

CANTERBURY RESOURCES LIMITED
ABN 59 152 189 369



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ANNUAL REPORT 2023

Corporate Directory

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Board of Directors

John Anderson Non-Executive Chairman
Grant Craighead Managing Director
Michael Erceg Executive Director
Ross Moller Non-Executive Director
Robyn Watts Non-Executive Director

Company Secretaries

Ross Moller
Joan Dabon

Registered Office

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Pyrmont, NSW 2009
Telephone: +61 2 9392 8020
Website: canterburyresources.com.au
Email: admin@canterburyresources.com.au

Share Registrar

Automic Group
Level 5, 126 Phillip Street, Sydney NSW 2000
Telephone: +61 2 8072 1400
Website: automicgroup.com.au
Email: hello@automicgroup.com.au

Auditors

BDJ
Level 8, 124 Walker Street, North Sydney, NSW 2060
PO Box 1664, North Sydney, NSW 2059

ASX Code: CBY

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Chairman's Report

Dear Shareholders

On behalf of your Board of Directors, I am pleased to present the 2023 Annual Report to shareholders of Canterbury Resources Limited. During the year, we made pleasing progress across our portfolio of large-scale copper-gold opportunities, including a major expansion of copper resources at Briggs and substantial new funding for our Morobe tenements in Papua New Guinea (PNG).

At Briggs in Queensland, we completed further drilling, culminating in a 2.5x increase in Inferred Mineral Resources¹ to 415Mt at 0.25% Cu and 31ppm Mo. The deposit now contains 1.0 million tonnes of copper metal, placing it in the Top 10 largest undeveloped projects in Australia. We also outlined Exploration Targets² totalling 480Mt to 880Mt at 0.2% to 0.3% Cu and 25ppm to 40ppm Mo. Funding is provided by Alma Metals (ASX ALM) that can earn up to 70% interest by funding up to \$15.25 million of exploration.

In PNG, the Bismarck Project on Manus Island (CBY 40%, Rio Tinto 60%) is prospective for concealed porphyry copper-molybdenum-gold mineralisation proximal to extensive zones of lithocap, with exploration being sole-funded by Rio Tinto. During the year, sampling and mapping focussed on the Nanai-Njekal, Willie Headwaters, Tani and Olewai prospects. The data generated is being integrated with existing mineralogical, geochemical, and geophysical data to optimise the design of potential drill targets.

Canterbury holds a series of tenements in Morobe Province, which is a well-endowed metallogenic belt that hosts world class epithermal and porphyry style deposits including Harmony Gold's ~140koz pa Hidden Valley gold mine³ and the massive Wafi-Golpu project⁴ owned by Newcrest Mining and Harmony Gold that has Mineral Resources containing 21.7Moz gold and 7.5Mt copper. Potential development of Wafi-Golpu will represent a major step forward for the province as well as expanding regional infrastructure and access near Canterbury's Wamum and Waits Creek tenements. Canterbury recently reached agreement on a joint venture covering its Morobe Projects⁵. Under the agreement private exploration group Syndicate Minerals can earn up to 70% interest by funding up to USD \$20 million of exploration and assessment activity.

Key assets in the Morobe JV include 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) deposits⁶ which represent a potential stand-alone development, as well as undrilled porphyry Cu-Mo-Au targets at Yalua and Waits Creek. There are also several laterally extensive high-grade Au-Cu lodes, such as Ekoato, Ofibanda and Waikanda, that are geologically comparable to lodes at the successful Kainantu gold mine located ~150km northwest.

I wish to thank all our stakeholders, including joint venture partners, landowners, and shareholders, for their continuing support and look forward to an exciting year ahead. The strategic funding agreements established across our key projects will be a catalyst for an acceleration of exploration efforts, providing a high level of activity and news flow into the foreseeable future.

Yours sincerely,



John Anderson, Chairman

¹ CBY ASX Announcement 6 July 2023 "Updated Briggs Resource"

² CBY ASX Announcement 18 July 2023 "Briggs Soil Sampling Confirms Upside" NB the potential tonnage and grade of the 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 Estimate.

³ Harmony Gold website www.harmony.co.za

⁴ Newcrest ASX Announcement 21 September 2023 "Annual Mineral Resources and Ore Reserves Statement"

⁵ CBY Announcement 25 July 2023 "Morobe Joint Venture Proceeds"

⁶ CBY ASX Announcement 25 November 2020 "Increased Resources at the Wamum Project"

Review of Operations

INTRODUCTION

Canterbury is a mineral exploration company that generates and explores potential Tier-1 copper-gold projects in proven mineral belts throughout the southwest Pacific region.

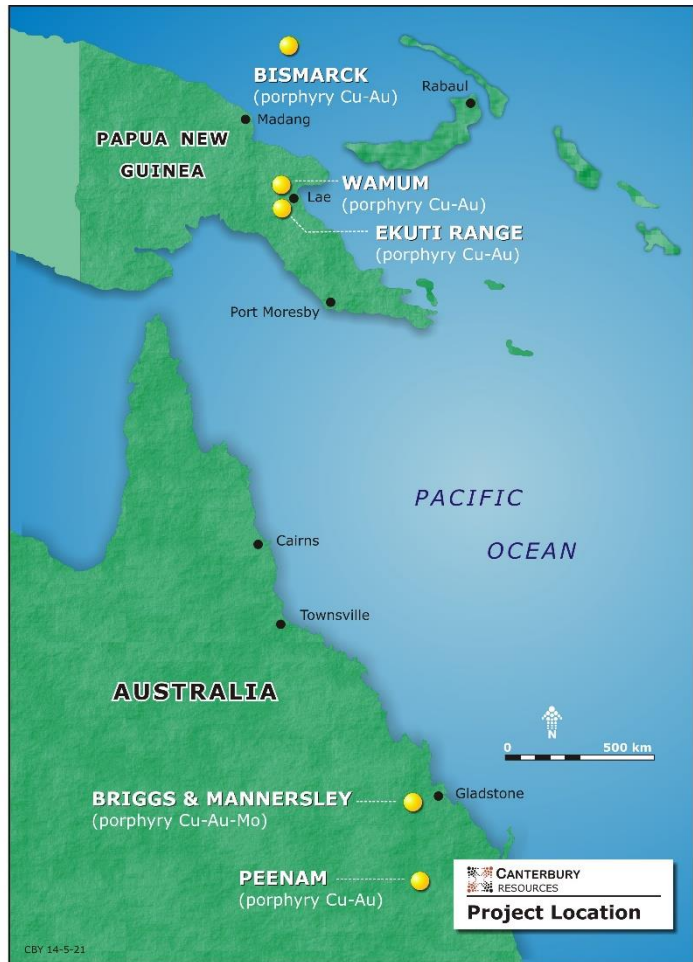
It has a strong portfolio of projects in Australia and Papua New Guinea (PNG) that are prospective for porphyry copper-gold and epithermal gold-silver deposits.

The Company is managed by an experienced team of resource professionals, with a strong track record of exploration success and mine development in the region. It periodically forms partnerships with other resource companies to mitigate risk and defray cost.

Joint venture partners currently comprise Rio Tinto (ASX: RIO), Alma Metals (ASX: ALM) and private exploration group Syndicate Minerals. Canterbury receives management and operating fees from each of the joint ventures.

The Company has established significant mineral resources at three deposits:

- the Briggs copper deposit in Queensland, and
- the Idzan Creek and Wamum Creek copper-gold deposits in PNG.



In aggregate these deposits contain around 1.8Mt copper and 3.2Moz gold. Canterbury's geologists have identified multiple opportunities to significantly expand these resources.

QUEENSLAND

▲ Briggs JV (CBY 70%, Alma Metals Earn-In JV rights, Rio Tinto 1.5% NSR at Briggs & Mannersley)

The Briggs, Mannersley, Fig Tree Hill and Don River tenements (CBY 70%) are in central Queensland, ~60km inland from the industrial port of Gladstone. The area is prospective for porphyry related copper-molybdenum-gold mineralisation systems, including the Briggs deposit where an Inferred Mineral Resource of 415Mt at 0.25% Cu and 31ppm Mo has been delineated at the central and northern zones. In addition, an Exploration Target of 480Mt to 880Mt at 0.20% to 0.30% Cu and 25ppm to 40ppm Mo has been outlined, representing potential lateral extensions of the known mineralisation. The Exploration Target is being assessed in ongoing drilling programs. Note, the potential tonnage and grade of this 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 Estimate.

The Briggs deposit is located ~15km north of a significant road, rail and power corridor providing excellent infrastructure and logistics connections to Gladstone port. Preliminary metallurgical test-work has achieved high copper recoveries (92-95% recovery) via standard crushing, grinding and flotation to produce viable concentrate grades.

Funding for the project continues to be provided by joint venture Alma Metals (ASX ALM) which has the right to earn up to 70% interest through staged exploration and assessment expenditure totalling \$15.25M.

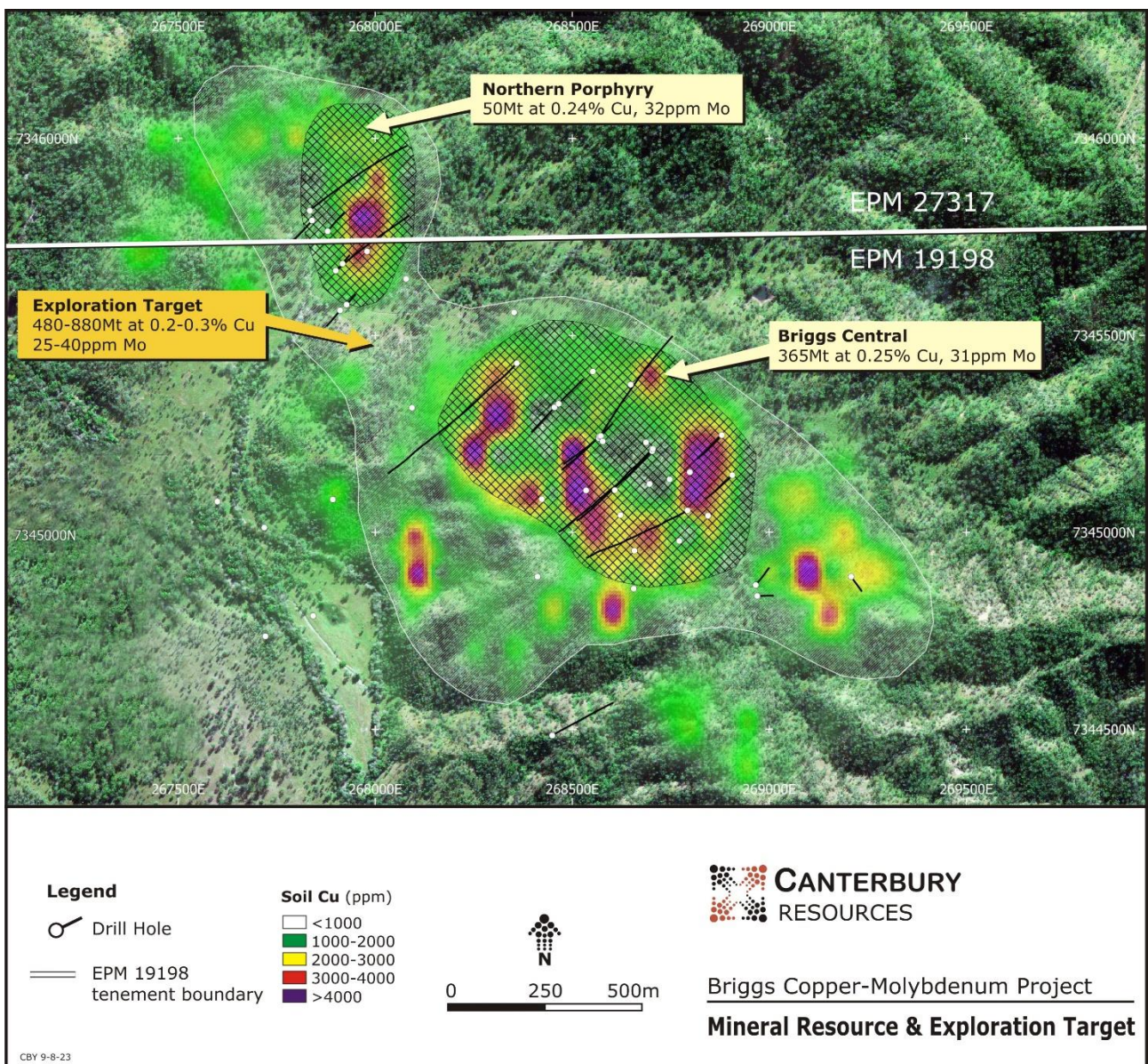
Review of Operations

During the past year, significant progress was achieved. Key activities included:

- a deep core drilling program confirming broad intervals of porphyry copper-molybdenum mineralisation at the northern porphyry target and as extensions of the central porphyry zone,
- completion of the grid-based soil sampling program providing high resolution, low detection level gold and multi-element geochemistry across the entire Briggs porphyry system, and
- updated Mineral Resource and Exploration Target estimates for the Briggs project.

Soil sampling over Briggs has outlined anomalous copper at greater than 1,000ppm over an area greater than 2km long and up to 1km wide. Within this anomalous area there are several clusters of higher-grade copper which reflect the known mineralised centres at Briggs Central, the Northern Porphyry and the Southern Porphyry. Following drilling at the Central and Northern areas, an updated Mineral Resource estimate was completed in July 2023 with a 2.5x increase in contained copper metal compared to the 2020 estimate.

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The surrounding Exploration Target provides potential for substantial increases in the Mineral Resource Estimate and a further phase of exploration drilling commenced in August 2023. This program is also assessing higher-grade portions of the Briggs Central resource in greater detail.

Review of Operations

▲ Peenam (CBY 100%)

Canterbury holds EPM27756 (Peenam), located 150km northwest of Brisbane, that is prospective for porphyry style Cu-Au-Mo mineralisation and has been the subject of limited historical exploration. Land access has recently been achieved ahead of a planned bedrock sampling and mapping program. The data from this program will inform potential future drilling.

PAPUA NEW GUINEA

▲ Morobe JV (CBY 100%, Syndicate Minerals Earn-in JV rights)

The Morobe joint venture covers a series of tenements in Morobe Province, a well-endowed metallogenic belt that hosts world class epithermal and porphyry style deposits:

- EL2658 Wamum & EL2782 Waits Creek (application) directly northwest of the world-class Wafi-Golpu Project owned by Newcrest Mining & Harmony Gold (Mineral Resources contain 26Moz gold, 8.6Mt copper), and
- EL2302 Mt Leahy & EL2314 Mt Evina west of Harmony Gold's ~140koz pa Hidden Valley gold operation.

Canterbury's Wamum tenement covers a series of copper-gold porphyry related prospects, including two significant deposits containing a combined 2.6Moz gold and 569kt copper:

- Idzan Creek (Inferred Mineral Resource 137.3Mt at 0.53g/t Au and 0.24% Cu) and
- Wamum Creek (Inferred Mineral Resource 141.5Mt at 0.18g/t Au and 0.31% Cu).

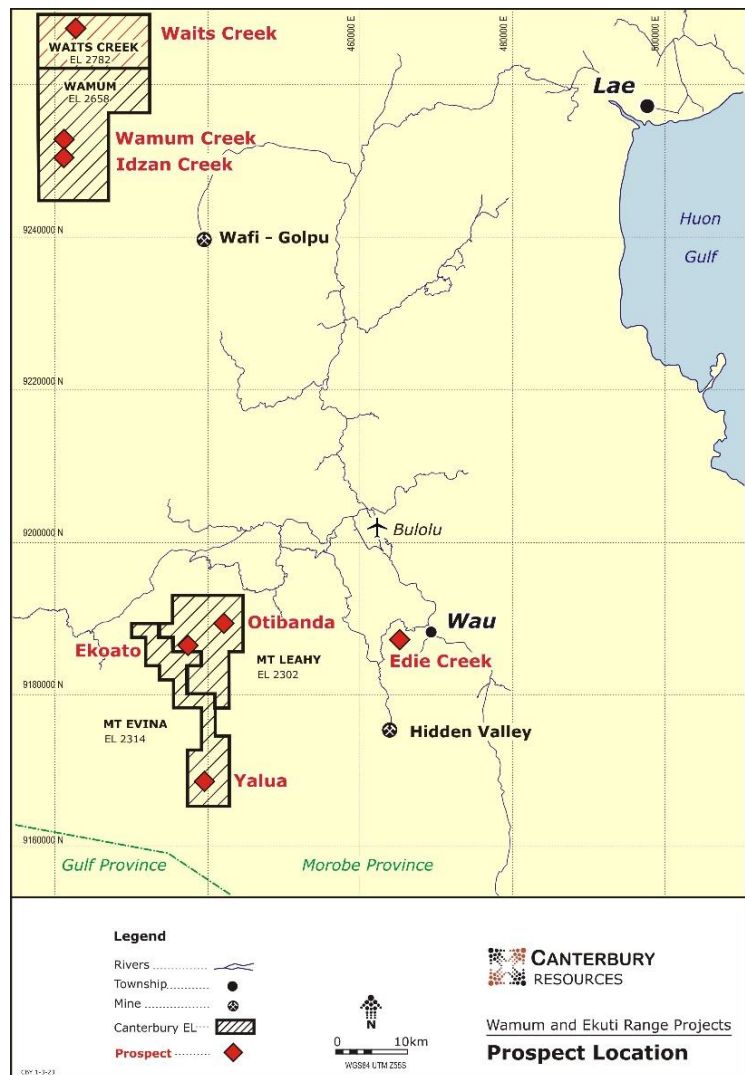
Nearby prospects are being explored and are likely to generate additional drill targets.

The Idzan Creek and Wamum Creek deposits remain open and provide potential to support a standalone operation based on both open cut and underground mining.

Preliminary metallurgical testwork confirms that encouraging copper and gold recoveries are achievable via conventional processing (crush-grind-flotation).

The Waits Creek application adjoins the Wamum tenement and covers an undrilled Cu-Au prospect where surface sampling and mapping has outlined a zoned alteration system, with a coincident geophysical signature.

Further south, the Mt Leahy and Mt Evina tenements cover two related styles of mineralisation: narrow, high grade epithermal gold-copper lodes (e.g., Otibanda, Ekoato) and large-scale porphyry copper-molybdenum-gold systems (e.g., Yalua). Multiple targets are now at, or close to, the drill-ready stage.



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Review of Operations

In May 2023, a private exploration group Syndicate Minerals agreed to form an Earn-in Joint Venture covering the Morobe tenement package. Key features of the agreement are:

- Stage 1 – US\$5 million of exploration and assessment expenditure within 3 years of commitment to Stage 1, including a minimum of 1,000m core drilling, to earn a 40% joint venture interest.
- Stage 2 – US\$15 million of exploration and assessment expenditure within 3 years of commitment to Stage 2, including a minimum of 2,000m core drilling, to earn an additional 30% joint venture interest.
- Work programs to be managed by Canterbury.
- Exclusivity and signing fees of A\$100,000 paid to Canterbury.

▲ Bismarck JV (CBY 40%, Rio Tinto 60%)

The Bismarck joint venture is currently sole-funded by Rio Tinto Exploration (PNG) Limited under a Farm-In and Joint Venture Agreement providing the right to earn up to 80% interest. The Project is considered prospective for concealed porphyry-style copper-gold-molybdenum mineralisation adjacent to or below extensive zones of mapped advanced argillic altered lithocap.

During 2023, the joint venture partners completed two field programs. These included regional drainage sampling below the elevated terrain of the lithocap to validate historical geochemistry and search for mineralogical associations related to proximal porphyry alteration types, plus geological mapping and sampling traversing high priority creeks with anomalous geochemistry and mineralogy to search for porphyry and skarn related mineralisation, alteration, and veining.

The data generated from these programs is being integrated with existing mapping plus mineralogical, geochemical and geophysical data to optimise design of potential future drill targets.

MATERIAL BUSINESS RISKS

The Company has exposure to several material economic, environmental, and social sustainability risks, as is typical for a mineral exploration and development company, including but not limited to those set out below. In accordance with the Company's Board Charter and Risk Management Policy, the Board has oversight of risk management with the assistance of the Risk Management Committee.

Tenure and access

The Company's exploration tenure in Australia and Papua New Guinea is subject to periodic renewal. The renewal of the term of granted tenure is subject to the discretion of the relevant authority and may be subject to conditions. The imposition of new conditions or the inability to meet those conditions may adversely affect the Company or its prospects. Where the Company's projects include private land, exploration activity may require authorisation or consent from the owners of or other interest holders in that land.

Exploration

Potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of the Company's projects, or any other projects that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited. The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its projects and obtaining all required approvals for its activities. In the event that exploration programs prove to be unsuccessful this could lead to a diminution in the value of the tenements, a reduction in the cash reserves of the Company and possible relinquishment of its projects.

Climate change

The operations and activities of the Company are subject to changes to local or international compliance regulations related to climate change mitigation efforts. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences. Climate change may also cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns, incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

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Reliance on key personnel

The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.

Environmental

The operations and proposed activities of the Company are subject to laws and regulations concerning the environment. Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in delays to anticipated exploration programs or mining activities. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. There is a risk that environmental laws and regulations become more onerous, making the Company's activities more expensive.

Economic

General economic conditions, tax reform, new legislation, movements in interest and inflation rates and currency exchange rates could adversely affect the Company, as well as its ability to fund its operations.

Additional requirements for capital

The operations of the Company are currently dependent on its ability to obtain financing through debt and equity to meet its business objectives. There is a risk that the Company may not be able to access capital from debt or equity markets for future operations, projects or developments. This could have a material adverse impact on the Company's business and financial condition.

Contract and contractor

The Company has outsourced certain activities to third party contractors. Such contractors may not be available to perform services for the Company when required or may only be willing to do so on terms that are not acceptable to the Company. Contractor performance may be hampered by capacity constraints and may not comply with applicable provisions, standards or laws in respect of quality, safety, environmental compliance and timeliness, which may be difficult to control. In the event that a contractor underperforms or its services are terminated, the Company may not be able to find a suitable replacement on satisfactory terms within the required timeframe or at all. These circumstances could have a material adverse effect on the Company's operations.

Exchange rates

Due to its operations in Papua New Guinea, the Company is exposed to the fluctuations and volatility of the rate of exchange between the PNG Kina and the Australian dollar as determined in international markets. Movements in interest rates may result from changes in economic conditions, monetary and fiscal policies, international and regional political events or other factors beyond the control of the Company, which may adversely affect the financial condition of the Company.

Cost inflation

Higher than expected inflation rates generally, specific to the mining industry, or specific to PNG or Australia, could be expected to increase operating and capital expenditure costs and potentially reduce the value of future project developments.

Sovereign risks

The Company's exploration and development activities are carried out in Papua New Guinea and Australia. As a result, the Company will be subject to political, social, economic, and other uncertainties including, but not limited to, changes in policies or the personnel administering them, foreign exchange restrictions, changes of law affecting foreign ownership, currency fluctuations, local beneficiation requirements, local content laws, expropriation risk, royalties and tax increases. Other potential issues contributing to uncertainty such as

Review of Operations

repatriation of income, exploration licensing, environmental protection and Government control over mineral properties, changes to political, legal, regulatory, fiscal and exchange control systems and changes in Government may also impact the Company's projects or operations.

CORPORATE GOVERNANCE

Pursuant to the ASX Listing Rules, Canterbury's Corporate Governance Statement will be released in conjunction with this report. The Corporate Governance Statement and the corresponding Appendix 4G can be found at www.canterburyresources.com.au/about-us/corporate-governance/.

OUTLOOK

Canterbury is positioned to maintain a high level of field activities for the foreseeable future, with exploration and assessment activity being fully funded by joint venture partners across the portfolio.

In Queensland, drilling continues at the Briggs Copper Project testing lateral extensions to the mineralisation system, as well as assessing higher grade settings in more detail. This work has the potential to significantly enhance existing resources and the project is likely to transition into a scoping study evaluation during 2024.

At the Bismarck Project in PNG, the results from recent mapping and sampling are being used to optimise the design of potential future drill programs targeting concealed porphyry-style copper-gold-molybdenum mineralisation.

In Morobe Province, PNG the recent introduction of a joint venture partner is a catalyst for an acceleration of exploration activity. Geological and geophysical reviews are leading to a prioritisation of targets, with additional mapping and sampling proposed ahead of drilling at selected targets in 2024 and beyond.

REFERENCES

Additional details including JORC 2012 reporting tables, where applicable, can be found in releases lodged with ASX or similar and referred to in this report:

- CBY ASX Announcement 25/11/2020 "Increased Resources at the Wamum Project"
- CBY ASX Announcement 04/07/2022 "Alma Metals Commits to the Briggs Joint Venture"
- CBY ASX Announcement 31/05/2023 "Morobe Project Joint Venture"
- CBY ASX Announcement 25/07/2023 "Morobe Project Joint Venture Proceeds"
- CBY ASX Announcement 06/07/2023 "Updated Briggs Resource exceeds 1Mt contained copper"
- CBY ASX Announcement 18/07/2023 "Briggs Soil Sampling Confirms Upside"
- CBY ASX Announcements 28/07/2023, 28/04/2023, 31/01/2023 & 27/10/2022 "Quarterly Activities Report"
- CBY ASX Announcement 21/09/2023 "Alma Commits to Stage-2 of Briggs Copper Project"

DECLARATION AND JORC COMPLIANCE

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 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 Australasian 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 and is a Consulting Geologist of Bluespoint Mining Services and a shareholder in Canterbury Resources. 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 this report of the matters based on that information in the form and context in which it appears.

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FORWARD LOOKING STATEMENTS

Forward-looking statements are statements that are not historical facts. Words such as “expect(s)”, “feel(s)”, “believe(s)”, “will”, “may”, “anticipate(s)”, “potential(s)” and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the Company’s prospects, properties and business strategy. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.

TENEMENT INFORMATION (as at 17 October 2023)

Tenement	Location	Project	Status	Interest
EPM 19198	Queensland	Briggs *	Granted	70%
EPM 18504	Queensland	Mannersley *	Granted	70%
EPM 27317	Queensland	Fig Tree Hill **	Granted	70%
EPM 28588	Queensland	Don River **	Application	70%
EPM 27756	Queensland	Peenam	Granted	100%
EL 2302	Morobe Province, PNG	Mt Leahy ***	Granted	100%
EL 2314	Morobe Province, PNG	Mt Evina ***	Granted	100%
EL 2658	Morobe Province, PNG	Wamum ***	Granted	100%
EL 2782	Morobe Province, PNG	Waits Creek ***	Application	100%
EL 2378	Manus Island, PNG	Bismarck ****	Granted	40%
EL 2390	Manus Island, PNG	Bismarck ****	Granted	40%

* Subject to a 1.5% NSR and a decision to mine payment in favour of Rio Tinto Exploration Pty Ltd plus a Earn-In Joint Venture with Alma Metals which has the right to earn up to 70%

** Subject to an Earn-In Joint Venture with Alma Metals which has the right to earn up to 70%

*** Subject to an Earn-In Joint Venture with Syndicate Minerals which has the right to earn up to 70%

**** Subject to a Joint Venture and Farm-In Agreement with Rio Tinto Exploration (PNG) Limited which is currently sole-funding exploration to earn an 80% JV interest

MINERAL RESOURCE INFORMATION (as at 17 October 2023)

Project	Deposit	Category	Cut-off	Mt	Au (g/t)	Cu (%)	Mo (ppm)	Au (Moz)	Cu (kt)	Mo (Mlb)
Wamum *	Idzan Creek	Inferred	0.2g/t Au	137.3	0.53	0.24	-	2.34	327	-
Wamum *	Wamum Creek	Inferred	0.2% Cu	141.5	0.18	0.31	-	0.82	435	-
Briggs **	Briggs	Inferred	0.2% Cu	415.0	-	0.25	31	-	1,030	28.6
Total								3.16	1,792	28.6

* The Mineral Resource estimates for Idzan Creek and Wamum Creek are unchanged from the 2022 Annual Report.

** The updated Mineral Resource Estimate for Briggs was announced 6th July 2023.

Reporting of Mineral Resources is undertaken in compliance with the JORC Code. Resources are on a 100% project basis.

Canterbury Resources Limited and Controlled Entities

ABN 59 152 189 369

Directors' report

The directors of Canterbury Resources Limited submit the annual 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 financial year ended 30 June 2023. The directors' report as follows:

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless noted otherwise:

John Ernest Douglas Anderson: Non-Executive Chairman
Grant Alan Craighead: Managing Director
Ross Earle Moller: Non-Executive Director and Co-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 co-company secretary. Ross Earle Moller, director, also acts as a co-company secretary.

John Ernest Douglas Anderson - BCom, MBA, GAICD Non-Executive Chairman	
Experience and expertise	John has 40+ years experience in banking, investment banking and general consulting in Australia and Chile. He has held positions of Managing Director or Chairman with several public and private companies in Australia, and as a Director of mining companies in Chile. John has experience in general financing and capital raisings, developing and implementing business plans for new and existing entities, and taking companies from IPO through to operations. In ASX listed companies, in the capacity of director, managing director or chairman, John has been a member of audit, remuneration and finance committees, and was Chairman of Anchor Resources Ltd from IPO through to the sale of controlling interest in 2011. John was appointed to the Canterbury Board in 2011.
Other current directorships	None
Former directorships in last 3 years	None
Special responsibilities	Chairman
Interests in Canterbury shares and options	Ordinary shares (Un-Escrowed) – 6,695,023 Options (Un-Escrowed) – under ESOP expiring 30 June 2024 – 300,000 Options (Un-Escrowed) – under ESOP expiring 30 June 2025 – 500,000

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Canterbury Resources Limited and Controlled Entities

ABN 59 152 189 369

Directors' report

Information about the directors (cont'd)

Ross Earle Moller - BCom, Dip AppCorpGov, CA ANZ, FGIA, FCG (CGP) Non - Executive Director and Co Company Secretary	
Experience and expertise	Ross is a Chartered Accountant and Chartered Governance Professional and brings 30+ years experience in providing corporate advisory and secretarial services to a range of listed and unlisted companies. He has expertise in financial management, corporate governance and strategic planning, as well as commercial and legal risk issues. Ross is based in Singapore and is an Executive Director of a Management Consultancy business that operates across the Asia-Pacific region.
Other current directorships	Smart Software (Singapore) Pte. Ltd.
Former directorships in last 3 years	None
Special responsibilities	None
Interests in Canterbury shares and options	Ordinary shares (Un-Escrowed) – 2,604,500 Options (Un-Escrowed) – under ESOP expiring 30 June 2024 – 300,000 Options (Un-Escrowed) – under ESOP expiring 30 June 2025 – 500,000

Grant Alan Craighead - BSc, MAusIMM, GAICD Managing Director	
Experience and expertise	Grant is a geologist with 40+ years experience in the exploration, mining and financial sectors. This includes eight years as Manager Geology with Elders Resources NZFP Ltd and five years as a resource analyst at Macquarie Bank. During his period with Elders, he was directly associated with exploration and development successes including Red Dome, Selwyn, Wafi-Golpu, Glendell, Narama and Kidston. He was a co-founder of Anchor Resources Ltd and its Managing Director during the sale of controlling interest in 2011. He is also a co-founder and director of Breakaway Investment Group, a financial company that provides private equity and advisory services in the resource sector.
Other current directorships	Breakaway Investment Group
Former directorships in last 3 years	None
Special responsibilities	Managing Director
Interests in Canterbury shares and options	Ordinary shares (Escrowed) – 500,000 Ordinary shares (Un-Escrowed) – 9,797,699 Options (Un-Escrowed) – under ESOP expiring 30 June 2024 – 300,000

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Canterbury Resources Limited and Controlled Entities

ABN 59 152 189 369

Directors' report

Information about the directors (cont'd)

Michael Matthew Erceg - BSc, MSc, Dip Min Econ, MAIG, RPGeo Executive Director	
Experience and expertise	Michael is a geologist with 40 years experience in mineral exploration, mine development and operations in New Zealand, Australia, Papua New Guinea, Vanuatu, the Philippines and China. He is a specialist in southwest Pacific porphyry copper-gold and epithermal gold-silver systems, and has a strong understanding of their geological, geochemical, geophysical and alteration footprints. He has extensive experience in managing remote area reconnaissance and advanced exploration programs, including an ability to readily adapt to culturally diverse environments and work effectively with local professional staff. During his career he has made significant direct contribution to the discovery and/or delineation of the Red Dome, Northwest Mungana, Wafi-Golpu, Ok Tedi, New Holland underground and Murrawombie/Larsens/Northeast ore bodies.
Other current directorships	None
Former directorships in last 3 years	None
Special responsibilities	Manager Exploration
Interests in Canterbury shares and options	Ordinary shares (Un-Escrowed) – 1,382,250 Options (Un-Escrowed) – under ESOP expiring 30 June 2024 – 300,000 Options (Un-Escrowed) – under ESOP expiring 30 June 2025 – 500,000

Robyn Watts Non-Executive Director	
Experience and expertise	Robyn is an experienced Chair and Non-Executive Director of ASX and private company boards, which followed a 25+ year executive career as a CEO, across a diverse range of sectors including telecommunications, retail, media, entertainment and education sectors. Robyn's experience is characterised by companies with robust growth strategies involving significant M&A, business transformation and turnaround, capital raising, strategic planning, development of digital capability and customer engagement and international business activity. Her ASX experience also includes Governance and Compliance, Remuneration and Nomination (Chair); and Audit and Risk Committees. Robyn has a strong background both professionally and personally in Papua New Guinea over 35 years. This has given her experience in dealing with government, local landowner groups and traditional cultures.
Other current directorships	None
Former directorships in last 3 years	Vita Group Ltd
Special responsibilities	None
Interests in Canterbury shares and options	Ordinary shares (Un-Escrowed) – 175,000 Options (Un-Escrowed) – under ESOP expiring 30 June 2024 – 300,000 Options (Un-Escrowed) – under ESOP expiring 30 June 2025 – 500,000

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Canterbury Resources Limited and Controlled Entities

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Directors' report

Co Company secretary information

Véronique Morgan-Smith - LLB Hons (UK), MBDE (Fr), CAPA (Fr), Law Dip. (Aus) Company Secretary and In-House Legal Counsel - Resigned 8 September 2023 and replaced by Joan Dabon.

Véronique was appointed as Company Secretary and In-House legal Counsel in November 2013. She has 19+ years' experience as a corporate transactions lawyer, both in major international law firms and in-house, as an Australian solicitor and a French avocat d'affaires. She has advised multinational companies and smaller businesses from start-up through to domestic and cross-border transactions and joint-ventures in various legal systems, including Australia, France, the UK, the US, Hong Kong, OHADA Africa, South Africa and various Pacific Islands. Her broad practice has focused on mining and mineral resources in recent years, and she acts as the company secretary of several private and public companies. Véronique uses her varied legal expertise to assist the Board in corporate governance and compliance matters, capital raising and corporate transactions.

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.

Financial result

The consolidated loss of the group after providing for income tax for the year ended 30 June 2023 was \$817,813 (2022: loss \$1,795,267).

The net assets of the group increased by \$84,151 from \$11,231,770 at 30 June 2022 to \$11,315,921 at 30 June 2023, primarily due to share issuances during the year amounting to \$858,120, partially offset by the group's loss for the year of \$817,813.

Dividends

There were no dividends paid or declared for the period ended 30 June 2023 (2022: nil). The directors have not made any recommendations for payment of dividends in respect of the financial year.

Significant changes in the state of affairs

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

Review of operations

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

Significant advancement was achieved at the Briggs Copper Project in Queensland, where the Company upgraded its Mineral Resource estimate for the Briggs deposit to 415Mt at 0.25% Cu and 31ppm Mo. An Exploration Target of 480Mt to 880Mt at 0.2% to 0.3% Cu and 25ppm to 40ppm Mo was also estimated covering potential extensions to the Briggs deposit and these zones will be assessed in future drilling programs. Activity on the Briggs Copper Project continues to be funded by Alma Metals (ASX: ALM) under an earn-in agreement, whereby it can earn up to 70% interest by sole-funding up to \$15.25 million of assessment activity.

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Directors' report

Review of operations (cont'd)

In PNG, Canterbury is operating at two project areas: the Bismarck Project on Manus Island and the Morobe Project in Morobe Province.

The Bismarck Project is the subject of a Farm-In and Joint Venture Agreement with Rio Tinto Exploration (PNG) Limited which is earning up to 80% project interest by funding and completing staged exploration programs. A series of surface sampling and mapping programs have been completed around the Chiniwea, Dremsel, Nani-Njekel and Willi Headwater areas, targeting porphyry related mineralisation, alteration and veining, with results and observations being consistent with the presence of skarn and porphyry-style copper-molybdenum-gold systems. The data being generated is informing the design of potential future drill programs.

The Morobe Project covers four tenements and that are collectively the subject of a recently formed agreement with Syndicate Minerals. Under the Morobe Project agreement, Syndicate Minerals can earn up to 70% interest via funding of up to US\$20 million of staged exploration and assessment activities. Canterbury has previously estimated significant resources at two deposits; 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). In addition, Canterbury has identified significant undrilled porphyry Cu-Mo-Au targets at Waits Creek, Yalua and Bobanda, as well as high-grade Au-Cu lodes at Ekoato, Otibanda and Waikanda.

Commitments for expenditure

In order 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 FY24 is approximately \$2,577,500, of which approximately \$2,537,500 is covered by project funding partners. This is a pro rata estimate, based on annualised licence terms, converted to AUD at current exchange rates.

Directors' meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors).

	Committee											
	Board Meetings		Risk		Audit		Remuneration		Governance		Nomination	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
R Moller	12	12	4	4	2	2	2	2	-	-	-	-
J Anderson	12	9	4	4	-	-	2	2	-	-	-	-
G Craighead	12	12	4	4	-	-	-	-	-	-	-	-
M Erceg	12	12	4	4	-	-	-	-	-	-	-	-
R Watts	12	12	4	4	2	2	2	2	-	-	-	-

Events since the end of the financial year

Since 30 June 2023, the following events have arisen:

On 24 July 2023, Syndicate Minerals exercised an option to enter into an agreement ('Morobe Project agreement') whereby it has the conditional right to earn up to a 70% interest in Canterbury's Papua New Guinea mineral exploration projects in Morobe Province via funding of up to US\$20 million of staged exploration and assessment activities. The Morobe Project tenements comprise: EL2658 "Wamum", EL2782 (application) "Waits Creek", EL2302 "Mt Leahy" and EL2314 "Mt Evina". Syndicate Minerals paid a signing fee of A\$80,000.

On 8 September 2023 Veronique Morgan-Smith resigned as Company Secretary and Joan Dabon was appointed as Company Secretary.

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Directors' report

Events since the end of the financial year (cont'd)

On 21 September 2023 Alma Metals Limited achieved the Stage-1 Earn-In requirements to reach an initial 30% interest in the Briggs, Mannersley and Fig Tree Hill project in Queensland and committed to Stage-2 of the Earn-In agreement, whereby it can reach a 51% project interest by sole-funding a further A\$3 million of assessment activity by 30 June 2026.

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.

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.

Remuneration of key management personnel

Information about the remuneration of key management personnel is set out in the remuneration report section of this directors' report. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the group.

Share options granted to directors and senior management

During the year, there were 2,500,000 options issued to the directors or senior management.

Remuneration report (audited)

This remuneration report for the year ended 30 June 2023 outlines the remuneration arrangement of the group and the group in accordance with the requirements of the Corporations Act 2001 (the "Act") and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the group and the group, directly or indirectly, including any director whether executive or otherwise) of the parent company.

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Directors' report

Remuneration report (audited) (cont'd)

Details of key management personnel

Directors

John Anderson	Non-Executive Chairman
Grant Craighead	Managing Director
Ross Moller	Non-Executive Director and Co-Company Secretary
Michael Erceg	Executive Director
Robyn Watts	Non-Executive Director

Remuneration philosophy

The objectives of the group's remuneration framework are to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders. The Board believes that executive remuneration satisfies the following key criteria:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage/alignment of executive compensation
- transparency
- capital management.

These criteria result in a framework which can be used to provide a mix of fixed and variable remuneration, and a blend of short and long-term incentives in line with the group's limited financial resources.

Fees and payments to the group's non-executive directors and senior executives reflect the demands which are made on, and the responsibilities of, the directors and senior management. Such fees and payments are reviewed annually by the Board. The group's executive and non-executive directors, senior executives and officers are entitled to receive options under the group's employee share option scheme.

Relationship between the remuneration policy and company performance

The tables below set out summary information about the group's earnings and movements in shareholder wealth for the five years to June 2023. As the table indicates, earnings have varied significantly over the past five financial years, due to the nature of activities. It has been the focus of the Board of Directors to attract and retain management personnel essential to continue the group's participation in mineral exploration projects.

	30 June 2023	30 June 2022	30 June 2021	30 June 2020	30 June 2019
	\$	\$	\$	\$	\$
Revenue	—	—	—	6,004	36,398
Net loss before tax	(817,813)	(1,795,267)	(1,311,928)	(1,285,601)	(1,015,172)
Net loss after tax	(817,813)	(1,795,267)	(1,311,928)	(1,285,601)	(1,015,172)
Share price at end of year (\$)	0.022	0.043	0.092	0.13	0.29
Basic and diluted loss per share (cents per share)	(0.0060)	(0.0149)	(0.0122)	(0.0153)	(0.0150)

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Directors' report

Remuneration report (audited) (cont'd)

Remuneration of directors is set by reference to payments made by other companies of similar size and industry, and by reference to the skills and experience of directors. Fees paid to Non-Executive Directors are not linked to the performance of the group. This policy may change once the exploration phase is complete and the group is generating revenue. At present the existing remuneration policy is not impacted by the group's performance including earnings and changes in shareholder wealth (e.g. changes in share price) with the exception of incentive options issued to directors, subject to shareholder approval.

Remuneration of key management personnel

2023	Short-term employee benefits		Post-employment benefits	Share-based payments	Total
	Salary and directors' fees	Consulting fees	Superannuation	Options	
Directors	\$	\$	\$	\$	\$
R E Moller	65,000	20,280	—	7,307	92,587
J E D Anderson	67,873	—	7,127	7,307	82,307
GA Craighead	271,493	—	28,507	7,307	307,307
M Erceg	226,244	—	23,756	7,307	257,307
R Watts	58,824	—	6,176	7,307	72,307
	689,434	20,280	65,566	36,535	811,815

2022	Short-term employee benefits		Post-employment benefits	Share-based payments	Total
	Salary and directors' fees	Consulting fees	Superannuation	Options	
Directors	\$	\$	\$	\$	\$
J E D Anderson	68,181	—	6,818	17,800	92,799
GA Craighead	272,728	—	27,272	17,799	317,799
R Watts	59,091	—	5,909	17,799	82,799
M Erceg	227,274	—	22,726	17,799	267,799
R E Moller	65,000	22,260	—	17,799	105,059
	692,274	22,260	62,725	88,996	866,255

No performance-based remuneration was paid in 2023 (2022: nil).

The performance and remuneration of directors and senior executives is reviewed annually.

Non-executive director remuneration arrangements

Directors are entitled to remuneration out of the funds of the company, but the remuneration of the non-executive directors ("NED") may not exceed in any year the amount fixed by the company in general meeting for that purpose. The aggregate remuneration of the NEDs has been fixed at a maximum of \$250,000 per annum to be apportioned among the NEDs in such a manner as the Board determines. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at Board meetings and otherwise in the execution of their duties as directors.

For the year to 30 June 2023, the Chairman's fee was set at \$75,000 per annum and NED fees at \$65,000 per annum, inclusive of superannuation where applicable.

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Directors' report

Remuneration report (audited) (cont'd)

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in employment contracts and are set out below.

For the year to 30 June 2023, the Managing Director's remuneration was set at \$300,000 per annum inclusive of superannuation, (June 2022: \$300,000 per annum inclusive of superannuation). There were no termination payments. For the year to 30 June 2023, the Executive Director's remuneration was set at \$250,000 for the year inclusive of superannuation. There were no termination payments. NED fees were \$205,000 for the year, inclusive of superannuation where applicable.

Transactions with associates of directors

There were no transactions with associates of directors.

Number of shares held by key management personnel

The number of shares in the company held during the financial year by each director and other members of key management personnel of the group, is set out below:

	No of shares			
	Balance at the beginning	Received as part of		Balance at the end of
Director				
R E Moller	2,372,500	—	232,000	— 2,604,500
J E D Anderson	5,895,023	—	800,000	— 6,695,023
GA Craighead	8,964,534	—	1,333,165	— 10,297,699
M Erceg	965,000	—	417,250	— 1,382,250
R Watts	50,000	—	125,000	— 175,000
	<u>18,247,057</u>	<u>—</u>	<u>2,907,415</u>	<u>— 21,154,472</u>

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.

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 option carries 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.

The options granted expire on their expiry date, or one month after the resignation of the employee, whichever is the earlier.

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Canterbury Resources Limited and Controlled Entities

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Directors' report

Remuneration report (audited) (cont'd)

Employee share option plan (cont'd)

Terms and conditions of share-based payment arrangements affecting remuneration of key management personnel in the current financial year or future financial years:

Options Series	Grant date	Exercise Price	Expiry date	Vesting date
CBY09	10/09/2021	\$0.20	30/06/2024	10/09/2021
CBY10	25/07/2022	\$0.06	30/06/2025	27/07/2022

There has been no alteration of the terms and conditions of the above share-based payment arrangements since the grant date.

Details of share-based payments granted as compensation to key management personnel during the current financial year:

	During the financial year				
	Option series	No. granted	No. vested	% of grant vested	% of grant forfeited
Director					
R E Moller	CBY10	500,000	500,000	100	-
J E D Anderson	CBY10	500,000	500,000	100	-
GA Craighead	CBY10	500,000	500,000	100	-
M Erceg	CBY10	500,000	500,000	100	-
R Watts	CBY10	500,000	500,000	100	-

During the year, the following key management personnel exercised options that were granted to them as part of their compensation. Each option converts into one ordinary share of Canterbury Resources Limited.

	During the financial year			
	No. of options exercised	No. of ordinary shares of the company	Amount paid	Amount unpaid
Director				
R E Moller	-	-	-	-
J E D Anderson	-	-	-	-
GA Craighead	500,000	500,000	30,000	-
M Erceg	-	-	-	-
R Watts	-	-	-	-

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Canterbury Resources Limited and Controlled Entities

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Directors' report

Remuneration report (audited) (cont'd)

The following table summarises the value of options granted and exercised during the financial year, in relation to options granted to key management personnel as part of their remuneration:

Employee share option plan (cont'd)

	Value of options granted at the grant date (i)	Value of options exercised at the exercise date
Director		
R E Moller	7,307	-
J E D Anderson	7,307	-
GA Craighead	7,307	7,307
M Erceg	7,307	-
R Watts	7,307	-

(i) The value of options granted during the financial year is calculated as at the grant date using a Black-Scholes model. This grant date value is allocated to remuneration of key management personnel on a straight-line basis over the period from grant date to vesting date.

This concludes the remuneration report, which has been audited.

Proceedings on behalf of company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

Future developments

Disclosure of information regarding likely developments in the operations of the group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the group. Accordingly, this information has not been disclosed in this report.

Indemnification of officers and auditors

During the financial year, 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 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.

Non-audit services

The group's auditor, BDJ Partners did not provide non-audit services to the group during the year ended 30 June 2023 (2022: Nil).

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Canterbury Resources Limited and Controlled Entities

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Directors' report

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: 29 September 2023

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Auditor's Independence Declaration



To the directors of Canterbury Resources Limited

As engagement partner for the audit of Canterbury Resources Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, 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

.....
Gregory Cliffe
Partner

26 September 2023

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Accounting

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Canterbury Resources Limited and Controlled Entities

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Consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue	3(a)	—	—
Other income	3(b)	351,556	239,713
Other (losses)/gains	4	18,250	(84,574)
Administrative expenses		(79,835)	(94,756)
Employee benefits expense	4	(616,266)	(661,063)
Corporate costs		(279,926)	(300,755)
Consultancy		(22,297)	(35,131)
Depreciation and amortisation expense	4	(25,957)	(28,133)
Impairment of capitalised expenditure		—	(601,688)
Marketing expense		(17,100)	(48,770)
Insurance		(46,693)	(32,799)
Share-based payment expense		(43,844)	(88,996)
Finance costs	4	(1,484)	(2,635)
Other expense		(54,217)	(55,680)
Loss before tax		(817,813)	(1,795,267)
Income tax benefit	5	—	—
Loss for the year		(817,813)	(1,795,267)
<i>Attributable to:</i>			
Owners of the company		<u>(817,813)</u>	<u>(1,795,267)</u>
Other comprehensive loss for the year, net of tax		<u>—</u>	<u>—</u>
Total comprehensive loss for the year		<u>(817,813)</u>	<u>(1,795,267)</u>
Total comprehensive loss attributable to:			
Owners of the company		<u>(817,813)</u>	<u>(1,795,267)</u>
Basic loss per share (cents per share)	6	(0.0060)	(0.0149)
Diluted loss per share (cents per share)	6	(0.0060)	(0.0149)

The accompanying notes form part of these financial statements.

Canterbury Resources Limited and Controlled Entities

ABN 59 152 189 369

Consolidated statement of financial position as at 30 June 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	22(a)	294,448	362,795
Trade and other receivables	7	164,489	6,846
Other current assets	8	22,246	19,380
Total current assets		<u>481,183</u>	<u>389,021</u>
Non-current assets			
Property, plant and equipment	9	19,496	25,900
Right-of-use assets	10	13,036	32,589
Capitalised exploration and development expenditure	11	11,040,109	10,933,112
Other assets	8	11,942	11,942
Financial assets	12	29,058	83,808
Total non-current assets		<u>11,113,641</u>	<u>11,087,351</u>
Total assets		<u>11,594,824</u>	<u>11,476,372</u>
Liabilities			
Current liabilities			
Trade and other payables	13	149,398	125,828
Provisions	14	88,077	65,734
Lease liabilities	15	13,891	19,824
Total current liabilities		<u>251,366</u>	<u>211,386</u>
Non-current liabilities			
Provisions	14	27,537	19,325
Lease liabilities	15	—	13,891
Total non-current liabilities		<u>27,537</u>	<u>33,216</u>
Total liabilities		<u>278,903</u>	<u>244,602</u>
Net assets		<u>11,315,921</u>	<u>11,231,770</u>
Equity			
Issued capital	16	18,286,750	17,428,630
Reserves	17	132,840	146,718
Accumulated losses	18	(7,103,669)	(6,343,578)
Total equity		<u>11,315,921</u>	<u>11,231,770</u>

The accompanying notes form part of these financial statements.

Canterbury Resources Limited and Controlled Entities

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Consolidated statement of changes in equity for the year ended 30 June 2023

	Issued capital \$	Reserves \$	Accumulated losses \$	Total \$
Balance at 1 July 2021	16,158,630	164,477	(4,655,066)	11,668,041
Loss for the year	—	—	(1,795,267)	(1,795,267)
Foreign currency translation	—	—	—	—
Total comprehensive loss for the year	<u>—</u>	<u>—</u>	<u>(1,795,267)</u>	<u>(1,795,267)</u>
<i>Transactions with owners of the company:</i>				
Shares issued during the year (net of share issue costs)	1,270,000	—	—	1,270,000
Options issued during the year	—	88,996	—	88,996
Options expired during the year	—	(106,755)	106,755	—
Balance at 30 June 2022	<u>17,428,630</u>	<u>146,718</u>	<u>(6,343,578)</u>	<u>11,231,770</u>
Balance at 1 July 2022	17,428,630	146,718	(6,343,578)	11,231,770
Loss for the year	—	—	(817,813)	(817,813)
Foreign currency translation	—	—	—	—
Total comprehensive loss for the year	<u>—</u>	<u>—</u>	<u>(817,813)</u>	<u>(817,813)</u>
<i>Transactions with owners of the company:</i>				
Shares issued during the year (net of share issue costs)	858,120	—	—	858,120
Options issued during the year	—	43,844	—	43,844
Options expired during the year	—	(57,722)	57,722	—
Balance at 30 June 2023	<u>18,286,750</u>	<u>132,840</u>	<u>(7,103,669)</u>	<u>11,315,921</u>

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The accompanying notes form part of these financial statements.

Canterbury Resources Limited and Controlled Entities

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Consolidated statement of cash flows for the year ended 30 June 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Other receipts		273,556	248,126
Payments to suppliers and employees		<u>(1,144,718)</u>	<u>(1,180,472)</u>
Net cash used in operating activities	22(b)	<u>(871,162)</u>	<u>(932,346)</u>
Cash flows from investing activities			
Proceed from sale of shares in investments		73,000	—
Payments for exploration and development expenditure		(106,997)	(267,731)
Proceeds from sale of subsidiary		—	45,872
Payment for property, plant and equipment		<u>—</u>	<u>(7,260)</u>
Net cash used in investing activities		<u>(33,997)</u>	<u>(229,119)</u>
Cash flows from financing activities			
Proceeds from issue of shares (net of costs)		858,120	1,000,000
Repayment of lease liabilities		(19,824)	(18,673)
Interest paid - leases		<u>(1,484)</u>	<u>(2,635)</u>
Net cash generated by financing activities		<u>836,812</u>	<u>978,692</u>
Net decrease in cash and cash equivalents		(68,347)	(182,773)
Cash and cash equivalents at the beginning of the year		<u>362,795</u>	<u>545,568</u>
Cash and cash equivalents at the end of the year	22(a)	<u><u>294,448</u></u>	<u><u>362,795</u></u>

The accompanying notes form part of these financial statements.

Canterbury Resources Limited and Controlled Entities

ABN 59 152 189 369

Notes to the consolidated financial statements for the year ended 30 June 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
Pyrmont 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 consolidated financial statements and notes represent the company and its controlled entities (“the group”).

2. Significant accounting policies

Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations, and comply with other requirements of the law. Accounting Standards include Australian Accounting Standards (‘AAS’). Compliance with AAS ensures that the financial statements and notes of the group comply with International Financial Reporting Standards (‘IFRS’).

The financial statements comprise the consolidated financial statements of the group. For the purposes of preparing the consolidated financial statements, the group is a for-profit entity.

The financial statements were authorised for issue by the directors on 28 September 2023.

Basis of preparation

The consolidated 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, as explained in the accounting policies below. 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.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2 ‘*Share-based payments*’, leasing transactions that are within the scope of AASB 16 ‘*Leases*’, and measurements that have some similarities to fair value but are not fair value, such as value in use in AASB 136 ‘*Impairment of Assets*’.

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Notes to the consolidated financial statements for the year ended 30 June 2023

2. Significant accounting policies (cont'd)

Basis of preparation (cont'd)

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

The principal accounting policies are set out below.

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and the entities controlled by the company (its subsidiaries) up to 30 June each year. Control is achieved when the company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affects its returns.

The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The company considers all relevant facts and circumstances in assessing whether or not the company's voting rights in an investee are sufficient to give it power, including:

- the size of the company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the company obtains control over the subsidiary and ceases when the company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the company gains control until the date when the company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the company. Total comprehensive income of the subsidiaries is also attributed to the owners of the company. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the group are eliminated on consolidation.

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Notes to the consolidated financial statements for the year ended 30 June 2023

2. Significant accounting policies (cont'd)

(b) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred by the group, liabilities incurred by the group to the former owners of the acquiree and the equity instruments issued by the group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with AASB 112 '*Income Taxes*' and AASB 119 '*Employee Benefits*' respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with AASB 2 '*Share-based Payment*' at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 '*Non-current Assets Held for Sale and Discontinued Operations*' are measured in accordance with that Standard.

Where the consideration transferred by the group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

(c) Revenue recognition

Revenue is measured based on the consideration to which the group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when it transfers control of a service to a customer.

Support services

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.

(d) 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.

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Notes to the consolidated financial statements for the year ended 30 June 2023

2. Significant accounting policies (cont'd)

(d) Leases (cont'd)

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

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 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. 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 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 annual reporting period).

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Canterbury Resources Limited and Controlled Entities

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Notes to the consolidated financial statements for the year ended 30 June 2023

2. Significant accounting policies (cont'd)

(d) Leases (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 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.

(e) Taxation

The company is part of a tax-consolidated group under Australian taxation law, of which Canterbury Resources Limited is the head entity. As a result, Canterbury Resources Limited is subject to income tax through its membership of the tax-consolidated group. The consolidated current and deferred tax amounts for the tax-consolidated group are allocated to the members of the tax-consolidated group using the 'separate taxpayer within group' approach, with deferred taxes being allocated by reference to the carrying amounts in the financial statements of each member entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits arising from this allocation process are then accounted for as immediately assumed by the head entity, as under Australian taxation law the head entity has the legal obligation (or right) to these amounts.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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Notes to the consolidated financial statements for the year ended 30 June 2023

2. Significant accounting policies (cont'd)

(e) Taxation (cont'd)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less which are convertible to a known amount of cash and subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(g) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the diminishing value method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation is calculated on a diminishing value basis so as to write off the cost or revalued amount of each fixed asset over its estimated useful life, as follows to its estimated residual value.

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Notes to the consolidated financial statements for the year ended 30 June 2023

2. Significant accounting policies (cont'd)

(g) Property, plant and equipment (cont'd)

<u>Class of property, plant and equipment</u>	<u>Depreciation rate</u>
Plant and equipment	15%
Website development costs	25%
Computer hardware	33.33%
Motor vehicles	25%
Right of use assets	Useful life or shorter of lease term

Depreciation rates and methods shall be reviewed at least annually and, where changed, shall be accounted for as a change in accounting estimate. Where depreciation rates or methods are changed, the net written down value of the asset is depreciated from the date of the change in accordance with the new depreciation rate or method. Depreciation recognised in prior financial years shall not be changed, that is, the change in depreciation rate or method shall be accounted for on a 'prospective' basis.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(h) 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.

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Notes to the consolidated financial statements for the year ended 30 June 2023

2. Significant accounting policies (cont'd)

(i) Impairment of assets (excluding goodwill)

At the end of each reporting period, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(j) Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

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Canterbury Resources Limited and Controlled Entities

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Notes to the consolidated financial statements for the year ended 30 June 2023

2. Significant accounting policies (cont'd)

(k) Financial instruments

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The group's financial assets at amortised cost includes trade receivables.

Amortised cost and effective interest method

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

Impairment of financial assets

The group recognises a loss allowance for expected credit losses on trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

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Notes to the consolidated financial statements for the year ended 30 June 2023

2. Significant accounting policies (cont'd)

(k) Financial instruments (cont'd)

Financial assets (cont'd)

The group always recognises lifetime expected credit losses (ECL) for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the entity's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the group expects to receive, discounted at the original effective interest rate.

If the group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the entity measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The entity derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the entity recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

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Notes to the consolidated financial statements for the year ended 30 June 2023

2. Significant accounting policies (cont'd)

(k) Financial instruments (cont'd)

Financial liabilities

Financial liabilities, including trade and other payables, are initially measured at fair value, net of transaction costs.

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

Derecognition

The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(l) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the consolidated statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

(m) Foreign currencies

For the purpose of the consolidated financial statements, the results and financial position of the group are expressed in Australian dollars ('\$'), which is the functional currency of the company and the presentation currency for the consolidated financial statements.

In preparing the consolidated financial statements, transactions in currencies other than the group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

For the purpose of presenting these consolidated financial statements, the assets and liabilities of the group's foreign operations are translated into Australian dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

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Notes to the consolidated financial statements for the year ended 30 June 2023

2. Significant accounting policies (cont'd)

(n) Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(o) Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

(p) Critical accounting judgments and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors 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.

Key sources of estimation uncertainty

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 carrying amounts of assets and liabilities within the next financial year.

Useful lives of property, plant and equipment

As described in (g) above, the group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

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Canterbury Resources Limited and Controlled Entities

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Notes to the consolidated financial statements for the year ended 30 June 2023

2. Significant accounting policies (cont'd)

(p) Critical accounting judgments and key sources of estimation uncertainty (cont'd)

Key sources of estimation uncertainty(cont'd)

Impairment testing

Goodwill is evaluated for impairment annually or whenever certain triggering events or circumstances, that would more likely than not reduce the fair value of a reporting unit below its carrying amount, are identified. Events or circumstances that might indicate an interim evaluation is warranted include, among other things, unexpected adverse business conditions, macro and reporting unit specific economic factors (for example, interest rate and foreign exchange rate fluctuations, and loss of key personnel), supply costs, unanticipated competitive activities, and acts by governments and courts.

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.

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 company 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 2023 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 legalisation.

(q) Share-based payments

Employee share option plan

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.

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.

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Notes to the consolidated financial statements for the year ended 30 June 2023

2. Significant accounting policies (cont'd)

(q) Share-based payments (cont'd)

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.

(r) Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The group accounts for the assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with the IFRS Standards applicable to the particular assets, liabilities, revenue and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the group does not recognise its share of the gains and losses until it resells those assets to a third party.

(s) Going concern

The consolidated net loss of the group, after tax was \$817,813 for the year ended 30 June 2023 (2022: loss \$1,795,267), with cash outflows from operating activities of \$871,162 (2022: cash outflow \$932,346); and a working capital surplus of \$229,817 (2022: working capital surplus of \$177,635).

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.

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Notes to the consolidated financial statements for the year ended 30 June 2023

2. Significant accounting policies (cont'd)

(s) Going concern (cont'd)

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.

The group has a cash balance of approximately \$280,000 as of the date of this report to meet its expenses over the next twelve months.

(t) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The Managing Director has been identified as the CODM.

The board has appointed a strategic steering committee that assesses the financial performance and position of the group and makes strategic decisions. The steering committee, which is led by the CODM (Chief Operating Decision Maker), consists of the Managing Director as well as the remainder of the executive committee consisting of the lead decision maker in each region.

(u) Adoption of new and revised Accounting Standards

Amendments to Accounting Standards that are mandatorily effective for the current year

In the current year, the group has adopted all of the new and revised Standards and interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. Except as described below, there has been no material impact of these changes on the group's accounting policies.

Other pronouncements adopted for the first time in the current period

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

The amendments makes changes to the following standards

- AASB 3 *Business combinations*,
- AASB 9 *Financial Instruments*,
- AASB 116 *Property, Plant and Equipment and*;
- AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

The adoption of these standards has not had a material impact on the financial position or financial performance of the company.

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Notes to the consolidated financial statements for the year ended 30 June 2023

2. Significant accounting policies (cont'd)

(u) Adoption of new and revised Accounting Standards (cont'd)

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:

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

Pronouncements issued by the IASB or IFRS Interpretations Committee where an equivalent pronouncement has not been issued by the AASB

The table below outlines pronouncements made by the IASB or IFRS Interpretations Committee, where an equivalent pronouncement has not yet been made by the AASB at the date of this publication but is expected to be issued in due course.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12</i>	1 July 2023	30 June 2024

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Notes to the consolidated financial statements for the year ended 30 June 2023

	2023	2022
	\$	\$
3. Revenue and other income		
(a) Revenue	<u>—</u>	<u>—</u>
(b) Other income		
Expense reimbursement	136,673	239,713
Sundry income	100,000	—
Management fee	114,883	—
	<u>351,556</u>	<u>239,713</u>
	2023	2022
	\$	\$
4. Loss for the year		
Loss for the year has been arrived at after (charging)/crediting the following items of income and expense		
<i>Other (losses)/gains:</i>		
Gain on sale of shares	23,725	—
Revaluation of investment	(5,475)	(83,712)
Net unrealised foreign exchange (loss)/gain	—	(862)
	<u>18,250</u>	<u>(84,574)</u>
<i>Employee benefit expense:</i>		
Wages and salaries	(518,018)	(553,717)
Annual leave expense	(22,342)	(30,961)
Long service leave expense	(8,211)	(8,286)
Post-employment benefits expense	(67,695)	(68,099)
	<u>(616,266)</u>	<u>(661,063)</u>
<i>Depreciation expense:</i>		
Depreciation expense - property, plant and equipment	(6,404)	(8,580)
Depreciation expense - right-of-use assets	(19,553)	(19,553)
	<u>(25,957)</u>	<u>(28,133)</u>
<i>Finance costs:</i>		
Interest - lease liabilities	(1,484)	(2,635)
	<u>(1,484)</u>	<u>(2,635)</u>

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Notes to the consolidated financial statements for the year ended 30 June 2023

	2023	2022
	\$	\$
5. Income tax		
Income tax benefit		
<i>Tax benefit comprises of:</i>		
Current tax benefit	—	—
Deferred tax benefit	—	—
	<u>—</u>	<u>—</u>
	<u>—</u>	<u>—</u>

The prima facie income tax expense in the consolidated statement of profit or loss and other comprehensive income is as follows:

Loss before income tax from continuing operations	<u>(817,813)</u>	<u>(1,795,267)</u>
Income tax benefit calculated at 25.0% (2022: 25.0%)	(204,453)	(448,817)
Effect of unrecognised and unused tax losses and deductible temporary differences	204,453	448,817
Income tax benefit attributed to loss	<u>—</u>	<u>—</u>

The income tax benefit attributable to the loss is not recognised as the group considers it is not 100% probable that future taxable amounts will be available to utilise the losses.

Including the \$204,453 of unrecognised tax losses in the current year, the group has a total of \$13,443,080 of unrecognised tax losses which can potentially be used to offset future taxable income and/or profit.

	2023	2022
	\$	\$
6. Loss per share		
Basic loss per share		
From continuing operations	<u>(0.0060)</u>	<u>(0.0149)</u>
Diluted loss per share		
From continuing operations	<u>(0.0060)</u>	<u>(0.0149)</u>

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

	2023	2022
	\$	\$
Loss used in the calculation of basic and diluted loss per share	<u>(817,813)</u>	<u>(1,795,267)</u>
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share (a)	<u>135,352,092</u>	<u>120,768,393</u>

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Notes to the consolidated financial statements for the year ended 30 June 2023

6. Loss per share (cont'd)

(a) During the year ended 30 June 2023 the potential ordinary shares associated with the employee share option plan as set out in Note 2 are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purposes of diluted earnings per share. The potential ordinary shares associated with the Performance Rights, as set out in Note 17 are anti-dilutive, and have not been included in the weighted average number of ordinary shares for the purposes of diluted earnings per share.

	2023	2022
	\$	\$
7. Trade and other receivables		
Current		
Other receivables	164,489	6,846
Goods and Services Tax receivables	—	—
	<u>164,489</u>	<u>6,846</u>
	<u><u>164,489</u></u>	<u><u>6,846</u></u>
8. Other assets		
Current		
Prepayments	22,246	19,380
	<u>22,246</u>	<u>19,380</u>
	<u><u>22,246</u></u>	<u><u>19,380</u></u>
Non-current		
Rental security deposit (tenements)	11,942	11,942
	<u>11,942</u>	<u>11,942</u>
	<u><u>11,942</u></u>	<u><u>11,942</u></u>

9. 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 \$
2023					
At Cost					
Balance at 1 July 2022	4,700	15,000	12,922	30,560	63,182
Additions	—	—	—	—	—
Balance at 30 June 2023	<u>4,700</u>	<u>15,000</u>	<u>12,922</u>	<u>30,560</u>	<u>63,182</u>
Accumulated depreciation					
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	<u>(3,121)</u>	<u>(11,909)</u>	<u>(8,213)</u>	<u>(20,443)</u>	<u>(43,686)</u>
Net book value 30 June 2023	<u><u>1,579</u></u>	<u><u>3,091</u></u>	<u><u>4,709</u></u>	<u><u>10,117</u></u>	<u><u>19,496</u></u>

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Notes to the consolidated financial statements for the year ended 30 June 2023

9. Property, plant and equipment (cont'd)

	Plant and equipment \$	Website development \$	Computer hardware \$	Motor vehicles \$	Total \$
2022					
At Cost					
Balance at 1 July 2021	4,700	15,000	5,662	30,560	55,922
Additions	—	—	7,260	—	7,260
Balance at 30 June 2022	4,700	15,000	12,922	30,560	63,182
Accumulated depreciation					
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)
Net book value 30 June 2022	1,868	4,037	6,781	13,214	25,900

	2023 \$	2022 \$
10. Right-of-use assets		
Cost	58,660	58,660
Accumulated depreciation	(45,624)	(26,071)
Balance at 30 June	13,036	32,589

	2023 \$	2022 \$
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11. Capitalised exploration and development expenditure

Non-current

Balance as at 1 July	10,933,112	10,906,713
Expenditures during the year	106,997	628,087
Impairment/write-offs	—	(601,688)
Balance as at 30 June	11,040,109	10,933,112

The recoverability of the exploration expenditure capitalised by the group during the year ending 30 June 2023, is dependent on successful development and commercial exploitation, or alternatively, on the sale of the respective areas of interest.

During the current year, no impairment was recorded with respect to tenements (2022: impairment \$601,688).

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Notes to the consolidated financial statements for the year ended 30 June 2023

	2023	2022
	\$	\$
12. Financial assets		
Investment in listed shares – fair value through profit or loss (FVTPL)		
(a)	29,058	83,808
Balance as at 30 June	<u>29,058</u>	<u>83,808</u>

	2023
	\$
Movement in investment	
Opening balance	83,808
Shares sold during the year	(49,275)
Revaluation loss	(5,475)
Closing balance	<u>29,058</u>

(a) On 31 December 2021, the group acquired a 1.95% shareholding in New Talisman Gold Mines Limited, an entity listed on the Australian Stock Exchange and the New Zealand Stock Exchange. This is an investment arising out of the sale of Capella Vanuatu Limited.

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.

During the 2023 reporting period, the group sold a parcel of shares in New Talisman Gold Mines Limited and had revalued the remaining shares to market value at 30 June 2023.

	2023	2022
	\$	\$
13. Trade and other payables		
Current		
<i>Unsecured - at amortised cost</i>		
GST payable	357	5,716
Sundry payables and accrued expenses	149,041	120,112
	<u>149,398</u>	<u>125,828</u>

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

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Notes to the consolidated financial statements for the year ended 30 June 2023

	2023	2022
14. Provisions	\$	\$
Current		
Employee benefits	88,077	65,734
Non-current		
Employee benefits	27,537	19,325
15. Lease liabilities	\$	\$
Current		
Lease liabilities	13,891	19,824
Non-current		
Lease liabilities	—	13,891

The total cash outflow for repayment of leases amount to \$21,308. The operating lease relates to lease of the company's office space at Pymont, NSW, for a term of 36 months, with an expiry date of 27 January 2024.

	2023	2022
16. Issued capital	\$	\$
144,523,530 fully paid ordinary shares (2022: 123,198,530)	18,286,750	17,428,630

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

Movements in issued capital

	2023		2022	
	No of shares	\$	No of shares	\$
Balance at the beginning of the year	123,198,530	17,428,630	111,865,197	16,158,630
Shares issued during the year	21,325,000	858,120	11,333,333	1,270,000
Balance at the end of the year	144,523,530	18,286,750	123,198,530	17,428,630

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

- 10,825,000 shares at a value of \$0.04 raising \$433,000;
- 10,000,000 shares at a value of \$0.04 raising \$400,000;
- 500,000 options converted at \$0.06 raising \$30,000; and
- Less share issue costs during the period amounting to \$4,880.

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

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Notes to the consolidated financial statements for the year ended 30 June 2023

	2023	2022
	\$	\$
17. Reserves		
<i>Share-based payments (i)</i>		
Opening balance	146,718	164,477
Options issued	43,844	88,996
Options expired	(57,722)	(106,755)
Closing balance	<u>132,840</u>	<u>146,718</u>
<i>Foreign currency translation reserve</i>		
Opening balance	—	—
Foreign currency translation	—	—
Closing balance	<u>—</u>	<u>—</u>
Total reserves	<u><u>132,840</u></u>	<u><u>146,718</u></u>

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

	2023	2022
	\$	\$
18. Accumulated losses		
Balance at the beginning of the year	(6,343,578)	(4,655,066)
Options expired	57,722	106,755
Loss for the year	(817,813)	(1,795,267)
Balance at the end of the year	<u><u>(7,103,669)</u></u>	<u><u>(6,343,578)</u></u>

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Notes to the consolidated financial statements for the year ended 30 June 2023

2022

\$

19. Acquisition of subsidiary

On 1 December 2021, the group acquired 100% of the share capital of Neillkins Mining Pty Ltd, which holds EPM 27756 covering the Peenam Project in Queensland, located about 150km northwest of Brisbane. The Peenam Project has potential for the discovery large-scale Cu-Au porphyry deposits. Consideration paid via the issue of 3,000,000 shares at \$0.09 per share.

Share capital	3
Tenement deposit	500
Total identifiable assets acquired and liabilities assumed	503
Total consideration paid or payable	270,000
Less: net assets acquired (above)	503
Capitalised Exploration Assets	269,497
Satisfied by:	
Equity instruments	270,000
Total consideration	270,000

2023

\$

2022

\$

20. Commitments for expenditure

Tenement expenditure (i)	2,577,500	2,100,000
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(i) In order 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 FY24 is approximately \$2,577,500, of which approximately \$2,537,500 is covered by our project funding partners. This is a pro rata estimate, based on annualised licence terms, converted to AUD at current exchange rates.

21. Contingent liabilities and contingent assets

In the opinion of the directors, the group did not have any contingent liabilities or contingent assets at 30 June 2023 (2022: nil).

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Notes to the consolidated financial statements for the year ended 30 June 2023

22. Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	2023	2022
	\$	\$
(a) Reconciliation of cash		
Cash at bank	294,448	362,795

(b) Reconciliation of loss for the year to net cash flows from operating activities

	2023	2022
	\$	\$
Loss for the year	(817,813)	(1,795,267)
Depreciation expense	25,957	28,133
Gain on disposal of subsidiary	(23,725)	
Revaluation of investment	5,475	83,712
Lease interest	1,484	2,635
Impairment of capitalised exploration expenditure		601,688
Share based payments	43,844	88,996
Commission (non-cash)	—	18,613
Movements in working capital		
(Increase)/decrease in trade and other receivables	(163,001)	15,629
(Increase)/decrease in other assets	(2,866)	(2,891)
Increase/(decrease) in trade and other payables	28,928	(12,841)
Increase in provisions	30,555	39,247
Net cash flows from operating activities	(871,162)	(932,346)

	2023	2022
	\$	\$

23. Auditors' remuneration

Audit of the financial statements	44,000	43,000
Other auditors (subsidiary companies)	7,150	7,778
	51,150	50,778

The auditor of Canterbury Resources Limited is BDJ Partners.

BDJ Partners did not provide non-audit services to the group during the year ended 30 June 2023 (2022: nil).

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Notes to the consolidated financial statements for the year ended 30 June 2023

24. Subsidiaries

The 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	
		2023 %	2022 %
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

25. Parent entity information

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Refer to note 2 for a summary of the significant accounting policies relating to the group.

Statement of financial position	2023 \$	2022 \$
Assets		
Current assets	290,822	373,800
Non-current assets	12,287,590	12,140,360
Total assets	<u>12,578,412</u>	<u>12,514,160</u>
Liabilities		
Current liabilities	267,453	200,809
Non-current liabilities	27,537	33,216
Total liabilities	<u>294,990</u>	<u>234,025</u>
Equity		
Issued capital	18,286,750	17,428,631
Reserves	132,840	146,718
Accumulated losses	(6,136,168)	(5,295,214)
Total equity	<u>12,283,422</u>	<u>12,280,135</u>
Total comprehensive loss	<u>(898,675)</u>	<u>(1,402,162)</u>

Contingent liabilities

The parent entity had no contingent liabilities at 30 June 2023 (2022: nil).

Capital commitments - property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 (2022: nil).

Guarantees

The parent entity has not entered into any guarantees, in the current or previous financial year, with respect to the debts of its subsidiaries.

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Notes to the consolidated financial statements for the year ended 30 June 2023

26. Key management personnel disclosures

Directors

The following persons were directors of the group during the financial year:

JED Anderson

GA Craighead

RE Moller

ME Erceg

R Watts

Key management personnel compensation

Remuneration of key management personnel

2023	Short-term employee benefits		Post-employment benefits	Share-based payments	Total
	Salary and directors' fees	Consulting fees	Superannuation	Options	
Directors	\$	\$	\$	\$	\$
JED Anderson	67,873	—	7,127	7,307	82,307
GA Craighead	271,493	—	28,507	7,307	307,307
R Watts	58,824	—	6,176	7,307	72,307
M Erceg	226,244	—	23,756	7,307	257,307
R E Moller	65,000	20,280	—	7,307	92,587
	689,434	20,280	65,566	36,535	811,815

2022	Short-term employee benefits		Post-employment benefits	Share-based payments	Total
	Salary and directors' fees	Consulting fees	Superannuation	Options	
Directors	\$	\$	\$	\$	\$
J E D Anderson	68,181	—	6,818	17,800	92,799
GA Craighead	272,728	—	27,272	17,799	317,799
R Watts	59,091	—	5,909	17,799	82,799
M Erceg	227,274	—	22,726	17,799	267,799
R E Moller	65,000	22,260	—	17,799	105,059
	692,274	22,260	62,725	88,996	866,255

No performance-based remuneration was paid in 2023 (2022: nil).

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Notes to the consolidated financial statements for the year ended 30 June 2023

27. Related party transactions

(a) *Parent entity*

The parent entity within the group is Canterbury Resources Limited.

(b) *Key management personnel*

Disclosures relating to key management personnel are set out in note 26.

(c) *Subsidiaries*

Interests in subsidiaries are set out in note 24.

(d) *Shared-based payments*

Shared-based payments are set out in note 29.

28. 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.

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.

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Notes to the consolidated financial statements for the year ended 30 June 2023

28. Operating segments (cont'd)

2023	Papua New Guinea \$	Australia \$	Total \$
Revenue	—	—	—
Other revenue	87,220	264,336	351,556
Other (losses)/gains	—	18,250	18,250
Administration expense	(23,362)	(142,563)	(165,925)
Corporate costs	(1,560)	(278,366)	(279,926)
Depreciation and amortisation expense	—	(25,957)	(25,957)
Employee benefits expense	—	(616,266)	(616,266)
Share-based payment expense	—	(43,844)	(43,844)
Other expenses	(7,150)	(47,067)	(54,217)
EBIT	55,148	(871,477)	(816,329)
Finance expense	—	(1,484)	(1,484)
Loss before income tax	55,148	(872,961)	(817,813)
Income tax	—	—	—
Loss for the year	55,148	(872,961)	(817,813)
Assets			
Segment assets (a)	8,858,911	2,759,042	11,617,953
Total assets	8,858,911	2,759,042	11,617,953
Liabilities			
Segment liabilities	—	302,032	302,032
Total liabilities	—	302,032	302,032

(a) Segment assets

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

	Papua New Guinea \$	Australia \$	Total \$
Segment assets	8,858,911	2,759,042	11,617,953
Additions to non-current assets	83,340	(57,050)	26,290

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Notes to the consolidated financial statements for the year ended 30 June 2023

28. Operating segments (cont'd)

2022	Papua New Guinea \$	Australia \$	Total \$
Revenue	—	—	—
Other revenue	7,000	232,713	239,713
Administration expense	(19,927)	(191,529)	(211,456)
Corporate costs	(1,302)	(299,453)	(300,755)
Depreciation and amortisation expense	—	(28,133)	(28,133)
Employee benefits expense	—	(661,063)	(661,063)
Share-based payment expense	—	(88,996)	(88,996)
Other expenses	(8,640)	(131,614)	(140,254)
Impairment of capitalised expenditure	(601,688)	—	(601,688)
EBIT	(624,557)	(1,168,075)	(1,792,632)
Finance income	—	—	—
Finance expense	—	(2,635)	(2,635)
Loss before income tax	(624,557)	(1,170,710)	(1,795,267)
Income tax	—	—	—
Loss for the year	(624,557)	(1,170,710)	(1,795,267)
Assets			
Segment assets (a)	8,301,039	3,175,333	11,476,372
Total assets	8,301,039	3,175,333	11,476,372
Liabilities			
Segment liabilities	7,089	237,513	244,602
Total liabilities	7,089	237,513	244,602

(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.

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Notes to the consolidated financial statements for the year ended 30 June 2023

	Papua New Guinea \$	Australia \$	Total \$
Segment assets	8,301,039	3,175,333	11,476,372
Additions to non-current assets	(296,752)	386,586	89,834

29. 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.

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.

The options granted expire on their expiry date, or one month after the resignation of the employee, whichever is earlier. Terms and conditions of share-based payment arrangements affecting remuneration of key management personnel in the current financial year or future financial years:

Options series	Grant date	Exercise price	Expiry date	Vesting date
CBY09	10/09/2021	\$0.20	30/06/2024	10/09/2021
CBY10	25/07/2022	\$0.06	30/06/2025	27/07/2022

These options were valued based on the Black-Scholes option pricing model, the value of the options was assessed using the annual volatility of returns on the shares over a period of time.

The table below summarises the total options movement for the year, including ESOP and non-ESOP:

Status*	ESOP (unlisted)	Non-ESOP (unlisted)	Total
At beginning of period	3,050,000	3,000,000	6,050,000
Granted during period	3,000,000	5,000,000	8,000,000
Exercised during the year	(500,000)	—	(500,000)
Forfeited during the period	(1,050,000)	—	(1,050,000)
At end of period	4,500,000	8,000,000	12,500,000

*Irrespective of any restrictions applicable to those options under ASX requirements.

The options outstanding at 30 June 2023 had a weighted average exercise price of \$0.06 and 0.20, and a weighted average remaining contractual life of 2.93 years and 2.81 years respectively. In 2023, options were granted on 25 July 2022. The aggregate of the estimated fair values of the options granted on this date is \$57,722. 500,000 options were exercised during the period at \$0.06, raising \$30,000.

The inputs into the Black-Scholes model are as follows:

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Notes to the consolidated financial statements for the year ended 30 June 2023

	2023	2022
	\$	\$
Weighted average share price	0.0440	0.0445
Weighted average exercise price	0.06	0.20
Expected volatility	61.31 %	88.76 %
Expected life	2.93 years	2.81 years
Risk-free rate	2.66 %	0.019 %

Expected volatility was determined by calculating the historical volatility of the group's share price over the previous 1.5 years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

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Notes to the consolidated financial statements for the year ended 30 June 2023

30. Financial instruments

Capital management

The group manages its capital to ensure that entities in the group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of its equity balance.

In managing its capital, the group's primary objective is to ensure its continued ability to maintain its operations and provide a platform to enable a return for its equity shareholders to be made when successful commercial operations are achieved. In order to achieve this objective, the group seeks to maximise its fund raising to provide sufficient funding to enable the group to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, either through new share issues, or reduction of debt, the group considers not only its short-term position but also its long-term operational and strategic objectives.

The group's overall strategy remains unchanged from 2022.

The capital structure of the group consists of cash and bank balances (note 22) and equity of the group (comprising issued capital, reserves and accumulated losses as detailed in notes 16 to 18).

The group is not subject to any externally imposed capital requirements.

(a) Market Risk

The group's activities expose it primarily to the financial risks of changes in interest rates and foreign currency. There has been no change to the group's exposure to market risks or the manner in which these risks are managed and measured.

(i) Interest rate risk management

The group's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below:

2023	Weighted average interest rate %	Floating interest amount \$	Fixed maturing in 1 yr to 5 yrs \$	Non-interest bearing \$	Total \$
Financial assets					
Cash	0.00	—	—	294,448	294,448
Trade and other receivables	0.00	—	—	164,489	164,489
Total assets		—	—	458,937	458,937
Financial liabilities					
Trade and other payables	0.00	—	—	149,398	149,398
Total liabilities		—	—	149,398	149,398

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Notes to the consolidated financial statements for the year ended 30 June 2023

30. Financial instruments (cont'd)

Capital management (cont'd)

(a) Market Risk (cont'd)

2022	Weighted average interest rate %	Floating interest amount \$	Fixed maturing in 1 yr to 5 yrs \$	Non-interest bearing \$	Total \$
Financial assets					
Cash	0.00	—	—	362,795	362,795
Trade and other receivables	0.00	—	—	6,846	6,846
Total assets		—	—	369,641	369,641
Financial liabilities					
Trade and other payables	0.00	—	—	125,828	125,828
Total liabilities		—	—	125,828	125,828

Sensitivity analysis

The following sensitivity analysis is based on the interest rate risk exposure in existence at the balance sheet date. The analysis assumes all other variables remain constant.

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Notes to the consolidated financial statements for the year ended 30 June 2023

2023	Carrying amount \$	+0.5% interest rate profit & loss \$	-0.5% interest rate profit & loss \$
Cash at bank	294,448	1,472	(1,472)
Tax charge of 25.0%		(368)	368
Post tax profit increase/(decrease)		1,104	(1,104)

2022	Carrying amount \$	+0.5% interest rate profit & loss \$	-0.5% interest rate profit & loss \$
Cash at bank	362,795	1,814	(1,814)
Tax charge of 25.0%		(454)	454
Post tax profit increase/(decrease)		1,360	(1,360)

30. Financial instruments (cont'd)

Capital management (cont'd)

(a) Market risk (cont'd)

(ii) Currency risk

The group's policy is, where possible, to allow group entities to settle liabilities denominated in their functional currency with the cash generated from their own operations in that currency. Where group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them) cash already denominated in that currency will, where possible, be transferred from elsewhere within the group.

The group's exposure to foreign currency risk, which arises out of its investments in Papua New Guinea, is as follows:

	2023 \$	2022 \$
Cash at bank	113,872	8,375
Net exposure	113,872	8,375

Sensitivity analysis

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Notes to the consolidated financial statements for the year ended 30 June 2023

2023	Carrying amount AUD\$	+10% KNA/AUD profit & loss AUD\$	-10% KNA/AUD profit & loss AUD\$
Cash at bank	113,872	11,387	(11,387)
Tax charge of 25.0%		(2,847)	2,847
Post tax profit increase/(decrease)		<u>8,540</u>	<u>(8,540)</u>

2022	Carrying amount AUD\$	+10% KNA/AUD profit & loss AUD\$	-10% KNA/AUD profit & loss AUD\$
Cash at bank	8,375	838	(838)
Tax charge of 25.0%		(210)	210
Post tax profit increase/(decrease)		<u>628</u>	<u>(628)</u>

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Notes to the consolidated financial statements for the year ended 30 June 2023

30. Financial instruments (cont'd)

Capital management (cont'd)

(b) Credit risk

Credit risk arises principally from the group's trade and other receivables. It is the risk that the counterpart fails to discharge its obligation in respect of the instrument. Ongoing credit evaluation is performed on the financial condition of trade and other receivables. The group does not have significant concentration of credit risk with respect to any single counter party or company of counter parties. The group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

In determining the recoverability of a trade receivable, the local management considers any change in the credit quality of these financial assets from the date credit was granted up to the reporting date. The directors have assessed for any expected credit losses under AASB 9 and believe that there is no further credit provision required. Management does not expect any material loss from non-performance by counterparties on credit granted during the financial year under review that has not been provided for.

(c) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board, which has established an appropriate liquidity risk management framework for the management of the group's short medium and long-term funding and liquidity management requirements. The group manages liquidity risk by maintaining a reputable credit risk profile, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows.

The group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 45 days. The Board receives cash flow projections in a monthly basis as well as information regarding cash balances. At the balance sheet date, these projections indicated that the group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances. The group does not have any financing facilities in place and does not have a bank overdraft.

Maturity analysis of financial assets and liability based on contractual obligations

The risk implied from the values shown in the table below, reflects a balanced view of cash inflows and outflows. Trade and other payables mainly originate from the financing of assets used in ongoing operations such as, plant, equipment and investments in working capital (e.g. trade receivables). These assets are considered in the group's overall liquidity risk.

2023	Contractual cash flows				
	Carrying amount	< 6 months	6-12 months	> 12 months	On demand
	\$	\$	\$	\$	\$
Financial assets					
Cash	294,448	294,448	—	—	—
Trade and other receivables	164,489	164,489	—	—	—
Total assets	458,937	458,937	—	—	—
Financial liabilities					
Trade and other payables	149,398	149,398	—	—	—
Lease liabilities	13,891	10,366	3,525	—	—
Total liabilities	163,289	159,764	3,525	—	—
Net maturity	295,648	299,173	(3,525)	—	—

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Notes to the consolidated financial statements for the year ended 30 June 2023

30. Financial instruments (cont'd)

Capital management (cont'd)

(c) Liquidity risk (cont'd)

2022

	Contractual cash flows				
	Carrying amount	< 6 months	6-12 months	> 12 months	On demand
	\$	\$	\$	\$	\$
Financial assets					
Cash	362,795	362,795	—	—	—
Trade and other receivables	6,846	6,846	—	—	—
Total assets	369,641	369,641	—	—	—
Financial liabilities					
Trade and other payables	125,828	125,828	—	—	—
Lease liabilities	33,715	9,912	9,912	13,891	—
Total liabilities	159,543	135,740	9,912	13,891	—
Net maturity	210,098	233,901	(9,912)	(13,891)	—

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

31. Fair value measurements

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

Other than as noted above, 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 level 1,2, and 3 for recurring fair value measurements during the year.

The carrying amount of other financial assets or financial liabilities recorded in the consolidated financial statements approximate their fair values.

32. Other information

In accordance with Listing Rule 4.10.19, the group has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives.

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Notes to the consolidated financial statements for the year ended 30 June 2023

33. Events after the reporting period

Subsequent to year end the following events have arisen:

- On 24 July 2023, Syndicate Minerals exercised an option to enter into agreement (“Morobe Project agreement”) whereby it has the conditional right to earn up to a 70% interest in Canterbury’s Papua New Guinea mineral exploration projects in Morobe Province via funding of up to US\$20 million of staged exploration and assessment activities. The Morobe Project tenements comprise: EL2658 “Wamum”, EL2782 (application) “Waits Creek”, EL2302 “Mt Leahy” and EL2314 “Mt Evina”. Syndicate Minerals paid a signing fee of A\$80,000.
- On 8 September 2023 Veronique Morgan-Smith resigned as Company Secretary and Joan Dabon was appointed as Company Secretary.
- On 21 September 2023 Alma Metals Limited achieved the Stage-1 Earn-In requirements to reach an initial 30% interest in the Briggs, Mannersley and Fig Tree Hill project in Queensland and committed to Stage-2 of the Earn-In agreement, whereby it can reach a 51% project interest by sole-funding a further A\$3 million of assessment activity by 30 June 2026.

Other than as noted above, there have been no other events subsequent to 30 June 2023 that are likely, in the director’s opinion, 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*.

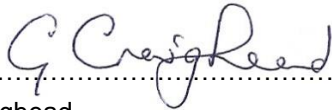
Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the *Corporations Act 2001*.

On behalf of the Directors

Director

Grant Craighead

Sydney, 29 September 2023



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Independent Auditor's Report



To the members of Canterbury Resources Limited,

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Canterbury Resources Limited (the company and its subsidiaries) ("the Group"), which comprises the consolidated statements of financial position as at 30 June 2023, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the 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 (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Capitalised Exploration and Development Expenditure \$11 million Refer to Note 11	
<p>The consolidated entity owns the rights to several exploration licenses in Papua New Guinea and Queensland.</p> <p>Expenditure relating to these areas is capitalised and carried forward to the extent they are expected to be recovered through the successful development of the respective area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.</p> <p>This area is a key audit matter due to:</p> <ul style="list-style-type: none"> • The significance of the balance; • The inherent uncertainty of the recoverability of the amounts involved; and • The substantial amount of audit work performed. 	<p>Our audit procedures included amongst others:</p> <ul style="list-style-type: none"> • Assessing whether any facts or circumstances exist that may indicate impairment of the capitalised asset; • Performing detailed testing of source documents to ensure capitalised expenditure was allocated to the correct area of interest; • Performing detailed testing of source documents to ensure expenditure was capitalised in accordance with Australian Accounting Standards; and • Obtaining external confirmations to ensure the exploration licences are current and accurate.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Directors' Responsibility for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Canterbury Resources Limited for the year ended 30 June 2023 complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDJ Partners

.....
Greg Cliffe
Partner

29 September 2023

Canterbury Resources Limited and Controlled Entities

ABN 59 152 189 369

Shareholder information

Per ASX Listing Rule 4.10 (current at 23/08/2023)

1. Equity

Number of securities	Type
144,523,530	Fully paid ordinary shares – quoted Including 3,000,000 on holding lock
3,000,000	Unquoted options expiring on 31 December 2023 with an exercise price of \$0.24 - unrestricted
2,000,000	Unquoted options expiring on 30 June 2024 with an exercise price of \$0.20 - unrestricted
2,500,000	Unquoted options expiring on 30 June 2025 with an exercise price of \$0.06 - unrestricted
5,000,000	Unquoted options expiring on 31 December 2025 with an exercise price of \$0.08 - unrestricted

2. Substantial holders

Holder Name	Holding Balance	% Issued Capital
Syndicate Minerals Pty Ltd	11,546,399	7.99%
Gage Resources holdings	10,442,699	7.23%
Alma Metals Limited	9,083,333	6.29%

3. Small parcels

At the prevailing market price of \$0.028 per share at 18 August 2023, there were 199 shareholders with less than a marketable parcel of \$500.

4. Voting rights

There are no restrictions on voting rights. At a general meeting of the company every person who is or was the registered holder of a share at the time prescribed for that purpose in the notice convening the meeting ("Eligible Member") is entitled to vote in person, by proxy or by representative. Each Eligible Member has one vote on a show of hands and each Eligible Member has one vote per share, or a fraction of a vote on a partly paid share, on a poll. A person who holds an ordinary share that is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the share. A member is not entitled to vote if there are any calls or other sum outstanding on his or her shares. If a share is held jointly and more than one member votes in respect of that share, only the vote of the member whose name appears first in the register of members will be counted.

Option holders have no voting rights until the options are exercised.

There are no current on-market buy-back (LR 4.10.18).

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Canterbury Resources Limited and Controlled Entities

ABN 59 152 189 369

Shareholder information

5. Distribution schedule

a. Shares

Holding Ranges	Holders	Total Units	% Issued Share Capital
Above 0 up to and including 1,000	26	7,381	0.01%
Above 1,000 up to and including 5,000	42	141,589	0.10%
Above 5,000 up to and including 10,000	92	730,879	0.51%
Above 10,000 up to and including 100,000	173	6,957,215	4.80%
Above 100,000	148	136,686,466	94.58%
Totals	481	144,523,530	100.00%

b. Options

Holding Ranges	Holders	Total Units	% Issued Options
Above 0 up to and including 1,000	-	-	-
Above 1,000 up to and including 5,000	-	-	-
Above 5,000 up to and including 10,000	-	-	-
Above 10,000 up to and including 100,000	1	100,000	0.80%
Above 100,000	12	12,400,000	99.20%
Totals	13	12,500,000	100.00%

6. 20 largest shareholders

Position	Holder Name	Holding	% IC
1	Syndicate Minerals Pty Ltd	11,546,399	7.99%
2	Alma Metals Limited	9,083,333	6.29%
3	Gage Resources Pty Ltd <Craighead Super Fund A/C>	6,021,586	4.17%
4	Netwealth Investments Limited <Wrap Services A/C>	5,738,194	3.97%
5	Mr James Sinton Spence	5,444,444	3.77%
6	Archarl Pty Ltd <Archarl Sf A/C>	5,000,000	3.46%
7	Icekins Pty Ltd <John Anderson S/F A/C>	4,202,000	2.91%
8	Mr Bao Feng Pan & Ms Min Hua Xuan <Bao Super Fund A/C>	3,888,405	2.69%
9	Honeystash Pty Ltd <Honeypot A/C>	3,300,000	2.28%
10	Fallon Nominees Pty Ltd <Fallon Family A/C>	3,253,571	2.25%
11	Icekins Pty Ltd	2,843,022	1.97%
12	Dr Susan Messner & Mr William Callender <Susan M Messner P/L Ret A/C>	2,570,000	1.78%
13	Sandford Super Pty Ltd <G & K Sandford S/F A/C>	2,538,484	1.76%

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Canterbury Resources Limited and Controlled Entities

ABN 59 152 189 369

Shareholder information

6. 20 largest shareholders (cont'd)

Position	Holder Name	Holding	% IC
14	Gage Resources Pty Ltd <Craighead Family A/C>	2,507,507	1.74%
15	Ross Earle Moller & Raewyn Helen Moller	2,372,500	1.64%
16	Mr William Andrew Mcgee	2,300,000	1.59%
17	Armada Trading Pty Ltd	2,000,000	1.38%
18	Mr David John Kelso	1,763,158	1.22%
19	Mr Robert Henry John Elliott	1,662,071	1.15%
20	Moller Corporation Ltd	1,600,000	1.11%
	Total	79,634,674	55.12%
	Total Issued Capital	144,523,530	100%

Corporate governance statement

Canterbury is committed to implementing high standards of corporate governance. The Board of Directors is responsible for corporate governance, and has the authority to determine, all matters relating to the strategic direction, policies, practices, management goals and operations of Canterbury. It also monitors the business and affairs of Canterbury on behalf of the Shareholders by whom they are elected and to whom they are accountable. The Board has endorsed most of the ASX Corporate Governance Council Principles and Recommendations (4th edition, issued in February 2019). The Corporate Governance Statement current at 30 June 2023 can be found at www.canterburyresources.com.au/about-us/corporate-governance.

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Canterbury Resources Limited and Controlled Entities

ABN 59 152 189 369

Corporate directory

Board and management

John Ernest Douglas Anderson
Non-Executive Chairman

Grant Alan Craighead
Managing Director

Ross Earle Moller
Non - Executive Director and Co-Company Secretary

Michael Matthew Erceg
Executive Director

Robyn Watts
Non-Executive Director

Joan Dabon
Co-Company Secretary

Registered office & principal place of business

Suite 301
55 Miller Street
Pyrmont, NSW 2009
Telephone: +61 (2) 9392 8020
Email: admin@canterburyresources.com.au
Web: www.canterburyresources.com.au

Auditors

BDJ Partners
Level 8, 124 Walker Street
North Sydney NSW 2060

Share registry

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

Securities exchange listing

The company is listed on the Australian Securities Exchange Ltd ("ASX")
Home Exchange: Sydney, New South Wales
ASX Code: CBY

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