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Interim Financial Report
31 December 2022

ASX: CDR

ABN: 17 600 818 157

Codrus Minerals Limited

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Western Australia

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www.codrusminerals.com.au

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Directors

Andrew Radonjic
Shannan Bamforth
Jamie Byrde

Company Secretary

Jamie Byrde

Principal & Registered Office

Level 3, 24 Outram Street
WEST PERTH WA 6005
Telephone: (08) 6424 9017
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Lawyers

Steinepreis Paganin
Lawyers & Consultants
Level 4, 16 Milligan Street
Perth WA 6000 Australia

Share Registry

Automic Group
Level 5, 191 St Georges Terrace
Perth WA 6000

Auditors

Stantons
Level 2
40 Kings Park Road
WEST PERTH WA 6005

Bankers

Australia and New Zealand Banking
Group
464 Hay Street
SUBIACO WA 6008

Stock Exchange Listing

Australian Securities Exchange
(Home Exchange: Perth, Western
Australia)
Code: CDR

Website Address

www.codrusminerals.com.au

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The Directors of Codrus Minerals Limited submit herewith the consolidated financial statements of the Company and its controlled entity ("Group" or "Consolidated Entity") for the half-year ended 31 December 2022.

1. DIRECTORS

The following persons were Directors of Codrus Minerals Limited during the half-year and up to the date of this report, unless otherwise stated:

Mr Andrew Radonjic
Mr Shannan Bamforth
Mr Jamie Byrde

2. PRINCIPAL ACTIVITIES

The principal activities of the Group are mining and mineral exploration. No significant change in the nature of these activities occurred during the half-year.

3. REVIEW OF OPERATIONS

During the half-year the Group has undertaken the following activities:

- Entered into an agreement to earn up to 90% of the Karloning Rare Earth Element (REE) Project, located in WA's Wheatbelt, 260km north-east of Perth;
- The Karloning REE project has demonstrated the presence of high-grade and high-value permanent magnet rare earths Dysprosium, Neodymium, Terbium and Praseodymium hosted in xenotime within a large-scale pegmatite estimated to be up to 1.5km long and up to 200m wide;
- The pegmatite system also hosts significant niobium, a critical metal used in the steel industry with applications including wind turbine's and high-performance batteries;
- Additional tenure pegged adjacent to the south-west boundary of the Karloning Joint Venture tenement, encompassing potential extensions to the pegmatite system;
- Achieved significant results from the completion of trenching at the Middle Creek Gold Project, located in the active Nullagine gold mining area in the Pilbara. This has provided strong impetus for further work;
- Applied for an additional 12 tenements in the Middle Creek district to further strengthen the Company's strategic footprint in the emerging Nullagine Gold Mining Centre;
- Mapping and sampling of new areas were completed at the Red Gate Gold Project. This will help determine future work programs in these areas at Red Gate. Further drilling at Porphyry North and West is being evaluated;
- Interpretation of airborne magnetic data continued at the Silver Swan South Project north of Kalgoorlie. Aircore drilling targeting two prime structural corridors is being evaluated; and
- Mapping and sampling at the Bull Run Copper Gold Project (Oregon, USA), in anticipation of drill permitting.

4. FINANCIAL RESULTS

The Group's net operational loss after tax for the half-year ended 31 December 2022 was \$1,198,593 (2021:\$1,969,451). The loss for the period includes \$609,396 (2021: \$1,477,096) in exploration and evaluation expenditure and share-based payment expenses of \$241,133 (2021: \$135,542) were also recognised during the half-year.

Cash and cash equivalents amounted to \$3,076,386 (30 June 2022: \$4,060,645).

5. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the financial half year.

6. CORPORATE

- A non-renounceable entitlement issue of options to eligible shareholders on the basis of one (1) New Option (Loyalty Option) for every two (2) Shares held by eligible shareholders at 5pm (WST) on 31 August 2022 (Record Date) at an issue price of \$0.001 per Loyalty Option (Entitlement Offer) was completed.
- On 25 November 2022, \$30,000 of cash was paid and \$30,000 of Codrus shares were issued (430,000 at \$0.07 per share) to Talgomine Minerals Pty Ltd as per the terms of the Agreement to farm in to the Karloning REE Project. Full details of the terms of the Agreement were announced on 23 November 2022.

7. MATTERS SUBSEQUENT TO THE END OF THE HALF-YEAR

There were no other matter or circumstance that have arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

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8. AUDITOR'S INDEPENDENCE DECLARATION & NON-ASSURANCE SERVICES

A copy of the lead auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 5.

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



Shannan Bamforth
Managing Director
Perth, Western Australia, 7 March 2023

Competent Persons Statement

The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Mr Shannan Bamforth who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Bamforth is a permanent employee of Codrus Minerals and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Bamforth consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

No New Information or Data

This annual report contains references to Exploration Results and Exploration Targets, all of which have been cross referenced to previous market announcements made by the Company. The Company confirms that it is not aware of any new information or data that materially affects the information in the said announcement. In the case of estimates of Mineral Resources all assumptions and technical parameters underpinning the estimates have not materially changed.

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7 March 2023

Board of Directors
Codrus Minerals Limited
Level 3,
24 Outram Street,
West Perth WA 6005

Dear Sirs

RE: CODRUS 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 Codrus Minerals Limited.

As Audit Director for the review of the financial statements of Codrus Minerals Limited for the half-year ended 31 December 2022, 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 faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD

Martin Michalik
Director



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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by Codrus Minerals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

This interim financial report covers Codrus Minerals Limited and its wholly-owned subsidiary. The financial report is presented in Australian dollars.

Codrus Minerals Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Codrus Minerals Limited
Level 3, 24 Outram Street
West Perth WA 6005

A description of the nature of the Company's operations is included in the directors' report on page 2, which is not part of this financial report.

The interim financial report was authorised for issue by the directors on 7 March 2023. The Company has the power to amend and reissue the financial report.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete, and available globally at minimum cost to the company. All press releases, financial reports and other information are available on our website: www.codrusminerals.com.au.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**



For the Half-Year Ended 31 December 2022	Notes	Consolidated	
		31 December 2022 \$	31 December 2021 \$
Revenue from continuing operations	3	31,297	-
Administrative costs	4	(104,095)	(113,564)
Consultancy expenses		(35,249)	(36,510)
Employee benefits expense	4	(141,141)	(143,087)
Share based payment expenses	14	(241,133)	(135,542)
Occupancy expenses		(37,939)	(12,573)
Compliance and regulatory expenses		(24,246)	(33,993)
Insurance expenses		(28,657)	(15,773)
Exploration expenditure	9	(609,396)	(1,477,096)
Depreciation expense		(6,932)	-
Finance and Interest Costs		(1,102)	(1,313)
(Loss) before income tax		(1,198,593)	(1,969,451)
Income tax (expense)/benefit		-	-
(Loss) for the half-year		(1,198,593)	(1,969,451)
Other comprehensive income:			
<i>Items that may be reclassified to profit or loss</i>			
Effect of changes in foreign exchange rates on translation of foreign operations		-	-
<i>Total - Items that may be reclassified to profit or loss</i>		(1,198,593)	(1,969,451)
<i>Items that will not be classified to profit or loss</i>		-	-
		-	-
Total comprehensive (loss) attributable to owners		(1,198,593)	(1,969,451)
Earnings per share for loss attributable to the owners			
Basic and Diluted (loss) per share (cents per share)		(1.6)	(2.6)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

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As at 31 December 2022	Notes	Consolidated	
		31 December 2022	30 June 2022
		\$	\$
Current Assets			
Cash and cash equivalents	5	3,076,386	4,060,645
Trade and other receivables	6	12,755	51,625
Prepayments	7	47,752	68,109
Total Current Assets		3,136,893	4,180,379
Non-Current Assets			
Property, plant and equipment	8	30,918	34,374
Exploration and evaluation expenditure	9	-	-
Total Non-Current Assets		30,918	34,374
Total Assets		3,167,811	4,214,753
Current Liabilities			
Trade and other payables	10	112,433	251,542
Provisions	11	55,200	50,061
Total Current Liabilities		167,633	301,603
Non-Current Liabilities			
Trade and other payables		-	-
Total Non-Current Liabilities		-	-
Total Liabilities		167,633	301,603
Net Assets		3,000,178	3,913,150
Equity			
Issued capital	12	14,473,174	14,467,686
Reserves	15	1,998,349	1,718,216
Accumulated losses		(13,471,345)	(12,272,752)
Total Equity		3,000,178	3,913,150

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY



For the Half-Year Ended 31 December 2022	Issued Capital	Accumulated Losses	Foreign Currency Reserve	Option Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2021	14,446,229	(8,177,644)	-	983,101	7,251,686
Total comprehensive income for the year:	-	-	-	-	-
Loss after income tax expense for the year	-	(1,969,451)	-	-	(1,969,451)
Foreign Exchange Differences	-	(1,969,451)	-	-	(1,969,451)
Transactions with owners in their capacity as owners:					
Contributions of equity (net of transaction costs)	21,457 ¹	-	-	-	21,457
Equity settled share based payment transactions	-	-	-	135,542	135,542
Balance at 31 December 2021	14,467,686	(10,147,095)	-	1,118,643	5,439,234
Balance at 1 July 2022	14,467,686	(12,272,752)	-	1,718,216	3,913,150
Total comprehensive income for the year:	-	-	-	-	-
Loss after income tax expense for the year	-	(1,198,593)	-	-	(1,198,593)
Foreign Exchange Differences	-	(1,198,593)	-	-	(1,198,593)
Transactions with owners in their capacity as owners:					
Issuance of listed options	-	-	-	39,000	39,000
Acquisition of tenements	30,000	-	-	-	30,000
Equity settled share based payment transactions	-	-	-	241,133	241,133
Costs of Issue	(24,512)	-	-	-	(24,512)
Balance at 31 December 2022	14,473,174	(13,471,345)	-	1,998,349	3,000,178

The above consolidated statement of equity should be read in conjunction with the accompanying notes.

¹ The increase in the issued capital was a result of a credit received in relation to share issue costs previously charged.

CONSOLIDATED STATEMENT OF CASH FLOWS



For the Half-Year Ended 31 December 2022	Notes	Consolidated	
		31 December 2022	31 December 2021
		\$	\$
Cash Flows from Operating Activities			
Payments to suppliers and employees		(400,575)	(406,138)
Interest received		-	-
Other Income		31,297	-
Payments for exploration and evaluation		(595,993)	(919,958)
Net cash (outflow) from operating activities		(965,271)	(1,326,096)
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		(3,476)	-
Purchase of Minerals Tenements and Prospects		(30,000)	-
Net cash (outflow) from investing activities		(33,476)	-
Cash Flows from Financing Activities			
Receipts from contribution of securities		14,488	-
Share issue transaction costs		-	(59,280)
Net cash inflow/(outflow) from financing activities		14,488	(59,280)
Net (decrease) in cash and cash equivalents		(984,259)	(1,385,376)
Cash and cash equivalents at the start of the period		4,060,645	7,440,779
Effect of exchange rate		-	-
Cash and cash equivalents at the end of the period	5	3,076,386	6,055,403

Amounts relating to payments to suppliers and employees as set out above are inclusive of goods and services tax. The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. Basis of preparation of the half-year report

This interim financial report for the half-year reporting period ended 31 December 2022 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This interim financial report does not include all the notes of the type normally included in an annual financial report. This report is to be read in conjunction with the annual report for the period ending 30 June 2022 and any public announcements made by Codrus Minerals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for certain assets carried at fair value and right of use assets recognised in accordance with AASB 16.

The interim report has been prepared on a historical cost basis except for those certain assets carried at fair. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

Summary of significant accounting policies

These policies have been consistently applied to the financial year presented, unless otherwise stated. The financial statements cover Codrus Minerals Limited as a Group consisting of Codrus Minerals Limited and its subsidiaries ('Group' or 'Consolidated Entity').

Exploration and evaluation expenditure

The exploration and evaluation expenditure accounting policy is to expense acquired minerals rights, tenement acquisition costs and exploration expenditure as incurred.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted.

Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

Share-based payments

The company provides benefits to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions'). There is currently an Employee Securities Incentive Plan, which provides benefits to directors and senior executives. The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using a Black-Scholes option pricing model that takes into account

1. Basis of preparation of the half-year report (continued)

the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of shares of Codrus Minerals Limited ('market conditions'). The number of shares expected to vest is estimated based on the non-market vesting conditions and the probability the option will be exercised.

New accounting standards and interpretations adopted by the Group

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements. The Group has considered the implications of new and amended Accounting Standards, but determined that their application to the financial statements is either not relevant or not material.

2. Segment Information

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker that are used to make strategic decisions. For the purposes of segment reporting the chief operating decision maker has been determined as the board of directors. The board monitors the entity primarily from a geographical perspective, and has identified three operating segments, being exploration for mineral reserves within Australia, the United States and the corporate/head office function.

The segment information provided to the board of directors for the reportable segments for the half-year ended 31 December 2022 is as follows:

	Australia \$	United States \$	Corporate \$	Total \$
Half-Year ended 31 December 2022				
Interest revenue	-	-	31,297	31,297
Other income	-	-	-	-
Total segment revenue and other income	-	-	31,297	31,297
Depreciation and amortisation expense	-	-	(6,932)	(6,932)
Exploration expenditure written off	(553,543)	(55,853)	-	(609,396)
Other expenses	-	-	(589,197)	(589,197)
Total segment loss before income tax	(553,543)	(55,853)	(589,197)	(1,198,593)
Total segment assets	-	-	3,167,811	3,167,811
Total segment liabilities	30,690	-	136,943	167,633

2. Segment Information (continued)

	Australia \$	United States \$	Corporate \$	Total \$
Half-Year ended 31 December 2021				
Interest revenue	-	-	-	-
Other income	-	-	-	-
Total segment revenue and other income	-	-	-	-
Depreciation and amortisation expense	-	-	-	-
Exploration expenditure written off	(1,126,403)	(350,693)	-	(1,477,096)
Other expenses	-	-	(492,355)	(492,355)
Total segment loss before income tax	(1,126,403)	(350,693)	(492,355)	(1,969,451)
Total segment assets	-	-	6,134,905	6,134,905
Total segment liabilities	295,632	268,307	131,732	695,671

	Consolidated	
	31 December 2022 \$	31 December 2021 \$

3. Revenue

(a) Revenue from continuing operations		
Interest received	31,297	-
Total revenue from continuing operations	31,297	-

	Consolidated	
	31 December 2022 \$	31 December 2021 \$

4. Expenses

(a) Administrative Costs		
Legal fees	24,256	8,167
Investor relations	44,840	63,478
Other administrative costs	34,999	41,919
Total administrative costs	104,095	113,564
(b) Employee Benefits Expense		
Salary and wages expense	43,984	30,012
Director fees	50,000	46,154
Defined contribution superannuation expense	39,700	35,666
Other employee costs	7,457	31,255
Total employee benefits expense	141,141	143,087

	Consolidated	
	31 December 2022	30 June 2022
	\$	\$

5. Cash & Cash Equivalents

(a) Cash & cash equivalents		
Cash at bank and in hand	2,976,347	4,060,645
Deposits at call	100,039	-
Total cash and cash equivalents	<u>3,076,386</u>	<u>4,060,645</u>

(b) Cash at bank and on hand
Cash on hand is non-interest bearing. Cash at bank bears interest rate of 0.75% (30 June 2022: 1.05 and 1.35%)

(c) Deposits at call
Deposits at call are bearing interest rates of 2.71% and 3.09%. (30 June 2022: Nil)

	Consolidated	
	31 December 2022	30 June 2022
	\$	\$

6. Trade & Other Receivables

Current - Trade and Other Receivables

Other receivables	<u>12,755</u>	<u>51,625</u>
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Past due and impaired receivables

As at 31 December 2022, there were no other receivables that were past due or impaired. (30 June 2022: Nil)

	Consolidated	
	31 December 2022	30 June 2022
	\$	\$

7. Prepayments

Prepaid expenses	<u>47,752</u>	<u>68,109</u>
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	Plant & Equipment	Motor vehicle	Consolidated Computer	Total
	\$	\$	\$	\$
8. Property, Plant and Equipment				
31 December 2022				
Opening net book value	-	30,536	3,838	34,374
Additions	3,476	-	-	3,476
Depreciation charge	-	(6,158)	(774)	(6,932)
Closing net book value	3,476	24,378	3,064	30,918
At 31 December 2022				
Cost or fair value	3,476	36,352	3,906	43,734
Accumulated depreciation	-	(11,974)	(842)	(12,816)
Net book value	3,476	24,378	3,064	30,918
30 June 2022				
Opening net book value	-	-	-	-
Additions	-	36,352	3,906	40,258
Depreciation charge	-	(5,816)	(68)	(5,884)
Closing net book value	-	30,536	3,838	34,374
At 30 June 2022				
Cost or fair value	-	36,352	3,906	40,258
Accumulated depreciation	-	(5,816)	(68)	(5,884)
Net book value	-	30,536	3,838	34,374

	Consolidated 31 December 2022	30 June 2022
	\$	\$

9. Exploration & Evaluation Expenditure

(a) Non-current		
Opening balance	-	-
Exploration and acquisition expenditure at cost	609,396	2,556,013
Exploration assets expensed to profit and loss	(609,396)	(2,556,013)
Total non-current exploration and evaluation expenditure	-	-

	Consolidated 31 December 2022	30 June 2022
	\$	\$

10. Trade & Other Payables

Current		
Trade Payables	101,583	227,855
Other Payables	10,850	23,687
Total current trade & other payables	112,433	251,542

There are no payables that are considered past due as at 31 December 2022 (30 June 2022: Nil).

	Consolidated	
	31 December 2022	30 June 2022
	\$	\$

11. Provisions

Current		
Employee entitlements	55,200	50,061
Total current provisions	55,200	50,061

	Consolidated		Consolidated	
	31 December 2022	31 December 2022	30 June 2022	30 June 2022
	Shares	\$	Shares	\$

12. Contributed Equity

(a) Issued and unissued share capital				
Ordinary shares – fully paid	75,430,004	14,473,174	75,000,004	14,467,686
Total issued and unissued share capital	75,430,004	14,473,174	75,000,004	14,467,686

	Date	Number of Shares	Issue Price \$	Total \$
(b) Movements in issued capital				
Opening Balance 1 July 2021		75,000,004		14,446,229
Less: Transaction costs				21,457 ¹
Closing Balance at 30 June 2022		75,000,004		14,467,686
Opening Balance 1 July 2022		75,000,004		14,467,686
Acquisition of Tenements	25 Nov 2022	430,000	\$0.07	30,000
Less: Transaction costs				(24,512)
Closing Balance at 31 December 2022		75,430,004		14,473,174

¹As at 31 December 2021, transaction costs are positive due to refund of over payment of previous issue costs from the prior year.

Expiry date	Exercise price	Balance at start of year	Granted during the year	Issued/ (Exercised) during the year	Cancelled / lapsed during the year	Balance at end of the year
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13. Issued Share Options and Performance Rights

(a) 31 December 2022 unlisted share option details						
17 June 2024	30 cents	6,000,000	-	-	-	6,000,000
17 June 2023	30 cents	6,000,000	-	-	-	6,000,000
		<u>12,000,000</u>	-	-	-	<u>12,000,000</u>
Weighted average exercise price		\$0.30				\$0.30
30 June 2022 unlisted share option details						
17 June 2024	30 cents	-	6,000,000	-	-	6,000,000
17 June 2023	30 cents	-	6,000,000	-	-	6,000,000
		<u>-</u>	<u>12,000,000</u>	-	-	<u>12,000,000</u>
Weighted average exercise price		-	\$0.30			\$0.30
(b) 31 December 2022 listed share option details						
22 Sept 2024	12.5 cents	-	39,000,002	-	-	39,000,002

Class of Rights	Expiry date	Balance at start of year	Granted during the year	Issued/ (Exercised) during the year	Cancelled/ lapsed during the year	Balance at end of the year
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(c) Performance Rights Details 31 December 2022

Class A	17 June 2026	1,500,000	-	-	-	1,500,000
Class B	17 June 2026	2,000,000	-	-	-	2,000,000
Class C	17 June 2026	1,500,000	-	-	-	1,500,000
Tranche A	23 Jul 26 & 3 Dec 26	2,450,000	-	-	-	2,450,000
Tranche B	23 Jul 26 & 3 Dec 26	3,000,000	-	-	-	3,000,000
Tranche C	23 Jul 26 & 3 Dec 26	1,650,000	-	-	-	1,650,000
		<u>12,100,000</u>	-	-	-	<u>12,100,000</u>

Performance Rights Details 30 June 2022

Class A	17 June 2026	1,500,000	-	-	-	1,500,000
Class B	17 June 2026	2,000,000	-	-	-	2,000,000
Class C	17 June 2026	1,500,000	-	-	-	1,500,000
Tranche A	23 Jul 26 & 3 Dec 26	-	2,450,000	-	-	2,450,000
Tranche B	23 Jul 26 & 3 Dec 26	-	3,000,000	-	-	3,000,000
Tranche C	23 Jul 26 & 3 Dec 26	-	1,650,000	-	-	1,650,000
		<u>5,000,000</u>	<u>7,100,000</u>	-	-	<u>12,100,000</u>

14. Share Based Payments

(a) Fair value of listed options issued

On 23 September 2022, the Company issued 37,500,002 listed options at \$0.001 each with exercise price of \$0.125, expiring on 22 September 2024 under the non-renounceable entitlement issue of options to eligible shareholders on the basis of one New Option for every two shares held as announced on 25 August 2022. The fair value of the listed options was \$37,500 (before costs).

A further 1,500,000 listed options were issued to lead managers (ie PAC Partners Securities Pty Ltd). The fair value of the listed options was \$1,500.

There are no listed options issued in prior year.

(b) Fair value of performance options granted to Employees and Consultants

In the prior period, the Company issued 7,100,000 performance rights to employees and consultants of the Company subject to various performance conditions as follows:

Class of Performance Rights	Milestone	Expiry Date	Number of Performance Rights
Class A Performance Rights	<p>(a) The Company's shares achieving a volume weighted average price per share of \$0.40 or more calculated over any 20 consecutive trading days on which trades in the shares are recorded on ASX; and</p> <p>(b) the holder completing 12 months of continuous employment at the Company.</p>	On or before the date that is 5 years from issue.	2,450,000
Class B Performance Rights	<p>(c) The Company achieving, in respect of any of the mining tenements or projects it holds an interest in at the issue date of the Performance Rights or acquires at any date in the future, a drill result greater than or equal to</p>	On or before the date that is 5 years from issue.	3,000,000
	<p><i>i.</i> a 30, gram x metre Gold intersection (with a minimum cut off grade of 0.2 g/t Au); or</p> <p><i>ii.</i> a 10, % x metre Nickel intersection (with a minimum cut off grade of 0.2 %/t Ni); or</p> <p><i>iii.</i> a 18, % x metre Copper intersection (with a minimum cut off grade of 0.3 %/t Cu),</p> <p>with the intersection being signed off by an independent geologist (the intersection is calculated by multiplying the grade of the metal (g/t or %) by the intercept width (m's)); and</p> <p>(d) the holder completing 24 months of continuous employment at the Company</p>		
Class C Performance Rights	<p>The Company achieving a JORC compliant inferred mineral resource estimate of either:</p> <p>(a) 500,000 ounces of Gold, with a minimum cut off grade of 0.2g/t Au; or</p> <p>(b) 50,000 tonnes of Nickel, with a minimum cut off grade of 0.2% Ni; or</p> <p>(c) 90,000 tonnes of Copper, with a minimum cut off grade of 0.3% Cu,</p> <p>in respect of any of the mining tenements or projects it holds an interest in at the issue date of the Performance Rights or acquires at any date in the future, as signed off by an independent geologist.</p>	On or before the date that is 5 years from issue.	1,650,000
TOTAL			7,100,000

14. Share Based Payments

The performance rights were valued using the market price on the date of grant. The value was of the performance rights were adjusted based on managements probability assessment for each class. Performance rights with a probability of less than 50% were not accounted for during the period to 31 December 2022. The value of the rights recognised in the current period was \$241,133.

Total share based payment transactions recognised during the period are set out below

	31 December 2022 \$	31 December 2021 \$
Share based payments expense		
Performance Rights issued to Directors	100,822	75,616
Performance Rights issued to Employees & Consultants	140,311	59,926
Total share based payments expense	241,133	135,542

A portion of the share based payment expense as at 31 December 2022, represents the expense related to rights and options issued in prior years that relate to the current period of service for employees, directors and consultants.

	Consolidated 31 December 2022 \$	30 June 2022 \$
15. Reserves		
(a) Unlisted/listed option reserve		
Opening balance	946,115	946,115
Issuance of listed options	39,000	-
Total unlisted/listed option reserve	<u>985,115</u>	<u>946,115</u>
(b) Performance Rights Reserve		
Opening balance	772,101	36,986
Share based payments expense	241,133	735,115
Closing Balance	<u>1,013,234</u>	<u>772,101</u>
(c) Total Option Premium Reserve		
Unlisted/Listed Option Reserve	985,115	946,115
Performance Rights Reserve	1,013,234	772,101
Closing Balance	<u>1,998,349</u>	<u>1,718,216</u>
(d) Total reserves		
Option Premium Reserve	1,998,349	1,718,216
Foreign Currency Translation Reserve	-	-
Closing Balance	<u>1,998,349</u>	<u>1,718,216</u>

16. Dividends

No dividends have been paid or recommended during the current or prior interim reporting period or subsequent to reporting date.

17. Commitments & Contingencies

On 23 November 2022, the Company announced that it has entered into a farm-in and joint venture agreement with Talgomine Minerals Pty Ltd (talgomine) to earn up to a 90% interest in the Karloning Rare Earth Element (REE) Project, located in Western Australia's Wheatbelt.

The key terms of the farm in and joint venture agreement between Codrus and Talgomine, the owner of the Karloning Project, are:

- Within 7 days, Codrus must pay Talgomine \$30,000 cash and issue \$30,000 worth of Codrus shares at a 10-day VWAP (approximately 430,000 shares at \$0.07).
- Codrus will grant Talgomine 1,000,000 options when it has met the minimum expenditure of \$100,000, with an exercise price of \$0.20 with a 2-year expiry from the date of issue.
- Codrus will grant Talgomine 2,500,000 options when it has earned a participating interest of 70% (by spending an additional \$300,000), with an exercise price of \$0.50 with a 2-year expiry from the date of issue.
- Once Codrus has earned a 70% interest, Talgomine can contribute to the joint venture or be free-carried to DFS. If it is free-carried then Codrus' participating interest will increase to 85%.
- When Codrus increases from 70% to 90% interest there is no additional consideration payable to Talgomine.
- On completion of a DFS, Talgomine can contribute to the joint venture or be free-carried to the commencement of mining production (to be repaid to CDR at a rate equal to the then current London Inter-Bank Offered Rate plus 2.5% of Talgomine's 100% entitlement to revenue received from the project. If free-carried then Codrus' participating interest increases to 90%.

Apart from the above, there were no further material changes to any commitments or contingencies since the last annual reporting date.

18. Events Occurring Subsequent to Reporting Date

There were no other matter or circumstance that have arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

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In the Directors' opinion

- (a) the financial statements and notes set out on pages 6 to 20 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standard AASB 134 Interim Financial Reporting, the *Corporations Act 2001* and other mandatory professional reporting requirements; and
 - (ii) 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 31 December 2022; and
- (b) there are reasonable grounds to believe that Codrus Minerals Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Shannan Bamforth
Managing Director

Perth, Western Australia, 7 March 2023

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF CODRUS MINERALS LIMITED

Report on the Half-Year Financial Report

Conclusion

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

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

- (a) giving a true and fair view of the Group'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 the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Group on 07 March 2023.

Responsibility of the Directors for the Financial Report

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

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Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group'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*.

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.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd

A handwritten signature in blue ink that reads "Martin Michalik".

Martin Michalik
Director

West Perth, Western Australia
7 March 2023

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