



CANNINDAH RESOURCES LIMITED

ABN 35 108 146 694

FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

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CANNINDAH RESOURCES LIMITED

ACN 108 146 694

DIRECTORS' REPORT

Your Directors submit their report for Cannindah Resource Limited (CAE) for the half year ended 31 December 2023.

Directors

The names of the Company's Directors in office during the half year and until the date of this report are set out below. All Directors held office for the whole of the period unless otherwise stated.

Thomas J Pickett – Executive Chairman
Geoff Missen – Non- executive Director
Simon Beams – Non- executive Director
Michael Hansel – Non- executive Director

Review of Operations

The loss for the consolidated entity for the half year ended 31 December 2023 was \$844,079 (2022: loss \$918,981). Cash on hand at the end of the period was \$315,710 (30 June 2023: \$659,355). During the period the Company raised \$1,610,000 (before issue costs) through share placement to sophisticated and professional investors and a Share Purchase Plan to existing Shareholders.

Operating Activities

Mt Cannindah

Exploration activities conducted during the period included:

- Assay results from the completed 23-hole drilling campaign continued to be released during the period with the majority of these results having been compiled and released. The final holes of the program provided strong gold results as report in the ASX release of 11 October 2023 and opened up excellent possibilities in the south-west section at Mt Cannindah.
- The Induced Polarisation geophysical survey which commenced late in the previous financial year continued during the period. Several new drill targets were identified which are similar to or larger in magnitude than the area at Mt Cannindah breccia where the majority of the 23 holes completed to date were located. The large-scale IP anomalies coincide with strong surface geochemistry results from approximately 1,490 soil samples taken from most of the mineral occurrences at Mt Cannindah. When previous results from soils are overlaid with the recent IP results, they create several blind undrilled targets similar to the Mt Cannindah breccia zone. Importantly the targets to the southwest of the breccia zone occur in areas of sparse drilling (see ASX release dated 16 Aug 2023)
- CAE consultant Dr Alan Wilson followed up his earlier review by conducting a site visit to the Mt Cannindah project and an inspection of the drill core. Dr Wilson provided an updated report based upon his observations which outlined high priority targets. Of particular note was a new undrilled circular IP feature of some scale, blind at surface which shares the same IP and soil expressions as the Mt Cannindah breccia. These geochemical and geophysical associations to Mt Cannindah are very encouraging and potentially identify a blind target to surface which is not uncommon with breccia pipes in porphyry copper systems. Dr Wilson is a porphyry system specialist and has consulted to companies such as Newmont, Newcrest, Rio Tinto, and Anglo American.
- Positive Metallurgical test results were also reported during the period confirming that the copper, gold and silver that has been drilled at the Mt Cannindah breccia produces a saleable concentrate and good recoveries. (see ASX release dated 21 Nov 2023).

Corporate and Financial Activities

- During the period the Company raised \$1,610,000 (before issue costs) from existing Shareholders and sophisticated and professional investors.
- The Board is currently working through the usual commercial discussions that occur when certain commercial transactions are contemplated both in terms of capital raising and future commercial opportunities. The company will update shareholders on discussions regarding any such developments as they occur.

Strategy

The Company's goal, like most other exploration companies, is to preserve shareholder wealth and grow the value of the flagship assets with prudent exploration methods. The expansion of the Mt Cannindah project remains the focus of the company at present. Drilling and other activities to date has been very successful in identifying further exploration opportunities within the project area in both copper and gold. The Piccadilly Gold project in North Queensland will progress through ground-based exploration with a view to expanding the gold target areas across the project area.

The Company's corporate activities also include the review of opportunities for expansion through acquisitions and mergers and through potential diversification opportunities to take advantage of positive market sentiments. At the date of this report, no investments have been undertaken.

Going Concern

The Group incurred a net loss of \$844,079, had net cash outflows from operating and investment activities (exploration expenditure) of \$1,897,888 for the six months ended 31 December 2023 and had an excess of current liabilities over current assets of \$2,178,742 at that date.

Whilst the events and conditions described above indicate that there is a material uncertainty relating to going concern, the Directors expect that to complete the projected exploration activities over the next 12 months additional funds will be required. It is expected that these funds will be obtained through additional capital raisings and/or loan funds as required. Based on their previous experience and success in raising capital and loan funds, the Directors are confident that the required additional funds can be obtained. In this regard, the Directors note that during the period \$1,610,000 (before issue costs) was raised from existing Shareholders through a Share Purchase Plan and from sophisticated and professional investors. The Directors also note that the Company's largest creditor, Terra Search, a company associated with Director Simon Beams which at 31 December 2023 was owed \$2,369,835 has provided written forbearance in relation to the debt pending future capital raising. Terra Search has also expressed its intention to consider converting a proportion of the debt to equity.

The Directors are satisfied that they will be able to secure the additional funds required, and that the going concern basis of preparation for the financial report is appropriate. If for any reason the Consolidated Entity is unable to continue as a going concern, it would impact on the Consolidated Entity's ability to realise assets at their recognised values and to extinguish liabilities in the normal course of business at the amounts stated in the consolidated financial statements.

The half-year financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Consolidated Entity does not continue as a going concern.

Subsequent Events

Other than as disclosed in these financial statements, no matters or circumstances have arisen since 31 December 2023, which significantly affect or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

On behalf of the Directors

A handwritten signature in black ink, consisting of several vertical strokes and a horizontal line, enclosed within a roughly circular shape.

Thomas J. Pickett
Executive Chairman
Gold Coast
15March 2024

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Auditor's Independence Declaration

To the Directors of Cannindah Resources Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Cannindah Resources Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd
Chartered Accountants



M C Bragg
Partner – Audit & Assurance

Brisbane, 15 March 2024

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CANNINDAH RESOURCES LIMITED
ACN 108 146 694
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**
for the half year ended 31 December 2023

		Consolidated	
	Note	Half year ended 31 December 2023 \$	Half year ended 31 December 2022 \$
Revenue			
Revenue and other income	2	3,903	3,353
Expenses			
Employee benefits expense		(179,024)	(178,858)
Share based payments expense	6	(447,379)	(444,948)
Exploration and evaluation expenditure w/off		(759)	(10,021)
Depreciation and amortisation		(16,880)	(1,541)
Administrative expenses		(201,942)	(286,966)
Finance expense		(1,998)	-
Loss before income tax expense		(844,079)	(918,981)
Income tax expense		-	-
Profit / (Loss) attributable to members of the group		(844,079)	(918,981)
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income / (loss) for the year attributable to the members of the group		(844,079)	(918,981)
Basic earnings and diluted earnings per share (cents per share)		(0.15)	(0.17)

The accompanying notes form part of this financial report

CANNINDAH RESOURCES LIMITED

ACN 108 146 694

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2023

		Consolidated	
	Note	31 December 2023 \$	30 June 2023 \$
CURRENT ASSETS			
Cash and cash equivalents	3	315,710	659,355
Trade and other receivables		281,923	248,316
Total Current Assets		597,633	907,671
NON-CURRENT ASSETS			
Other assets		116,912	116,912
Property plant and equipment	4	80,195	97,074
Exploration and evaluation expenditure	5	17,244,205	15,707,153
Total Non-Current Assets		17,441,312	15,921,139
TOTAL ASSETS		18,038,945	16,828,810
CURRENT LIABILITIES			
Trade and other payables		2,609,417	2,520,964
Employee benefits		135,997	139,399
Lease liabilities		30,961	29,598
Total Current Liabilities		2,776,375	2,689,961
NON-CURRENT LIABILITIES			
Lease liabilities		45,602	61,483
Total Non-Current Liabilities		45,602	61,483
TOTAL LIABILITIES		2,821,977	2,751,444
NET ASSETS		15,216,968	14,077,366
EQUITY			
Contributed equity	7	63,034,165	61,497,863
Reserves		2,204,227	1,756,848
Accumulated losses		(50,021,424)	(49,177,345)
TOTAL EQUITY		15,216,968	14,077,366

The accompanying notes form part of this financial report

CANNINDAH RESOURCES LIMITED

ACN 108 146 694

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the half year ended 31 December 2023**

	Contributed Equity \$	Reserves \$	Accumulated Losses \$	Total \$
2023				
Balance at 1 July 2023	61,497,863	1,756,848	(49,177,345)	14,077,366
Shares issued during the period	1,610,000	-	-	1,610,000
Share issue costs	(73,698)	-	-	(73,698)
Share based payments	-	447,379	-	447,379
Loss attributable to members of the company	-	-	(844,079)	(844,079)
Balance at 31 December 2023	63,034,165	2,204,227	(50,021,424)	15,216,968
2022				
Balance at 1 July 2022	56,750,224	869,384	(47,274,373)	10,345,235
Shares issued during the period	2,200,000	-	-	2,200,000
Share issue costs	(42,216)	-	-	(42,216)
Share based payments	-	444,948	-	444,948
Loss attributable to members of the company	-	-	(918,981)	(918,981)
Balance at 31 December 2022	58,908,008	1,314,332	(48,193,354)	12,028,986

The accompanying notes form part of this financial report.

CANNINDAH RESOURCES LIMITED
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CONSOLIDATED STATEMENT OF CASH FLOWS
for the half year ended 31 December 2023

	Consolidated	
Note	Half year ended 31 December 2023 \$	Half year ended 31 December 2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	3,903	3,353
Payments to suppliers and employees	(506,783)	(868,835)
Net cash provided by (used in) operating activities	(502,880)	(865,482)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation expenditure	(1,395,008)	(2,179,444)
Net cash provided by (used in) investing activities	(1,395,008)	(2,179,444)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from issue of shares	1,610,000	2,200,000
Issue costs	(55,757)	(42,216)
Net cash provided by (used in) financing activities	1,554,243	2,157,785
Net increase / (decrease) in cash and cash equivalents during the period	(343,645)	(887,141)
Cash and cash equivalents at beginning of period	659,355	1,283,121
Cash and cash equivalents at end of period	315,710	395,980

The accompanying notes form part of this financial report.

CANNINDAH RESOURCES LIMITED

ACN 108 146 694

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2023

1. Basis of Preparation and Accounting Policies

This general-purpose financial report for the interim half-year reporting period ended 31 December 2023 has been prepared in accordance with Accounting Standard AASB 134 *“Interim Financial Reporting”* and the *Corporations Act 2001*. AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half year financial report be read in conjunction with the annual report of Cannindah Resources Limited (CAE) as at 30 June 2023, together with any public announcements made by Cannindah Resources Limited during the interim reporting period in accordance with the continuous disclosure obligations of the *Corporations Act 2001*.

The accounting policies and methods of computation adopted are consistent with those of the previous financial period as disclosed in the 30 June 2023 annual report.

New or amended Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going Concern

The Group incurred a net loss of \$844,079 and had net cash outflows from operating and investment activities (exploration expenditure) of \$1,897,888 for the six months ended 31 December 2023 and had an excess of current liabilities over current assets of \$2,178,742 at that date.

Whilst the events and conditions described above indicate that there is a material uncertainty relating to going concern, the Directors expect that to complete the projected exploration activities over the next 12 months additional funds will be required. It is expected that these funds will be obtained through additional capital raisings and/or loan funds as required. Based on their previous experience and success in raising capital and loan funds, the Directors are confident that the required additional funds can be obtained. In this regard, the Directors note that during the period \$1,610,000 (before issue costs) was raised from existing Shareholders through a Share Purchase Plan and from sophisticated and professional investors. The Directors also note that the Company's largest creditor, Terra Search, a company associated with Director Simon Beams which at 31 December 2023 was owed \$2,369,835 has provided written forbearance in relation to the debt pending future capital raising. Terra Search has also expressed its intention to consider converting a proportion of the debt to equity.

The Directors are satisfied that they will be able to secure the additional funds required, and that the going concern basis of preparation for the financial report is appropriate. If for any reason the Consolidated Entity is unable to continue as a going concern, it would impact on the Consolidated Entity's ability to realise assets at their recognised values and to extinguish liabilities in the normal course of business at the amounts stated in the consolidated financial statements.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Consolidated Entity does not continue as a going concern.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2023

		Consolidated	
		Half year ended 31 December 2023 \$	Half year ended 31 December 2022 \$
2. Revenue and other income			
	Interest received from other persons	3,903	3,353
	Total revenue and other income	3,903	3,353
		Consolidated	
		31 December 2023 \$	30 June 2023 \$
3. Cash and cash equivalents			
	Cash at bank and on hand	315,710	659,355
4. Property, plant and equipment			
	Plant and equipment at cost	11,292	11,292
	Accumulated depreciation	(7,100)	(4,739)
	Right of use asset - Office lease at cost	95,846	95,846
	Less accumulated depreciation	(19,843)	(5,325)
	Plant and equipment at written down value	80,195	97,074
5. Exploration and evaluation expenditure			
	Exploration and evaluation phase - at cost	17,244,205	15,707,153
6. Share based payments			
	Amortisation of fair value of Performance Rights	447,379	444,948

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the half year ended 31 December 2023

7. Contributed Equity

Movements in Contributed Equity net of transaction costs during the six months ended 31 December 2023 were as follows:

	<u>No of Shares</u>	<u>\$</u>
Opening balance at 1 July 2023	561,979,953	61,497,863
Placements to sophisticated and professional investors at \$0.10 each	6,750,000	675,000
Share Purchase Plan @ \$0.10 each	9,350,000	935,000
Less share issue costs	-	(73,698)
Balance at 31 December 2023	578,079,953	63,034,165

8. Expenditure Commitments and Contingent Liabilities

There were no significant changes to the commitments and contingencies disclosed in the most recent annual financial report.

9. Subsequent Events

Other than as disclosed in these financial statements, no matters or circumstances have arisen since 31 December 2023, which significantly affect or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

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CANNINDAH RESOURCES LIMITED

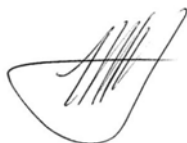
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DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes:
 - a). comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations; and
 - b). give a true and fair view of the economic entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date.
2. 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.

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



Thomas J. Pickett
Executive Chairman
Gold Coast
15 March 2024

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Independent Auditor's Review Report

To the Members of Cannindah Resources Limited

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Cannindah Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies, other explanatory information, and the directors' declaration.

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

- a giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

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

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Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss of \$844,079 during the half-year ended 31 December 2023. The Group also had net cash outflows from operating and investing cashflows of \$1,897,888 for the half-year ended 31 December 2023, and at this date had an excess of current liabilities over current assets of \$2,178,742. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

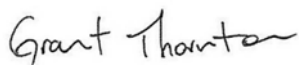
Directors' responsibility for the half-year financial report

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

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Grant Thornton Audit Pty Ltd
Chartered Accountants



M C Bragg
Partner – Audit & Assurance

Brisbane, 15 March 2024