2023
	\$	\$
Opening balance	11,040,109	10,933,112
Additions	80,490	106,997
	<u>11,120,599</u>	<u>11,040,109</u>

The recoverability of the exploration expenditure capitalised by the Group during the half-year ending 31 December 2023 is dependent on successful development and commercial exploitation, or alternatively, on the sale of the respective areas of interest.

No impairment was recognised with respect to tenements for the half-year ended 31 December 2023 (2022: nil).

11. Financial assets

	As at	
	31 Dec 2023	30 Jun 2023
	\$	\$
Investment in listed shares – fair value through profit or loss (FVTPL) (i)	—	29,058
	<u>—</u>	<u>29,058</u>

The Group sold its shares in New Talisman Gold Mines Limited and gained \$3,725 from the sale of its investment during the half-year ended 31 December 2023 (2022: nil). Prior to the sale of the investment, the fair value of the financial assets are classified as fair value hierarchy Level 1 and was derived from quoted prices in the market.

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Notes to the condensed consolidated financial statements for the half-year ended 31 December 2023

12. Trade and other payables

	As at	
	31 Dec 2023	30 Jun 2023
	\$	\$
<i>Unsecured - at amortised cost</i>		
Sundry payables and accrued expenses	182,908	149,041
GST payable	—	357
	<u>182,908</u>	<u>149,398</u>

Trade payables are non-interest bearing and are normally settled on 30 days end of month terms.

13. Provisions

	As at	
	31 Dec 2023	30 Jun 2023
	\$	\$
Current		
Employee benefits	84,234	88,077
	<u>84,234</u>	<u>88,077</u>
Non-current		
Employee benefits	31,544	27,537
	<u>31,544</u>	<u>27,537</u>

14. Lease liabilities

	As at	
	31 Dec 2023	30 Jun 2023
	\$	\$
Lease liabilities	3,525	13,891
	<u>3,525</u>	<u>13,891</u>

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Notes to the condensed consolidated financial statements for the half-year ended 31 December 2023

15. Issued capital

	As at	
	31 Dec 2023	30 Jun 2023
	\$	\$
171,740,896 fully paid ordinary shares (2022: 144,523,530)	<u>18,899,242</u>	<u>18,286,750</u>

Movements in issued capital

	31 Dec 2023		30 June 2023	
	No. of shares	\$	No. of shares	\$
Balance at the beginning of the period	144,523,530	18,286,750	123,198,530	17,428,630
Shares issued during the period, net of share issue costs	<u>27,217,366</u>	<u>612,492</u>	<u>21,325,000</u>	<u>858,120</u>
Balance at the end of the period	<u>171,740,896</u>	<u>18,899,242</u>	<u>144,523,530</u>	<u>18,286,750</u>

During the period, the Company issued 27,217,366 shares at a value of \$0.02 raising \$626,000 less share issuance costs of \$13,508.

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

16. Reserves

The Group operates an employee share option 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.

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.

	31 Dec 2023	30 Jun 2023
	\$	\$
Share-based payments		
Opening balance	132,840	146,718
Options issued	20,954	43,844
Options expired	—	(57,722)
	<u>153,794</u>	<u>132,840</u>

The share-based payments reserve recognises the value of options issued to directors, employees and consultants as part of the remuneration for their services.

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Notes to the condensed consolidated financial statements for the half-year ended 31 December 2023

17. Operating segments

Identification of two reportable operating segments

The Chief Operating Decision Maker (CODM) has restructured the reporting structures into 2 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:

- Papua New Guinea
- Australia
-

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.

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Notes to the condensed consolidated financial statements for the half-year ended 31 December 2023

17. Operating segments (continued)

	Australia	Papua New Guinea	Total
December 2023	\$	\$	\$
Revenue - Management fees	31,267	18,181	49,448
Other income	126,300	—	126,300
Realised gain on sale of financial assets	3,725	—	3,725
Administration expenses	(48,555)	—	(48,555)
Employee benefits expense	(292,490)	—	(292,490)
Corporate costs	(177,014)	—	(177,014)
Consultancy	(12,420)	—	(12,420)
Depreciation and amortisation expense	(12,331)	—	(12,331)
Insurance	(18,734)	—	(18,734)
Share-based payment expense	(20,954)	—	(20,954)
Other expenses	(34,596)	—	(34,596)
	<hr/>	<hr/>	<hr/>
EBIT	(455,802)	18,181	(437,621)
Finance expense	(288)	—	(288)
Loss before income tax	(456,090)	18,181	(437,909)
Loss for the period	(456,090)	18,181	(437,909)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Assets			
Segment assets (i)	3,335,829	8,477,840	11,813,669
Total assets	3,335,829	8,477,840	11,813,669
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Liabilities			
Segment liabilities	298,161	4,050	302,211
Total liabilities	298,161	4,050	302,211
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

(i) Segment assets

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

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Notes to the condensed consolidated financial statements for the half-year ended 31 December 2023

17. Operating segments (continued)

	Australia	Papua New Guinea	Total
December 2023	\$	\$	\$
Segment assets	3,335,829	8,477,840	11,813,669
Increase to non-current assets	14,072	25,029	39,101
	Australia	Papua New Guinea	Total
December 2022	\$	\$	\$
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)
EBIT	(406,073)	(11,721)	(417,794)
Finance expense	(890)	—	(890)
Loss before income tax	(406,963)	(11,721)	(418,684)
Loss for the period	(406,963)	(11,721)	(418,684)
Assets			
Segment assets (i)	2,956,732	8,568,613	11,525,345
Total assets	2,956,732	8,568,613	11,525,345
Liabilities			
Segment liabilities	236,537	3,758	240,295
Total liabilities	236,537	3,758	240,295

(i) Segment assets

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

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Notes to the condensed consolidated financial statements for the half-year ended 31 December 2023

17. Operating segments (continued)

	Australia	Papua New Guinea	Total
December 2022	\$	\$	\$
Segment assets	2,956,732	8,568,613	11,525,345
Increase to non-current assets	2,980	2,596	5,576

18. Subsidiaries

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

Name of entity	Country of incorporation	Ownership interest	
		31 Dec 2023	30 Jun 2023
		%	%
Canterbury Exploration Pty Ltd	Australia	100	100
Niellkins Mining Pty Ltd	Australia	100	100
Canterbury Resources (PNG) Ltd	Papua New Guinea	100	100
Finny Limited	Papua New Guinea	100	100

19. Fair value measurements

There are no 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.

20. Key management personnel

Remuneration arrangements of key management personnel are disclosed in the 30 June 2023 annual financial report.

21. Contingent liabilities and contingent assets

In the opinion of the directors, the Group did not have any contingent liabilities or contingent assets at 31 December 2023 (2022: nil).

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Notes to the condensed consolidated financial statements for the half-year ended 31 December 2023

22. Events after the reporting period

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.

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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;

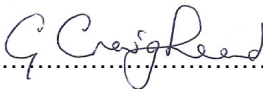
(b) in the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 2 to the financial statements;

(c) 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 Group, and

(d) the directors have been given the declarations required by s.295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the *Corporations Act 2001*.

On behalf of the Directors

Director 

Grant Craighead

Sydney, 14 March 2024

[Insert auditor's report]