



# **CANNINDAH RESOURCES LIMITED**

**ABN 35 108 146 694**

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**ANNUAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2021**

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**CANNINDAH RESOURCES LIMITED**

ABN 35 108 146 694

**ANNUAL FINANCIAL REPORT  
for the year ended 30 June 2021**

# **CANNINDAH RESOURCES LIMITED**

## **DIRECTORS' REPORT**

The Directors present their report, together with the financial statements, on the Consolidated Entity (referred to hereafter as the 'Consolidated Entity' or Group) consisting of Cannindah Resources Limited (referred to hereafter as the 'Company', 'Parent Entity' or 'Cannindah Resources') and the entities it controlled for the year ended 30 June 2021.

### **Directors**

The following persons were Directors of Cannindah Resources Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Thomas J Pickett (Executive Chairman)  
Geoffrey J Missen (Independent Non-Executive Director)  
Simon Beams (Non-Executive Director)

### **Principal activities**

During the financial year the principal activities of the Consolidated Entity consisted of mineral exploration, evaluation and progressing development of its various mineral projects.

### **Dividends**

There were no dividends paid or declared during the current or previous financial year.

### **Operating and Financial review**

The profit for the Consolidated Entity after providing for income tax amounted to \$4,113,622 (2020: loss \$1,373,642). The surplus arose from the calculation of the benefit received by the Group from the agreement with lender Aquis Finance Pty Ltd to settle the loan agreement before the due date by the issue of 190 million shares in the Company. The agreement to pay out the loan was approved by shareholders at the 16 April 2021 Extraordinary General Meeting. Further details are provided at Note 13 to the financial statements.

### **Corporate Strategy**

The Company's goal, like most other small capital exploration companies, is to preserve shareholder wealth and grow the value of the flagship asset with prudent exploration methods. In the 2021 financial year, the Company's key focus was to reorganise its capital structure, attract investors to support the ongoing funding of the company and to expand its exploration activities at its Cannindah and Piccadilly projects to bring them to drill ready status as soon as soon as possible

The Company's corporate activities 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.

### **Operations Report**

#### ***Exploration Projects***

During the period, the Group expanded its exploration activities by:

- Gaining access to historical data on the Piccadilly project through the acquisition of PGMH
- Conducting further desktop reviews and field work on the Piccadilly project to plan out additional exploration including trenching and sampling culminating in a new drilling program towards the end of the financial year aimed at consolidating the knowledge gained from the reviews.
- Successfully applied for the renewal of the existing EPM's 18322 and 16198 and applying for new ground adjacent to the current tenements.
- Followed up a detailed analysis of the Mt Cannindah project conducted early in the second half of the financial year with the planning of a 1,450m diamond drill program which commenced in August 2021. Initial results from the drilling were released to the ASX on 28 September 2021.

### **Financial**

At 30 June 2022, the Company had cash on hand of \$1,291,780 (2020: \$39,227). During the year the Group acquired and restructured PMH and also negotiated the early payout of the \$5.8 million debt with Aquis Finance Pty Ltd. These actions left the company debt free with attractive assets with which to attract new investors. In this regard, the Company issued a further 46.4 million shares in placements to raise \$2.375 million in cash before transaction costs from December 2020 to March 2021.

# **CANNINDAH RESOURCES LIMITED**

## **DIRECTORS' REPORT**

### **Future Strategy**

The Cannindah Resources Board and Management will continue to focus on developing the exploration potential of both its Piccadilly Gold Mine and its surrounding EPM's and its Mt Cannindah Project. It has commenced this process by undertaking drilling campaigns at both projects early in the 2022 financial year.

The Board will also continue to seek to take advantage of additional corporate opportunities that are evaluated from time to time.

### **Environmental Regulation**

The Consolidated Entity's operations are subject to significant environmental regulation under Commonwealth and State legislation in relation to the discharge of hazardous waste and minerals arising. The Consolidated Entity holds all necessary Environmental Authorities in accordance with the Environmental Protection Act 1994 and such other environmental approvals as may be stipulated under State laws to enable it to operate within its Mining Leases and the various exploration tenements it holds.

### **Information on Directors**

#### **Thomas J Pickett**

*LLB, Grad Cert App Fin*  
*Executive Chairman.*

Mr Pickett holds a Bachelor of Law and was admitted as a solicitor of the Supreme Court of Queensland in 1996. Mr Pickett has broad experience in the mining industry and has held a number of corporate roles in the mining and finance industries.

Mr Pickett was Chairman of Dynasty Resources Limited from 2011 to September 2015, was a Non-Executive Director of Discovery Resources Limited (ASX: DIS) which completed a transaction to become Aquis Entertainment Limited (ASX: AQS) in August 2015 and was a Non-Executive Director of Red Gum Resources Limited (ASX: RGX) from May 2015 until January 2016 when the Company completed a transaction to become MCS Services Limited (ASX: MSG). He was a director of CuDeco Ltd (ASX: CDU) from 2002 to 2005. He was a director of Piccadilly Gold Mine Holdings Limited and Diversified Mining Pty Ltd, which are privately held exploration entities, resigning in 2015.

#### **Geoffrey J Missen**

*FCA, GAICD*  
*Non-Executive Director and Chairman of the Audit and Risk Committee*

Mr Missen is a Chartered Accountant with over 25 years' experience providing clients with tax, accounting and business advice. He has been a Partner of The MBA Partnership since its inception in 2001. His client base is diverse and centres on small to medium enterprises. Mr Missen has an interest in providing specialist advice to his clients and enjoys developing strategies to help clients meet their goals. He is an active board member, currently serving on a number of boards in the public, private and not-for-profit sectors.

Mr Missen is a graduate of Victoria University, the Wharton School of Business at the University of Pennsylvania, Cambridge University, Harvard Business School and the Chicago Booth Business School. He is a Fellow of the Chartered Accountants in Australia and New Zealand and a Graduate Member of The Australian Institute of Company Directors (GAICD).

#### **Dr. Simon D Beams (appointed 2 September 2019)**

*PhD (Geology) BSc Hons (First Class)*  
*Non-Executive Director*

Dr Beams has been a Geologist since 1975. For the past 32 years he has been Managing Director and Principal Geologist of Terra Search Pty Ltd where he has been directly involved in many mineral exploration and evaluation programs across Northern Australia, leading to mineral discoveries and some mines, primarily base metals and gold but including uranium, phosphate, magnetite & oil shale amongst others. In 2016, Simon was awarded the John Campbell Miles Medal by the Queensland Divisions of the Geological Society of Australia and the Australian Institute of Geosciences for contributions to economic geology, exploration technology and mineral discovery in Queensland.

## CANNINDAH RESOURCES LIMITED

### DIRECTORS' REPORT

Dr Beams is also an active member in a number of geological societies.

- Geological Society Australia, (GSA)
- Australasian Institute Mining & Metallurgy (AusIMM)
- Australian Institute of Geosciences (AIG)
- Society Economic Geologists (SEG)
- Association of Applied Geochemists

Dr Beams has been a member of the Advisory Board to the Economic Geology Research Centre (EGRU) at James Cook University, Townsville for over two decades. He is also a Member of the Queensland Exploration Committee for AMEC (Association of Mining and Exploration Companies) one of the Peak Industry Exploration Groups.

Dr Beams has produced several key publications in the areas of mineral deposit geology and geochemistry, exploration data management, regolith relations, petrology and granite genesis and regional geology of North Queensland.

#### Company Secretary

The Company Secretary in office at the end of the financial year was Garry Gill. Mr Gill has more than 30 years' experience in all facets of corporate financial and administrative functions and has served in Chief Financial Officer and Company Secretarial positions at a number of listed and unlisted public companies, private companies and statutory authorities.

#### Directors' Interests in the Company

At the date of this report, the interests of the Directors in the shares and options of the Company were:

	Ordinary Shares	Options
T J Pickett (Executive Chairman)	23,614,573	-
G J Missen (Non-Executive Director)	2,556,249	-
S D Beams (Non-Executive Director)	2,500,000	-

#### Meetings of Directors

The number of meetings of the Company's Board of Directors held during the year ended 30 June 2021 and the number of meetings attended by each Director were:

	Held	Attended
T J Pickett	5	5
G J Missen	5	5
S D Beams	5	5

*"Held" represents the number of meetings held during the time the Director held office or was a member of the relevant committee.*

The Audit Committee did not meet during the year. All matters usually considered by the Committee were determined by the full Board.

#### Remuneration Report (Audited)

The remuneration report, which has been audited, outlines the Director and executive remuneration arrangements for the Consolidated Entity and the Company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The remuneration report is set out under the following main headings:

- A Principles used to determine the nature and amount of remuneration
- B Details of remuneration
- C Service agreements
- D Share-based compensation
- E Equity instruments

# **CANNINDAH RESOURCES LIMITED**

## **DIRECTORS' REPORT**

### **A Principles used to determine the nature and amount of remuneration**

#### ***Non-Executive Directors Remuneration***

The Company's constitution provides that the Non-Executive Directors may be paid, as remuneration for their services, a sum determined from time to time by the Company's Shareholders in a general meeting, with that sum to be divided amongst the Directors in such manner as they agree. The aggregate remuneration ceiling for Non-Executive Directors is currently \$300,000 per annum. Additionally, Non-Executive Directors are entitled to be reimbursed for properly incurred expenses.

Non-Executive Directors are remunerated through a combination of fees and may also be granted options over the Company's shares. The Board does not consider it appropriate to include a short-term incentive, or cash bonus element in the remuneration of Non-Executive Directors.

#### ***Executive Remuneration***

The Consolidated Entity and Company aim to reward executives with a level and mix of remuneration based on their position and responsibility, which is both fixed and variable.

The executive remuneration and reward framework has three components:

- base pay and non-monetary benefits
- share-based payments and cash bonuses
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board of Directors, based on individual and business unit performance, the overall performance of the Consolidated Entity and comparable market remunerations.

#### ***Consolidated Entity performance and link to remuneration***

Because the Consolidated Entity is in exploration and not production, there is no direct relationship between the Consolidated Entity's financial performance and the level of remuneration paid to key management personnel.

#### ***Use of remuneration consultants***

The Company did not engage remuneration consultants during the financial year ended 30 June 2021.

### **B Details of remuneration**

#### ***Amounts of remuneration***

Details of the remuneration of the Directors and other key management personnel (defined as those who have the authority and responsibility for planning, directing and controlling the major activities of the Consolidated Entity) of Cannindah Resources Limited paid and payable are set out in the following tables.

The key management personnel (KMP) of the Consolidated Entity consisted of the following Directors of Cannindah Resources Limited:

T J Pickett  
G J Missen  
S D Beams

And the following executive:

G C Gill - Chief Financial Officer / Company Secretary

**CANNINDAH RESOURCES LIMITED**  
**DIRECTORS' REPORT**

Key Management Personnel	Short-term Benefits		Long-term Benefits	Post - Employment Benefits	Share Based Payments	Total	Performance based remuneration	At risk remuneration
	Fees and/or Salary	Annual Leave	Long Service Leave	Super - annuation				
	\$	\$	\$	\$		%	%	%
<b>2021</b>								
T J Pickett	250,000	21,535	13,908	23,750	-	309,193	-	-
G J Missen	18,300	-	-	1,739	-	20,039	-	-
S D Beams	40,000	-	-	-	-	40,000	-	-
G C Gill	72,000	-	-	-	-	72,000	-	-
<b>Totals</b>	<b>380,300</b>	<b>21,535</b>	<b>13,908</b>	<b>25,489</b>	<b>-</b>	<b>441,232</b>	<b>-</b>	<b>-</b>
<b>2020</b>								
T J Pickett	250,000	14,143	48,661	23,750	-	336,554	-	-
L G Johnson*	6,100	-	-	580	-	6,680	-	-
G J Missen	18,300	-	-	1,739	-	20,039	-	-
SD Beams**	33,333	-	-	-	-	33,333	-	-
G C Gill	75,850	-	-	-	-	75,850	-	-
<b>Totals</b>	<b>383,583</b>	<b>14,143</b>	<b>48,661</b>	<b>26,069</b>	<b>-</b>	<b>472,456</b>	<b>-</b>	<b>-</b>

\* Retired 2 September 2019.

\*\* Appointed 2 September 2019.

At the Annual General Meeting held on 17 December 2020 shareholders voted to issue shares at \$0.02 each to Directors and executives in payment or part payment of outstanding fees as at 30 June 2020. The outstanding fees for which the shares were used as payment were disclosed in the 2020 and 2019 financial year remuneration tables. Shares issued to KMP were as follows:

	No of Shares	\$
T J Pickett	13,802,546	276,051
G J Missen	2,306,249	46,125
S D Beams	2,500,000	50,000
G C Gill	1,000,000	20,000
<b>Totals</b>	<b>19,608,795</b>	<b>392,176</b>

### C Service agreements

Remuneration and other terms of employment for key management personnel are formalised in Service Agreements. Details of these Agreements are as follows:

#### **Executive Chairman:**

Effective from 1 July 2021, the Company has entered into a new Employment Services Agreement with Mr Thomas Pickett the Executive Chairman. Remuneration payable pursuant to the package is as follows:

- Term of the contract is 2 years.
- Base salary of \$280,000 plus superannuation at statutory rates.
- Short term incentives under the contract include:
  - Annual bonus at the discretion of the Board



# CANNINDAH RESOURCES LIMITED

## DIRECTORS' REPORT

- Cash bonus of \$100,000 should the market capitalisation of the company at any time during the term exceed \$60 million AUD and remain above this amount for a period of 30 days
- Further cash bonus of \$100,000 should the market capitalisation exceed \$100 million AUD and remain there for a period of 30 days
- The contract may be terminated by the Company giving of six months' written notice or by Mr Pickett giving 3 months' written notice.
- Termination payment is up to six months of annual base salary.
- Remuneration under the contract is to be reviewed annually by the Board of Directors.

### **Chief Financial Officer and Company Secretary**

The Company has entered into an Agreement with Garry Gill and his company to provide services as Company Secretary and Chief Financial Officer. Services are to be provided on a part-time basis and at a rate of \$1,200 per day (pro rata) plus GST, plus expenses. The Agreement may be terminated by either party on 1 months' notice.

KMP have no entitlement to termination payments in the event of removal for misconduct.

### **D Share-based compensation**

#### *Issue of shares*

There were no shares issued to Directors and other Key Management Personnel as part of compensation during the year ended 30 June 2021. However, in accordance with the resolution passed at the Annual General Meeting held on 17 December 2020, KMP were issued shares to pay or part - pay salary and fees owing to them as at 30 June 2020.

#### *Issue of options*

There were no options over ordinary shares issued to Directors and other Key Management Personnel as part of compensation during the year ended 30 June 2021.

### **E Equity instruments**

#### **a) Movements in shares**

The movement during the year in the number of ordinary shares in Cannindah Resources Limited held directly, indirectly or beneficially by each key management person, including their related parties, is as follows:

Name	Balance at beginning of year	Balance at Date of Appointment  (refer notes below)	Acquired		Disposals	Balance at Date of Resignation  (refer notes below)	Balance at end of the year
			Payment for outstanding fees	Other			
<b>2021</b>							
T J Pickett	10,582,503	n/a	13,802,546	596,435	(1,366,911)	n/a	23,614,573
G J Missen	250,000	n/a	2,306,249	-	-	n/a	4,862,498
S D Beams	-	n/a	2,500,000	-	-	n/a	5,000,000
G C Gill	-	n/a	1,000,000	-	-	n/a	2,000,000
<b>2020</b>							
T J Pickett	10,000,000	n/a	-	582,503	-	n/a	10,582,503
L G Johnson	100,000	n/a	-	-	-	100,000	n/a
G J Missen	250,000	n/a	-	-	-	n/a	250,000
S D Beams	n/a	-	-	-	-	n/a	-
G C Gill	-	n/a	-	-	-	n/a	-

**Note:** LG Johnson – resigned 2 September 2019  
SD Beams – appointed 2 September 2019

## **CANNINDAH RESOURCES LIMITED**

### **DIRECTORS' REPORT**

As noted in Sections B & D above KMP were issued shares to pay or part pay salaries and fees outstanding as at 30 June 2020. The share issues are treated as "Other" acquisitions in the 2021 year in the table above.

All on market purchases and sales complied with the Board's Securities Trading Policy which permits trading by Directors and executives during certain periods in the absence of knowledge of price-sensitive information.

#### ***b) Movement in options***

No options over ordinary shares in the parent entity were held by any Director or other member of key management personnel of the Consolidated Entity during the financial years ended 30 June 2021 or 30 June 2020.

#### ***End of audited remuneration report***

##### **Share options**

At the date of this report there were no unissued ordinary shares under option (nil at 30 June 2021 and nil at 30 June 2020). No options have been exercised since year end to the date of this report.

##### **Indemnity and insurance of officers**

The Company has indemnified the Directors of the Company for costs incurred, in their capacity as a director, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors of the Company against a liability to the extent permitted by the Corporations Act 2001. The amount of the premium is not disclosed as it is considered confidential.

##### **Indemnity and insurance of auditor**

The Company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

##### **Proceedings on behalf of the Company**

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to 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 part of those proceedings.

##### **Subsequent Events**

No other matters or circumstances have arisen since 30 June 2021, 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.

##### **Non-audit services**

No non-audit services were provided by a related entity of the Group's auditor, Grant Thornton. The Directors are satisfied that where provided the non-audit services are compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of non-audit service provided means that auditor independence was not compromised.

##### **Officers of the company who are former audit partners of Grant Thornton Audit Pty Ltd**

There are no officers of the company who are former audit partners of Grant Thornton Audit Pty Ltd.

##### **Auditor's Independence Declaration**

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

**CANNINDAH RESOURCES LIMITED**  
**DIRECTORS' REPORT**

On behalf of the Directors



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Thomas J Pickett  
Executive Chairman  
1 October 2021  
Gold Coast

## 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 audit of Cannindah Resources Limited for the year ended 30 June 2021, 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, 1 October 2021

**CANNINDAH RESOURCES LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**for the year ended 30 June 2021**

		<b>Consolidated</b>	
	<b>Note</b>	<b>2021</b>	<b>2020</b>
		<b>\$</b>	<b>\$</b>
<b>Income</b>			
Other income		67,012	10,666
<b>Total income</b>	<b>4</b>	<b>67,012</b>	<b>10,666</b>
<b>Expenses</b>			
Employee benefits expense	5	(286,943)	(386,643)
Exploration and evaluation expenditure written off		(600)	(689)
Finance costs	5	(244,255)	(800,896)
Administration		(284,022)	(196,080)
Benefit from loan extinguishment	13	4,862,430	-
<b>Profit / (loss) before income tax expense from continuing operations</b>		<b>4,113,622</b>	<b>(1,373,642)</b>
Income tax (expense) / benefit	6	-	-
<b>Profit/(loss) after income tax expense for the year attributable to the owners of the Company</b>		<b>4,113,622</b>	<b>(1,373,642)</b>
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year attributable to the members of the Company</b>		<b>4,113,622</b>	<b>(1,373,642)</b>
Basic and diluted earnings per share (cents per share)	26	1.33	(0.72)

The accompanying notes form part of these financial statements

**CANNINDAH RESOURCES LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
as at 30 June 2021

	Note	Consolidated	
		2021	2020
		\$	\$
<b>Current assets</b>			
Cash and cash equivalents	7	1,291,780	39,227
Trade and other receivables	8	64,272	32,468
<b>Total current assets</b>		<b>1,356,052</b>	<b>71,695</b>
<b>Non-current assets</b>			
Other assets	9	105,837	83,337
Exploration and evaluation asset	10	6,993,850	4,754,881
<b>Total non-current assets</b>		<b>7,099,687</b>	<b>4,838,218</b>
<b>Total assets</b>		<b>8,455,739</b>	<b>4,909,913</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	11	460,395	727,659
Employee benefits	12	153,537	118,093
Borrowings	13	-	157,500
<b>Total current liabilities</b>		<b>613,932</b>	<b>1,003,252</b>
<b>Non-current liabilities</b>			
Borrowings	13	-	4,978,551
<b>Total non-current liabilities</b>		<b>-</b>	<b>4,978,551</b>
<b>Total liabilities</b>		<b>613,932</b>	<b>5,981,803</b>
<b>Net assets</b>		<b>7,841,807</b>	<b>(1,071,890)</b>
<b>Equity</b>			
Issued capital	14	53,125,082	48,325,007
Reserves	15	395,614	395,614
Accumulated losses		(45,678,889)	(49,792,511)
<b>Total equity</b>		<b>7,841,807</b>	<b>(1,071,890)</b>

The accompanying notes form part of these financial statements

**CANNINDAH RESOURCES LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
for the year ended 30 June 2021

**Consolidated**

	Note	Issued Capital \$	Reserve \$	Accumulated Losses \$	Total \$
<b>2020</b>					
Balance at 1 July 2019		48,229,514	395,614	(48,418,869)	206,259
<b>Transactions with owners:</b>					
Shares issued during the period	14	145,041	-	-	145,041
Share issue costs	14	(49,548)	-	-	(49,548)
<b>Total transactions with owners</b>		95,493	-	-	95,493
Loss attributable to members of the Company		-	-	(1,373,642)	(1,373,642)
<b>Balance at 30 June 2020</b>		<b>48,325,007</b>	<b>395,614</b>	<b>(49,792,511)</b>	<b>(1,071,890)</b>
<b>2021</b>					
Balance at 1 July 2020		48,325,007	395,614	(49,792,511)	(1,071,890)
<b>Transactions with owners:</b>					
Shares issued during the period	14	5,017,812	-	-	5,017,812
Share issue costs	14	(217,737)	-	-	(217,737)
<b>Total transactions with owners</b>		4,800,075	-	-	4,800,075
Profit attributable to members of the Company		-	-	4,113,622	4,113,622
<b>Balance at 30 June 2021</b>		<b>53,125,082</b>	<b>395,614</b>	<b>(45,678,889)</b>	<b>7,841,807</b>

The accompanying notes form part of these financial statements

**CANNINDAH RESOURCES LIMITED**  
**STATEMENT OF CASH FLOWS**  
for the year ended 30 June 2021

		Consolidated	
		2021	2020
		\$	\$
<b>Cash flows from operating activities</b>			
Receipts from ATO – Cashflow Boost Program		66,949	-
Payments to suppliers and employees		(559,471)	(298,658)
Interest received		63	10,666
Interest and finance costs paid		(15,970)	(49,681)
<b>Net cash provided by (used in) operating activities</b>	25	<b>(508,429)</b>	<b>(337,673)</b>
<b>Cash flows from investing activities</b>			
Exploration expenditure		(755,541)	(124,161)
<b>Net cash provided by (used in) investing activities</b>		<b>(755,541)</b>	<b>(124,161)</b>
<b>Cash flows from financing activities</b>			
Net proceeds from issue of shares		2,174,023	95,493
Proceeds from borrowings - secured		500,000	391,367
Proceeds from borrowings - other		-	178,080
Repayment of borrowings - other		(157,500)	(179,977)
<b>Net cash provided by (used in) financing activities</b>		<b>2,516,523</b>	<b>484,963</b>
<b>Net increase (decrease) in cash held</b>		<b>1,252,553</b>	<b>23,129</b>
<b>Cash at beginning of year</b>		<b>39,227</b>	<b>16,098</b>
<b>Cash at end of year</b>	7	<b>1,291,780</b>	<b>39,227</b>

The accompanying notes form part of these financial statements



**CANNINDAH RESOURCES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2021**

**Note 1 Statement of Significant Accounting Policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**New, revised or amending Accounting Standards and Interpretations adopted**

The Consolidated Entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. None of the new standards and amendments to standards affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

**Basis of preparation**

These general-purpose financial statements have been prepared on a going concern basis in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

**Historical cost convention**

The financial statements have been prepared under the historical cost convention, except for, where applicable, financial assets and liabilities at fair value through profit or loss.

**Functional and Presentation Currency**

The Company's functional and presentation currency is Australian dollars.

**Critical accounting estimates**

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

**Parent entity information**

In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated Entity only. Supplementary information about the parent entity is disclosed in note 21.

**Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of subsidiaries of Cannindah Resources Limited ('Company' or 'Parent Entity') as at 30 June 2021 and the results of all subsidiaries for the year then ended. Cannindah Resources Limited and its subsidiaries together are referred to in these financial statements as the 'Consolidated Entity'.

A subsidiary is any entity controlled by the Company. Control exists where the parent entity is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries and special purpose entities have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition or up to the effective date of disposal as applicable.

**CANNINDAH RESOURCES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2021**

**Note 1 Statement of Significant Accounting Policies (continued)**

**Principles of consolidation (continued)**

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

**Revenue recognition**

Revenue from contracts with customers is measured and recognised in accordance with the five-step model prescribed by AASB 15 *"Revenue from Contracts with Customers"*. First contracts with customers within the scope of AASB 15 are identified. Distinct promises within the contract are identified as performance obligations. The transaction price of the contract is measured based on the amount of consideration the Group expects to be entitled from the customer in exchange for goods or services. Factors such as requirements around variable consideration, significant financing components, non-cash consideration or amounts payable to customers also determine the transaction price.

Revenue is recognised when or as performance obligations are satisfied which is when control of the promised goods or services is transferred to the customer. The Group does not currently have any material contracts with customers.

All revenue is stated net of the amount of goods and services tax (GST).

**Other income**

The Group may also receive other income comprised of interest income, government grants and research and development tax incentives. Other revenue is recognised when it is received or when the right to receive payment is established.

**Government grants**

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate. During the period the Group received grants under the Government Cashflow Boost program. The payments were recognised as other income in the period in which they were received.

**Interest income**

Interest income is recognised when it becomes receivable on a proportional basis taking into account the interest rates applicable to the financial assets.

**Income tax**

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

**CANNINDAH RESOURCES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2021**

**Note 1 Statement of Significant Accounting Policies (continued)**

**Income tax (continued)**

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously.

Cannindah Resources Limited (the 'head entity') and its wholly-owned Australian controlled entities have formed an income tax consolidated group under the tax consolidation regime. The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the group allocation approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Research and Development Tax Refunds and refunds receivable are recognised as a tax credit.

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Financial instruments**

***Recognition, initial measurement and derecognition***

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

***Classification and subsequent measurement of financial assets***

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

**CANNINDAH RESOURCES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2021**

**Note 1 Statement of Significant Accounting Policies (continued)**

**Financial instruments (continued)**

***Classification and subsequent measurement of financial assets (continued)***

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)
- debt instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:

- The entity's business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

***Subsequent measurement financial assets***

***Financial assets at amortised cost***

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

***Financial assets at fair value through profit or loss (FVPL)***

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

***Impairment of Financial assets***

AASB 9's impairment requirements use more forward looking information to recognise expected credit losses – the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

**CANNINDAH RESOURCES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2021**

**Note 1 Statement of Significant Accounting Policies (continued)**

***Subsequent measurement financial assets (continued)***

***Impairment of Financial assets (continued)***

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

***Trade and other receivables and contract assets***

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

**Classification and measurement of financial liabilities**

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

***Borrowings***

Borrowings are measured at amortised cost using the effective interest method

**Joint operations**

The consolidated group's share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the consolidated financial statements

**Exploration and evaluation assets**

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

**Impairment of non-financial assets**

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

**CANNINDAH RESOURCES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2021**

**Note 1 Statement of Significant Accounting Policies (continued)**

**Impairment of non-financial assets (continued)**

Recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

**Finance costs**

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

**Provisions**

Provisions are recognised when the Consolidated Entity has a present (legal or constructive) obligation as a result of a past event, it is probable the Consolidated Entity will be required to settle the 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. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

**Employee benefits**

*Wages and salaries, annual leave and sick leave*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

*Share-based payments*

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Consolidated Entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

**CANNINDAH RESOURCES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2021**

**Note 1 Statement of Significant Accounting Policies (continued)**

**Employee benefits (continued)**

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Consolidated Entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Consolidated Entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

**Issued capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**Other equity**

Convertible notes which are settled for a fixed amount of cash; may only be converted into a fixed number of shares and may not be redeemed for cash or other financial asset, are treated as other equity.

**Earnings per share**

*Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of Cannindah Resources Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

*Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

**Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

**CANNINDAH RESOURCES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2021**

**Note 1 Statement of Significant Accounting Policies (continued)**

**Goods and Services Tax ('GST') and other similar taxes (continued)**

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

**Rounding of Amounts**

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

**New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2021. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

**Note 2 Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events; management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**Going Concern**

The Financial Statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, notwithstanding the Consolidated Entity recording a profit after tax of \$4,113,622 as a result of a non-cash benefit from the extinguishment of the Aquis Finance loan, the Consolidated Entity incurred an underlying loss of \$748,808, and had net cash outflows from operating activities of \$508,429 for the year ended 30 June 2021.

During the year ended 30 June 2021, the Group restructured its financial position by conducting the following transactions:

- On 1 September 2020, the Company announced that it had acquired 100% of the shares in its former earn-in partner, Piccadilly Gold Mine Holdings Limited (PGMH) in an all-script arrangement. The Company issued 48,318,170 ordinary shares in CAE to the various Piccadilly Gold Mine Holdings Limited shareholders to acquire 100% of the company and its project and was able to retire the existing farm in agreement with PGMH. This transaction is discussed further in note 24 below.
- Following the acquisition, the Directors commenced a corporate restructure of PGMH to repay secured and other substantial debts. This process was conducted by agreeing with PGMH's lenders that the Company would issue 21,245,000 fully paid CAE Shares on 23 December 2020 at \$0.02 per share (\$424,900) in full and final satisfaction of loans totalling \$2,124,437.



**CANNINDAH RESOURCES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2021**

**Note 2 Critical accounting judgements, estimates and assumptions (continued)**

- On 17 December 2020, the Company announced that it had agreed with its major lender Aquis Finance Pty Ltd that subject to shareholder approval the Company would issue 190,000,000 fully paid CAE shares in full and final satisfaction of the loan provided by Aquis ("Transaction"). The Transaction was overwhelmingly approved by shareholders on 16 April 2021 which saw the Aquis debt extinguished. This transaction is discussed further in note 13 below.
- The Company issued 46,437,334 shares to sophisticated and professional investors to raise \$2,375,280 (before costs) between December and March 2021. These funds were and are being used to fund exploration work including trenching at Piccadilly, and drilling programs at Piccadilly and Mt Cannindah as well for working capital.

At the conclusion of the restructuring activities the Group was debt free, had some \$2 million of cash available to and was able to begin embarking on an expanded exploration programme to progress its corporate strategy.

In advancing this strategy, the Directors expect that additional funds will be required for the Company to operate and conduct exploration activities over the next 12 months. The Company is preparing a capital raising strategy including raising funds through share placements, capital raisings from existing shareholders and from short term loans. The Company has in the past been able to obtain short term loans from professional investors as an interim measure while capital raisings are being finalised. Based on their previous experience and success in raising capital and loan funds, the current market appetite for the commodities for which the Company is exploring and the recent results obtained from the new exploration program, the Directors are confident, these additional funds can be obtained.

While 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 the Directors recognise that the vagaries of the market, and the events and conditions noted above indicate the existence of a material uncertainty related to going concern. 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.

***Coronavirus (COVID-19) pandemic***

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

***Exploration and Evaluation Assets***

Estimates and judgements relating to the exploration and evaluation assets has been included within Note 10.

**CANNINDAH RESOURCES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2021**

**Note 2 Critical accounting judgements, estimates and assumptions (continued)**

***Acquisition of Piccadilly Gold Mines Holdings Limited***

Estimates and judgements relating to the acquisition of Piccadilly Gold Mine Holdings has been included within Note 24.

***Determination of the benefit from the retirement of the Aquis Finance Loan***

Estimates and judgements relating to the extinguishment of the Aquis Finance loan has been included within Note 13.

**Note 3 Operating segments**

***Identification of reportable operating segments***

The Consolidated Entity has determined its operating segments based on the internal reports that are reviewed and used by both management and the Board of Directors in assessing performance and allocation of resources. As the Consolidated Entity is still in the exploration phase, the chief operating decision makers review the operations as a whole and therefore consider one segment to be appropriate.

**CANNINDAH RESOURCES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2021

	Consolidated 2021 \$	2020 \$
<b>Note 4 Other Income</b>		
Covid assistance payments from Government	66,949	-
<i>Other revenue</i>		
Interest received from other persons	63	10,666
<b>Total other income</b>	<b>67,012</b>	<b>10,666</b>
<b>Note 5 Expenses</b>		
<b><i>Loss before income tax from continuing operations includes the following specific expenses:</i></b>		
<i>Finance costs</i>		
Interest and finance charges paid/payable	244,255	800,896
<i>Rental expense - office</i>		
Minimum lease payments	-	13,500
<i>Employee benefit expense</i>		
Amounts paid to employees	254,913	267,900
Allocated to employee benefit provisions	35,444	62,804
Superannuation expense	21,770	27,769
Allocated to exploration and evaluation projects	(85,184)	(29,578)
Amounts paid to non-executive Directors	60,000	57,748
<b>Total employee benefit expense</b>	<b>286,943</b>	<b>386,643</b>
<b>Note 6 Income tax expense</b>		
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit /(loss) before income tax expense from continuing operations	4,113,622	(1,373,642)
Tax at the statutory tax rate of 26% (2020: 27.5%)	1,069,542	(377,752)
<i>Tax effect amounts which are not deductible/(taxable) in calculating taxable income:</i>		
Non assessable income	(1,264,232)	-
Other non-deductible / (allowable) expenses	(667,967)	168,868
	(862,657)	(208,884)
Current year tax losses not recognised	190,831	183,988
Current year temporary differences not recognised	651,794	15,683
Deductible capital raising costs	20,032	9,213
Income tax expense – non assessable income	-	-
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	22,285,810	21,474,800
Net forgiven amount on Aquis debt extinguishment	(1,906,835)	-
Carried forward tax losses on which no deferred tax loss has been recognised	20,378,975	21,474,800

**CANNINDAH RESOURCES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2021

	Consolidated 2021 \$	2020 \$
<b>Note 6 Income tax expense (continued)</b>		
Potential tax benefit @ 26% (2020: 27.5%)	5,298,534	5,905,570
The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if there are taxable profits and if the continuity of ownership test is passed, or failing that, the same business test is passed.		
<i>Deferred tax assets not recognised</i>		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Timing differences	7,832,235	5,325,336
<b>Total deferred tax assets not recognised</b>	<b>7,832,235</b>	<b>5,325,336</b>
Potential tax benefit @ 26% (2020: 27.5%)	2,036,381	1,464,467
<b>Note 7 Cash and cash equivalents</b>		
Cash on hand and at bank	1,291,780	39,227
<b>Total cash and cash equivalents</b>	<b>1,291,780</b>	<b>39,227</b>
<b>Note 8 Trade and other receivables</b>		
Other receivables	64,272	32,468
<b>Total trade and other receivables</b>	<b>64,272</b>	<b>32,468</b>
<b>Note 9 Other assets (non-current)</b>		
Deposits and bonds	105,837	83,337
<b>Total financial assets</b>	<b>105,837</b>	<b>83,337</b>
<b>Note 10 Exploration and evaluation</b>		
Exploration and evaluation phase - at cost	<b>6,993,850</b>	<b>4,754,881</b>
Movement in exploration and evaluation asset:		
Opening balance - at cost	4,754,881	4,628,540
Exploration expenditure during the period	850,383	127,030
Exploration expenditure – Piccadilly purchase (note 24)	1,389,186	-
Current year expenditure written off	(600)	(689)
<b>Carrying amount at the end of the period</b>	<b>6,993,850</b>	<b>4,754,881</b>

*Estimates and judgements*

The consolidated entity makes critical judgements in respect of carrying forward exploration and evaluation assets in the Statement of Financial Position, and in evaluating the existence of any impairment triggers. Exploration and evaluation expenditure may be capitalised in certain circumstances. Directors review the commercial arrangements in relation to the renewal of mining tenements to ensure that the relationships are managed and activities are conducted to support carrying forward expenditure.

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration and development of projects or alternatively through the sale of the areas of interest. Current year expenditure and prior year capitalised expenditure written-off represents expenditure on discontinued or surrendered mineral tenements.

**CANNINDAH RESOURCES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2021

	Consolidated 2021 \$	2020 \$
<b>Note 11 Trade and other payables</b>		
Trade payables	290,377	263,808
Other payables and accrued expenses	170,018	463,851
<b>Total trade and other payables</b>	<b>460,395</b>	<b>727,659</b>
<b>Note 12 Employee benefits</b>		
Annual leave	90,967	69,432
Long Service Leave	62,570	48,661
<b>Total provisions</b>	<b>153,537</b>	<b>118,093</b>
<b>Movements in employee benefits:</b>		
<b>Annual leave</b>		
Opening balance	69,432	55,289
Accrued	28,643	22,000
Applied	(7,108)	(7,857)
<b>Closing balance</b>	<b>90,967</b>	<b>69,432</b>
<b>Long Service Leave</b>		
Opening balance	48,661	-
Accrued	13,909	48,661
Applied	-	-
<b>Closing balance</b>	<b>62,570</b>	<b>48,661</b>
<b>Note 13 Borrowings</b>		
Secured borrowings – Aquis Finance – Non-Current	-	4,978,551
Borrowings – other – Current	-	157,500
<b>Total borrowings</b>	<b>-</b>	<b>5,136,051</b>

The loan from Aquis Finance Pty Ltd had an initial facility limit of \$2 million and a term of 12 months commencing 10 March 2015, with variances changes made to this facility over the subsequent periods. On 31 January 2020, the Company announced that the parties had agreed to extend the current loan facility to 30 June 2022. The loan extension was subject to 5% p.a. interest (capitalised) and an immediate increase in the facility limit. Aquis Finance Pty Ltd also asked that they be able to convert the whole or part of the loan balance to shares in the Company during the loan term at an issue price of 2c per share (subject to shareholder approval if required), along with the possible appointment of two directors to the Board to represent their interests. On 1 September 2020, the Company announced that, contingent upon the satisfactory completion of the acquisition of Piccadilly Gold Mine Holdings Limited, the Lender would increase the current loan with immediate effect thereby increasing the facility limit to \$6.1 million. On 7 September 2020, the Lender provided loan funds of \$500,000 to the Company.

The facility conditions required no repayments until the expiration of the facility. The loan is secured by the assets of the Company. Other terms and conditions remain the same as the previous facility.

On 17 December 2020, the Company announced that it had agreed with its major lender Aquis Finance Pty Ltd that subject to shareholder approval the Company would issue 190,000,000 fully paid CAE shares in full and final satisfaction of the loan provided by Aquis ("Transaction"). The Transaction was overwhelmingly approved by shareholders on 16 April 2021 which saw the Aquis debt extinguished.

**CANNINDAH RESOURCES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2021**

	Consolidated 2021 \$	2020 \$
<b>Note 13 Borrowings (continued)</b>		
The Directors have applied judgement to determine the impact of the repayment of the loan on the financial results of the Group for the year ended 30 June 2021. Key metrics used in the assessment were as follows:		
Loan balance at 16 April 2021	\$5,706,835	
Issue price per the Loan agreement with Aquis	\$0.02	
No of shares that would have been issued to extinguish the debt at the issue price	285,341,771	
Shares issued as approved by the shareholder	190,000,000	
Benefit to CAE in shares	95,341,771	
Share price at date of extinguishment	0.051	
Loan extinguishment benefit	<b>4,862,430</b>	

The Group were determined to have received a benefit from Aquis' agreement for early repayment of \$4,862,430 calculated as the number of shares which did not have to be issued multiplied by the share price at the date of the settlement (\$0.051).

**Short Term Loan**

The additional loan comprised a short-term facility from a sophisticated investor. The loan was initially for a three-month period which can be extended by mutual agreement at an interest rate of 25% per annum. The facility was repaid in full on 11 September 2020 and is now extinguished.

**Note 14 Contributed Equity**

<b>(a) Fully paid ordinary share capital</b>	<b>53,125,082</b>	<b>48,325,007</b>
<i>Movements in contributed equity during the year:</i>		
<b>Balance at the beginning of the reporting period</b>	48,325,007	48,229,514
Issued pursuant to share placements	2,389,968	145,041
Issued to PGMH shareholders at \$0.02 each to acquire PGMH	966,363	-
Issued to Directors and consultants \$0.02 each pursuant to Shareholder approval received at the AGM	392,176	-
Issued to lenders to PGMH \$0.02 each in full satisfaction of PGMH debts	424,900	-
Issued to Aquis Finance in settlement of the loan from Aquis	844,405	-
<b>Total movements in issued capital during the year</b>	<b>5,017,812</b>	<b>145,041</b>
Less share issue costs	(217,737)	(49,548)
<b>Balance at reporting date</b>	<b>53,125,082</b>	<b>48,325,007</b>

*Movements in the number of issued shares during the year:*

	2021 No.	2020 No.
<b>Balance at the beginning of the reporting period</b>	<b>193,272,682</b>	181,185,946
Issued pursuant to share placements	46,437,334	12,086,736
Issued to PGMH shareholders at \$0.02 each to acquire PGMH	48,318,170	-
Issued to Directors and consultants \$0.02 each pursuant to Shareholder approval received at the AGM	19,608,795	-
Issued to lenders to PGMH \$0.02 each in full satisfaction of PGMH debts	21,245,000	-
Issued to Aquis Finance in settlement of the loan from Aquis	190,000,000	-
<b>Total movements in issued capital during the year</b>	<b>325,609,299</b>	12,086,736
<b>Balance at reporting date</b>	<b>518,881,981</b>	<b>193,272,682</b>

**CANNINDAH RESOURCES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2021**

	Consolidated
2021	2020
\$	\$

**Note 14 Contributed Equity (continued)**

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of shares held. The fully paid ordinary shares have no par value. On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Capital risk management*

The Consolidated Entity's objectives when managing capital are to safeguard its ability to continue as a going concern and fund its operations. The Consolidated Entity's capital comprises borrowings, ordinary share capital, reserves and accumulated losses as disclosed in the statement of changes in equity. In common with many other exploration companies, the parent raises finance for the Consolidated Entity's exploration and appraisal activities in discrete tranches.

Management effectively manages the Consolidated Entity's capital by assessing the Consolidated Entity's financial risks and adjusting its capital structure in response to changes in these risks and in the market.

There are no externally imposed capital requirements.

The capital risk management policy remains unchanged from the 30 June 2020 Financial Report. The Consolidated Entity monitors capital on the basis of its working capital position (i.e. liquidity risk). The net working capital of the Consolidated Entity at 30 June 2021 was \$742,120 (positive) (2020: \$931,557 (negative) as a result of short term loans and other payables classified as current).

**(b) Options**

The Consolidated Entity had no options on issue during the financial years ended 30 June 2021 and 30 June 2020.

**Note 15 Reserves**

***Share Option Reserve***

The share option reserve records items recognised as expenses or issue costs on valuation of options. There were no movement or transactions during the year which impacted on the reserve.

**Note 16 Financial Instruments**

***Financial risk management objectives***

Risk management is carried out under policies set by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas.

The Board monitors and manages the financial risk relating to the operations of the Consolidated Entity. The Consolidated Entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk), price risk and interest rate risk, credit risk and liquidity risk. The Consolidated Entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Consolidated Entity. The Consolidated Entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

**CANNINDAH RESOURCES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2021**

**Note 16 Financial Instruments (continued)**

**Market risk**

*Foreign currency risk*

The Consolidated Entity may undertake certain transactions denominated in foreign currency and may become exposed to foreign currency risk through foreign exchange rate fluctuations.

*Price risk*

The Consolidated Entity is exposed to price risk through the movement of bullion prices. Under its Ore Purchase Agreement with Minjar Pty Ltd, the Company may receive revenue from gold ore sales based on the average gold price less haulage and processing costs incurred by Minjar. No gold sales were conducted during the year.

*Interest rate risk*

The economic entity's exposure to interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates.

As at the reporting date, the Consolidated Entity had the following variable rate investments:

	<b>Weighted Average Interest Rate</b>	<b>Average Cash Balance \$</b>
<b>2021</b>		
Cash and cash equivalents	0.01%	615,875
<b>2020</b>		
Cash and cash equivalents	0.43%	77,016

*Sensitivity Analysis*

At 30 June 2021, if average interest rates had increased/decreased by 200 basis points with all other variables held constant, post-tax profit and total equity for the year would have been as follows:

	<b>Consolidated 2021 \$</b>	<b>2020 \$</b>
<b>Change in profit and equity:</b>		
Increase in interest rate by 2%	12,317	1,540
Decrease in interest rate by 2%	(63)	(334)

**Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Consolidated Entity does not hold any collateral.

The Consolidated Entity does not have any significant exposure to credit risk from trade receivables. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

**Liquidity risk**

Vigilant liquidity risk management requires the Consolidated Entity to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The Consolidated Entity manages liquidity risk by continuously monitoring actual and forecast cash flows to ensure funds are available to meet liabilities.



**CANNINDAH RESOURCES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2021

**Note 16 Financial Instruments (continued)**

**Maturity Analysis - 2021**

	Interest Rate	Carrying amount \$	< 6 months \$	6-12 months \$	1-3 years \$	> 3 years \$
<b>Financial Liabilities</b>						
Trade Creditors	0%	460,395	460,395	-	-	-
<b>Total</b>		<b>460,395</b>	<b>460,395</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Maturity Analysis - 2020**

		Carrying amount \$	< 6 months \$	6-12 months \$	1-3 years \$	> 3 years \$
<b>Financial Liabilities</b>						
Trade Creditors	0%	727,659	727,659	-	-	-
Short term loan	25%	157,500	157,500	-	-	-
Loans and borrowings	2.3%	4,978,551	-	-	4,978,551	-
<b>Total</b>		<b>5,863,710</b>	<b>885,159</b>	<b>-</b>	<b>4,978,551</b>	<b>-</b>

**Net fair values**

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 1 to the financial statements.

**Note 17 Key Management Personnel Disclosures**

Transactions between related parties, other than those noted in the audited Remuneration Report are detailed at Note 20. Where transactions with related parties occur, they are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Key management personnel remuneration includes the following expenses:

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Short term employee benefits:		
Salaries	380,300	383,583
Annual leave	21,535	14,143
Long term benefits:		
Long service leave	13,908	48,661
Post-employment benefits:		
Superannuation	25,489	26,068
<b>Total remuneration</b>	<b>441,232</b>	<b>472,456</b>

**Note 18 Auditors' Remuneration**

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the Company:

*Audit services*

Audit or review of the financial statements	45,750	36,100
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**CANNINDAH RESOURCES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2021**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Note 19 Commitments</b>		
Committed at the reporting date but not recognised as liabilities:		
<i>Lease commitments - mining leases:</i>		
Within one year	83,553	58,491
One to five years	357,565	252,047
	<b>441,118</b>	<b>310,538</b>
<i>Mining exploration expenditure</i>		
Within one year	1,845,500	928,000
One to five years	5,755,500	1,763,000
	<b>7,601,000</b>	<b>2,691,000</b>

The Consolidated Entity has certain commitments imposed by the Queensland Department of Natural Resources and Mines to perform minimum exploration work on the tenements. These obligations, which may be varied from time to time, are subject to approval and are expected to be fulfilled in the normal course of operations of the Consolidated Entity. The exploration expenditure commitments are in line with those set in the Government approved work programs when tenements are approved or granted. Certain tenements held by the Consolidated Entity may be the subject of future Native Title claims. The Directors of the Company expect that existing operations will not be materially affected by any potential claims.

**Note 20 Related Party Transactions**

*Parent entity*

Cannindah Resources Limited is the parent entity.

*Subsidiaries*

Interests in subsidiaries are set out in note 22.

Interests in joint operations are set out in note 23.

*Key management personnel*

Disclosures relating to key management personnel are set out in note 17 and the remuneration report in the Directors' Report.

*Transactions with related parties*

At the Annual General Meeting of the Company, shareholders approved the issue of 19,608,795 shares at \$0.02 each in repayment or partial repayment of fees outstanding at 30 June 2020. During the period fees totalling \$30,700 to two Directors continued to be accrued. Of this amount \$10,000 was repaid since the end of the year.

Terra Search, a company associated with non-executive Director, Dr Simon Beams provides geological services to the Company. Dr Beams was appointed as a director on 2 September 2019. During the year ended 30 June 2021, the Consolidated Entity paid \$424,448 for these services. The services are contracted on an arm's length basis. At 30 June 2021, \$211,839 (2020: \$124,374) was included in the Company's trade creditors for services provided in respect of current and prior periods.

The Company rented office space until March 2020 and obtains IT services from entities associated with non-executive Director Mr Geoffrey Missen. During the year ended 30 June 2021, the Consolidated Entity paid \$6,850 (2020: \$32,087) for these services. The services are contracted on an arm's length basis. At 30 June 2021, \$1,593 (2020: \$2,687) was included in the Company's trade creditors for services provided during the period.

There were no loans to or from related parties at the current and previous reporting date.

**CANNINDAH RESOURCES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2021

**Note 21 Parent Entity Information**

	2021 \$	2020 \$
<b>Statement of Profit and Loss and Other Comprehensive Income</b>		
Profit after income tax	4,115,581	(1,371,858)
Total comprehensive income	4,115,581	(1,371,858)
<b>Statement of Financial Position</b>		
Current assets	1,353,725	73,358
<b>Total assets</b>	10,451,326	6,904,414
Current liabilities	613,061	1,003,252
<b>Total liabilities</b>	613,061	5,981,804
<b>Net assets</b>	<b>9,838,265</b>	<b>922,610</b>
<b>Equity</b>		
Issued capital	53,125,082	48,325,007
Share option reserve	395,614	395,614
Accumulated losses	(43,682,431)	(47,798,011)
<b>Total equity</b>	<b>9,838,265</b>	<b>922,610</b>

*Guarantees entered into by the parent entity in relation to the debts of its subsidiaries*

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2021 and 30 June 2020.

*Contingent liabilities*

The parent entity had no contingent liabilities at 30 June 2021 and 30 June 2020.

*Capital commitments - Property, plant and equipment*

The parent entity had no capital commitments for property, plant and equipment at 30 June 2021 and 30 June 2020.

*Significant accounting policies*

The accounting policies of the parent entity are consistent with those of the Consolidated Entity, as disclosed in note 1.

**Note 22 Subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal Activity	Country of Incorporation	Share	Ownership Interest	
				2021	2020
Mt Cannindah Mining Pty Ltd	Mineral exploration	Australia	Ordinary	100%	100%
Piccadilly Gold Mines Holding Limited	Mineral exploration	Australia	Ordinary	100%	0%

**CANNINDAH RESOURCES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2021**

**Note 23 Interests in Joint Operations**

On 15 September 2017, the Company announced that it had signed an Earn-In Agreement with Piccadilly Gold Mine Holdings Limited to gain access to 174.35sq/km surrounding the mining lease at Piccadilly. The Agreement provided that EPMs 16198 and 18322 would be under the operational control of Cannindah Resources Limited. Key terms of the agreement were as follows:

- Phase 1 Earn-In - \$400,000 to be spent on mining and exploration activities within ML 1442 and EPM's 16198 and 18322 in the 6-month period commencing on the Effective Date to earn a 12.5% contractual interest in the Piccadilly Project. The Phase 1 Earn-in was completed in March 2020.
- Phase 2 Earn-In – a further \$400,000 to be spent on mining and exploration activities within ML 1442 and EPM's 16198 and 18322 in the 18-month period commencing on the Effective Date to earn an additional 12.5% contractual interest. The Phase 2 Earn-in must include at least 4 diamond drill holes on the EPM's. If the Phase 2 Earn-In is not completed the Company will relinquish all interest in the project.
- At its option, the Company may enter into the Phase 3 Earn-In under which an additional \$2.2 million must be spent within the 48-month period of the Effective Date on exploration and mining and a mineral resource of at least 250,000 ounces of gold or gold equivalent must be established to earn an additional 50% interest to bring the total interest to 75%.

All costs incurred under the Earn-In arrangement were capitalised on the Company's balance sheet as exploration and evaluation expenditure.

On 1 September 2020, the Company announced that it had acquired 100% of the shares in its former earn-in partner, Piccadilly Gold Mine Holdings Limited (PGMH) thereby bringing the Earn-in agreement to an end. This is outlined in note 24 below.

The Consolidated Entity has no other interests in joint ventures.

**Note 24 Acquisition of Piccadilly Gold Mines Holdings Limited**

On 1 September 2020, the Company announced that it had acquired 100% of the shares in its former earn-in partner, Piccadilly Gold Mine Holdings Limited (PGMH). The acquisition is in line with the Company's strategy set out in its recent quarterly and half-yearly reports to move to 100% control of the Piccadilly project owned by PGMH. The Piccadilly project comprises one mining lease ML 1442 and two EPM areas 18322 and 16198. The acquisition was also supported by the Company's Lender, Aquis Finance, which agreed to increase the current loan to the company on the finalisation of the acquisition.

*Consideration transferred.*

The Company issued 48,318,170 ordinary shares in CAE to the various Piccadilly Gold Mine Holdings Limited shareholders to acquire 100% of the company and its project. The fair value of the ordinary shares issued of \$966,363 was based on the listed share price of the Company at 31 August 2020 of \$0.02 per share. The Company did not incur any direct costs as part of the acquisition.

Following the acquisition, the Directors commenced a corporate restructure of PGMH to repay secured and other substantial debts. This process was conducted by agreeing with PGMH's lenders to issue 21,245,000 Shares at \$0.02 per share (\$424,900) in full and final satisfaction of loans and interest accrued totalling \$2,146,810. This transaction was concluded on 23 December 2020.

The Directors have exercised judgement in determining that the PGMH acquisition did not meet the criteria for being treated as a business combination, and has been accounted for as an asset acquisition.

*Relative fair value of the assets and liabilities acquired.*

The Company has assessed that the relative fair values of the assets and liabilities acquired at the date of acquisition is represented by the fair value of the shares issued for their purchase. Thus, the fair values have been assessed as follows:

**CANNINDAH RESOURCES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2021**

**Note 24 Acquisition of Piccadilly Gold Mines Holdings Limited (continued)**

- Cash and other current assets are valued at the carrying amount of \$2,077 at the date of acquisition;
- Loans (\$2,124,437) and associated interest accrued (\$22,372) are valued at the payout figure negotiated by Cannindah Resources Limited as the acquirer of the debt (\$424,900) deemed to be the relative fair value; and
- The investment in the mining tenements represents the residual between the assets and liabilities acquired and the acquisition price i.e. \$1,389,186 which is deemed to be its relative fair value as part of the asset purchase and has been recognised as exploration and evaluation expenditure

	\$
Cash and other current assets	2,077
Exploration and evaluation expenditure	1,389,186
Loans and borrowings	<u>(424,900)</u>
<b>Acquisition price</b>	<b><u>966,363</u></b>

**Note 25 Reconciliation of profit/(loss) after income tax to net cash used in operating activities**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Profit/(loss) after income tax expense for the year	4,113,622	(1,373,642)
<i>Adjustments for:</i>		
Benefit from loan extinguishment	(4,862,430)	-
Write off of exploration and evaluation expenditure	600	689
Financing expenses	228,284	751,216
Creditors paid through issue of share capital	342,176	-
<i>Changes in operating assets/liabilities</i>		
Decrease/(increase) in trade and other receivables	(31,519)	(5,666)
Decrease/(increase) in other operating assets	(22,500)	500
Increase/(decrease) in trade and other payables	(292,106)	226,426
Increase/(decrease) in employee benefits	35,444	62,804
<b>Net cash used in operating activities</b>	<b><u>(508,429)</u></b>	<b><u>(337,673)</u></b>

**Note 26 Earnings per share**

	<b>2021</b>	<b>2020</b>
	<b>1.33</b>	<b>(0.72)</b>
	<b>No.</b>	<b>No.</b>
Basic and diluted earnings per share (cents per share)		
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted EPS	<b><u>308,724,235</u></b>	<b><u>191,079,371</u></b>

**CANNINDAH RESOURCES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2021**

**Note 27 Company Information**

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

Level 3, 50 Marine Parade  
SOUTHPORT QLD 4215

**Note 28 Authorisation of Financial Statements**

The consolidated financial statements for the year ended 30 June 2021 (including comparatives) were approved and authorised for issue by the Board of Directors on 1 October 2021.

**Note 29 Subsequent events**

No other matters or circumstances have arisen since 30 June 2021, 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.

**CANNINDAH RESOURCES LIMITED**  
**DIRECTORS' DECLARATION**  
**for the year ended 30 June 2021**

In the Directors' opinion:

1. The attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
2. The attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
3. The attached financial statements and notes thereto give a true and fair view of the Consolidated Entity's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
4. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
5. The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

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

On behalf of the Directors



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Thomas J Pickett  
Executive Chairman  
1 October 2021  
Gold Coast

# Independent Auditor's Report

## To the Members of Cannindah Resources Limited

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of Cannindah Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, 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 year then ended, notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

- a giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
- b 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 (including Independence Standards)* (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material uncertainty related to going concern

We draw attention to Note 1 in the financial statements, which indicates that while the Group realised a net profit of \$4,113,622 during the year ended 30 June 2021. This included a non-cash gain on the extinguishment of the finance facility of \$4,862,430. Operating cash outflows for the period were \$508,429. 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 doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



## 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.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<b>Exploration and evaluation assets - Notes 2 &amp; 10</b>	
<p>At 30 June 2021 the carrying value of Exploration and Evaluation Assets was \$6,993,850.</p> <p>In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, the company is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value.</p> <p>The process undertaken by management to assess whether there are any impairment triggers in each area of interest requires management judgement.</p> <p>This area was a key audit matter due to the significant judgement involved in assessing whether there are facts and circumstances that exist that indicate Management should test the exploration and evaluation assets for impairment.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• Obtaining the management prepared reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger;</li> <li>• Reviewing management's area of interest considerations against AASB 6;</li> <li>• Conducting a detailed review of management's assessment of trigger events prepared in accordance with AASB 6 including; <ul style="list-style-type: none"> <li>– Tracing projects to statutory registers and exploration licenses to determine whether a right of tenure existed;</li> <li>– Enquiring of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of managements' budgeted expenditure;</li> <li>– Understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale;</li> </ul> </li> <li>• Evaluating the competence, capabilities and objectivity of management's expert in the evaluation of potential impairment triggers; and</li> <li>• Assessing the appropriateness of the related disclosures within the financial statements.</li> </ul>
<b>Financial liability modification and extinguishment through issue of equity - Note 13</b>	
<p>In April 2021, the Group completed a debt for equity swap for the outstanding financial liability with the external financier, resulting in a total of 190 million fully paid ordinary shares being issued in order to satisfy the outstanding liability of \$5.7 million.</p> <p>Particular consideration was given as to the accounting for this transaction in line with AASB 132 <i>Financial Instruments</i>. Consideration of the accounting for this transaction is considered complex and multi-faceted. In particular, there was significant judgement applied in determining the debt modification and extinguishment date, and resulting fair value of the equity issued.</p> <p>This was a key audit matter as the amount is material and the treatment, including the assessment of equity value and transaction with a significant shareholder, is complex.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• Reviewing correspondence between the Group and their external financier in relation to the transaction;</li> <li>• Assessing management's key estimates and judgements in determining the appropriate recognition and measurement of the equity instruments issued in full satisfaction of the outstanding debt owing for reasonableness and appropriateness;</li> <li>• Evaluating the appropriateness of management's conclusions around the treatment of the debt extinguishment with reference to AASB 132 <i>Financial Instruments</i>; and</li> <li>• Assessing the adequacy of disclosures in the financial report in relation to this transaction in note 13.</li> </ul>

### **Information other than the financial report and auditor's report thereon**

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 2021, 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 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.

### **Responsibilities of the Directors' for the financial report**

The Directors of the Group 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 Group's ability 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 have no realistic alternative but to do so.

### **Auditor's responsibilities 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar1\\_2020.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf). This description forms part of our auditor's report.

### **Report on the remuneration report**

#### **Opinion on the remuneration report**

We have audited the Remuneration Report included in pages 3 to 7 of the Directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Cannindah Resources Limited, for the year ended 30 June 2021 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.



Grant Thornton Audit Pty Ltd

Chartered Accountants



M C Bragg

Partner – Audit & Assurance

Brisbane, 1 October 2021

## **CANNINDAH RESOURCES LIMITED CORPORATE GOVERNANCE STATEMENT**

This Corporate Governance Statement discloses the extent to which the Company follows the recommendations set by the ASX Corporate Governance Council in its publication *Corporate Governance Principles and Recommendations* (Recommendations). The Recommendations are not mandatory, however the Recommendations that will not be followed have been identified and reasons provided for not following them along with what (if any) alternative governance practices the Company intends to adopt in lieu of the recommendation.

The Board is committed to achieving and demonstrating the highest standards of corporate governance which are consistent with the current size and stage of development of the Company.

### ***Compliance with ASX corporate governance guidelines and best practice recommendations***

The Australian Securities Exchange Corporate Governance Council has issued the *Corporate Governance Principles and Recommendations 4<sup>th</sup> Edition* ('Guidelines') applying to listed entities.

The Board has assessed the Company's current practice against the Guidelines and except where disclosed below, the best practice recommendations of the ASX Corporate Governance Council have been applied. This statement incorporates the disclosures required by the ASX Principles under the headings of the eight core principles.

In addition to its Constitution and applicable laws and regulations, the operations and conduct of Cannindah Resources Limited (Cannindah Resources) are administered in accordance with all governance materials approved by the Board, including but not limited to:

- Board Charter;
- Corporate Code of Conduct;
- Securities Trading Policy;
- Ethics and Disclosure Policy;
- Diversity Policy; and
- Risk Management Policy

Further information on the Company's corporate governance policies and practices can be found on the website at [www.cannindah.com.au](http://www.cannindah.com.au).

### **Principle 1 – Lay Solid Foundations for Management and Oversight**

#### ***Role and Responsibilities of the Board and Management***

The Board's primary responsibility is to oversee the company's business activities and management for the benefit of shareholders which it accomplishes by:

- establishing corporate governance, and ethical, business standards;
- setting and monitoring objectives, goals and strategic direction with a view to maximising shareholder value;
- approving and monitoring budgets and financial performance;
- ensuring adequate internal controls exist and are appropriately monitored for compliance;
- ensuring significant business risks are identified and appropriately managed;
- approving of financial and other reporting, and announcements prior to lodgement with the ASX and release to shareholders;
- ensuring the composition of the Board is appropriate, selecting directors for appointment to the Board and reviewing the performance of the Board and the contributions of individual directors; and
- setting remuneration policy;

The Board has delegated responsibilities and authorities to management to enable management to conduct the company's day to day activities. Matters which are not covered by these delegations, such as approvals which exceed certain limits or do not form part of the approved budget, require Board approval.

The responsibility for the operation and administration of the Company is delegated by the Board to the Executive Chairman. The Board ensures that the Executive Chairman is appropriately qualified and experienced to discharge his responsibilities and has in place procedures to monitor performance.

## **CANNINDAH RESOURCES LIMITED CORPORATE GOVERNANCE STATEMENT**

### ***Directors, Company Secretary and Executives***

In considering the appointment of new Directors, the Board, will conduct appropriate background checks, including education, character, criminal record and bankruptcy checks before the Company appoints a person, or puts forward a new candidate for election as a director.

Each of the Directors and Executives has a written agreement with the company setting out the terms of their appointment.

The Company Secretary is accountable to the Board through the Chairman on all matters to do with the proper functioning of the Board. All Directors have access to the Company Secretary.

### ***Diversity Policy***

The Company recognises that a diverse workforce, senior management and Board can enhance business performance and productivity and has implemented a diversity policy in support of these aims. The Company is committed to promoting an environment which is conducive to the appointment and development of well qualified employees, senior management and Board candidates and to the extent that it is consistent with the current size, nature and complexity of the organisation, to embracing diversity when determining the composition of employees, senior management and the Board. While embracing the concept of diversity, the Board is of the view that at this time and as the Company has a small Board and no other employees, it is inappropriate to establish measurable diversity objectives or targets and to tie diversity objectives to the Key Performance Indicators for the Board.

### ***Performance Evaluation***

Due to the size and makeup of the Board, Directors considered that there is significant feedback provided by Board members on the performance of the Board. Accordingly, no performance evaluation was performed during the 2021 financial year.

The Board is of the view the Executive Chairman receives significant feedback on his performance progressively during the period and accordingly no formal performance review was conducted during the 2021 financial year. The implementation of Key Performance Indicators will be developed as the Company reaches a level of maturity where meaningful KPI can be developed. The Executive Chairman is responsible for the review and monitoring of the performance of senior executives where such are engaged.

### **Principle 2 – Structure the Board to be Effective and Add Value**

At the date of this report, the majority of the Directors of the Company are not Independent as defined in the Guidelines. The names of the members of the Board as at the date of this report and the length of service (in completed years) of each Director are as follows:

- Thomas J Pickett (Executive Chairman) (8 years)
- Geoffrey J Missen (Independent Non-Executive Director) (5 years)
- Dr Simon Beams (Non-Executive Director) (2 years)

When determining whether a non-executive Director is independent the Director must not fail any of the tests included in the Guidelines. The Board have considered the position of the Directors and consider that Mr Missen is “independent” as defined by the Guidelines. Mr Pickett is Executive Chairman of the Company and Dr Beams’ company Terra Search Pty Ltd is a significant supplier of geological services to the Company. The Board considers that the appointment of an Executive Chairman is appropriate given the current size of the Company and the nature of its operations and that the appointment of Dr Beams provides the geological skills and experience required by the Board.

The Board seeks a mix of skills suitable for a junior resources company. A summary Board skills matrix is set out below:

**CANNINDAH RESOURCES LIMITED  
CORPORATE GOVERNANCE STATEMENT**

<b>Director / Skills</b>	<b>Capital Markets</b>	<b>Resources Industry</b>	<b>Mineral Exploration / Geology</b>	<b>Finance / Legal</b>	<b>Board Experience</b>
Tom Pickett	✓	✓	✓	✓	✓
Geoff Missen	✓			✓	✓
Simon Beams		✓	✓		✓

The skills and qualifications of each of the Directors are set out in the Directors' Report which accompanies the financial statements. All Directors have considerable experience with backgrounds in mineral exploration, law, finance and business. The Board believes that the level of skill and experience possessed by individual Directors is appropriate for the company's size and present stage of development.

New Directors undergo an induction process in which they are given a full briefing on the Company and its operations. Where possible, this includes meetings with key staff, tours of premises and projects, provision of a due diligence package and presentations from Management.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development.

### **Committees**

As at the date of this report, the Company does not have a Nomination or Remuneration Committee of the Board of Directors. The full Board of Directors undertakes the role of this Committee. Given the composition of the Board and the size of the company, it is felt that individual nomination and remuneration committees are not yet warranted, however it is expected that as the Company's operations expand that each of these committees will be established.

The Company has an Audit and Risk Committee the only member of which is Mr Geoffrey J Missen (Independent Non-Executive Director). The Committee did not meet during the year referring all matters which might otherwise be delegated to the committee to the full Board. The Board Charter sets out the procedures adopted by the Board to satisfy itself of the matters which may otherwise be dealt with by Committees. The Board Charter may be viewed at the Company's website at [www.cannindah.com.au](http://www.cannindah.com.au) in the Corporate Governance section.

### **Independent Professional Advice and Access to Information**

Each Director has the right of access to all relevant information in the Company in addition to access to the Company's executives. Each Director also has the right to seek independent professional advice subject to prior consultation with, and approval from, the chairman. This advice will be provided at the Company's expense and will be made available to all members of the Board.

### **Insurance**

The Company is seeking to put in place a Directors and Officers liability insurance policy providing a specified level of cover for current and former Directors and executive Officers of the Company against liabilities incurred whilst acting in their respective capacity.

### **Principle 3: Instil a culture of acting lawfully, ethically and responsibly:**

#### **Code of Conduct**

As part of the Board's commitment to the highest standard of conduct, the Company adopts a code of conduct to guide executives, management and employees in carrying out their duties and responsibilities. The code of conduct covers such matters as:

- responsibilities to shareholders;
- compliance with laws and regulations;
- relations with customers and suppliers;
- ethical responsibilities;
- employment practices; and
- responsibility to the environment and the community.

## **CANNINDAH RESOURCES LIMITED CORPORATE GOVERNANCE STATEMENT**

### ***Securities Trading Policy***

The Company has established a share trading policy which governs the trading in the Company's shares and applies to all Directors and employees of the Company. The policy is available in the Corporate Governance section of the Cannindah Resources' website.

Under the share trading policy, an executive, employee or director must not trade in any securities of the Company at any time when they are in possession of unpublished, price sensitive information in relation to those securities.

No acquisitions or sales of Company securities may be made during Blackout Periods i.e. the time from the end of a quarter until 24 hours following the release of the quarterly cash flow report nor prior to any anticipated announcement to the ASX nor for a 24 hour period after the announcement. Trading of securities outside the trading windows can only occur in exceptional circumstances and with the approval of the Chairman or Company Secretary.

As required by the ASX listing rules, the Company notifies the ASX of any transaction in the securities of the Company conducted by Directors.

As the Company has no employees other than the executive Chairman it has not implemented a whistle-blowers policy nor anti bribery and corruption policy. These will be introduced as the company grows and employees and contractors are engaged.

### **Principle 4: Safeguard the integrity of corporate reports**

#### ***Certification of Financial Reports***

The Executive Chairman and the Chief Financial Officer state in writing to the Board each reporting period that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards.

#### ***Auditors***

The external auditor, Grant Thornton Audit Pty Ltd, has declared its independence to the Board through the provision of its Auditor's Independence Declaration to the Board, which states that there have been no contraventions of auditor independence requirements as set out in the Corporations Act or any auditors' professional code.

The Board satisfies itself that the auditors have in place a process to ensure rotation of the audit engagement partner.

The external auditor attends the Annual General Meeting to answer any questions concerning the audit of the Company and the contents of the auditor's report.

The Board receives written declarations from the CEO (or equivalent) and CFO attesting to the proper maintenance of the financial records, the preparation of the financial statements, the system of internal control and risk management at the completion of each of the half year financial statements, full year financial statements and on the presentation of the quarterly cash flow statements.

#### ***Other Matters***

The Board Charter which can be viewed in the Corporate Governance section of the Company's website sets out the processes the Board employs to verify and safeguard the integrity of its corporate reporting.

### **Principle 5: Make Timely and Balanced Disclosure**

Cannindah Resources has established policies and procedures to ensure timely and balanced disclosure of all material matters concerning the Company, and to ensure that all investors have access to information on the Company's financial and operational performance. This ensures that the Company is compliant with the information disclosure requirements under the ASX Listing Rules.

These policies and procedures include a comprehensive Ethics and Disclosure Policy that includes processes to identify matters that may have a material impact on the price of Cannindah Resources securities, notify them to the ASX, post relevant information on the Company's website and issue media releases.

The policy is available in the Corporate Governance section of the Cannindah Resources' website

## **CANNINDAH RESOURCES LIMITED CORPORATE GOVERNANCE STATEMENT**

### **Principle 6: Respect the Rights of Securityholders**

Cannindah Resources Limited aims to promote effective communication with shareholders through an investor relations program which includes:

- The annual report, including relevant information about the operations of the Company during the year, key financial information, changes in the state of affairs and indications of future developments. The annual report can be accessed either through the ASX website or Annual Reports section of the Company's website.
- The half year and full year financial results are announced to the ASX and are available to shareholders via the Cannindah Resources and ASX websites.
- All announcements made to the market and related information (including presentations to investors and information provided to analysts or the media during briefings), are made available to all shareholders under the investor information section of Cannindah Resources' website after they have been released to the ASX.
- Detailed notices of shareholder meetings are sent to all shareholders in advance of the meeting.
- Shareholding details are available through the Company's share register, Boardroom Pty Ltd.
- Shareholders are provided the option of sending and receiving communications electronically.

The Board encourages full participation by shareholders at the Annual General Meeting to ensure a high level of Director accountability to shareholders and shareholder identification with the Company's strategy and goals. Important issues are presented to the shareholders as single resolutions. Shareholders are requested to vote on matters such as the adoption of the Company's remuneration report, the granting of options and shares to Directors and changes to the Constitution.

### **Principle 7: Recognise and Manage Risk**

#### ***Risk Management***

Cannindah Resources Limited recognises that the identification and management of risk is central to the Company's strategy of delivering value to shareholders through its exploration and development activities.

The Board constantly monitors the operational and financial aspects of the company's activities and is responsible for the implementation and on-going review of business risks that could affect the Company. Duties in relation to risk management that are conducted by the Directors include but are not limited to:

- initiate action to prevent or reduce the adverse effects of risk;
- control further treatment of risks until the level of risk becomes acceptable;
- identify and record any problems relating to the management of risk;
- initiate, recommend or provide solutions through designated channels;
- verify the implementation of solutions;
- communicate and consult internally and externally as appropriate; and
- inform investors of material changes to the company's risk profile.

On-going review of the overall risk management program is conducted by external parties where appropriate.

The Board ensures that recommendations made by the external parties are investigated and where considered necessary, appropriate action is taken to ensure that the Company has an appropriate internal control environment in place to manage the key risks identified.

#### ***Internal Audit***

The Company does not, at this stage, have an Internal Audit function. The Board is of the view that the Company's size and scale does not currently support an independent internal audit function. The Board from time to time may utilise external parties to undertake internal audit control reviews.



## **CANNINDAH RESOURCES LIMITED CORPORATE GOVERNANCE STATEMENT**

The Board Charter which can be viewed in the Corporate Governance section of the Company's website sets out the processes the Board employs to oversee the Company's risk management framework.

### **Environmental Policy**

The Company acknowledges that protection of the environment and sound environmental management strategies are essential to the continued operations of the company. The Company has established an Environmental Policy that requires the Company and its employees to:

- Observe all environmental laws and conduct activities in compliance with applicable legislation, regulations and licence requirements.
- Actively promote environmental awareness among Company personnel and contractors to increase the understanding of environmental matters.
- Incorporate environmental matters into planning and operational decisions and conduct regular audits of operations including those of contractors to ensure performance standards are maintained at the highest level

### **Principle 8: Remunerate Fairly and Responsibly**

The 'Remuneration Report' section of the Directors' Report sets out the structure of remuneration of non-executive directors and of executives. The Report also details the nature and amount of each element of the remuneration of each non-executive Director and executive.

The Board assesses the appropriateness of the nature and amount of remuneration by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and management team.

Shareholders will be asked to adopt, as a non-binding vote, the Remuneration Report as contained in the Directors' Report for the financial year ended 30 June 2021.

The Board Charter which can be viewed in the Corporate Governance section of the Company's website sets out the processes the Board employs to ensure that remuneration of Directors and management is appropriate and not excessive.

**CANNINDAH RESOURCES LIMITED**  
**TENEMENT STATEMENT AND RESOURCE STATEMENT**

**TENEMENT STATEMENT AS AT 11 NOVEMBER 2021**

TENEMENT TYPE	TENEMENT NUMBER	PROJECT NAME	LOCATION
EPM	14524	Barrimoon	Queensland
EPM	15261	Mt Cannindah 2	Queensland
ML	3201	Mt Cannindah	Queensland
ML	3202	Mt Cannindah	Queensland
ML	3203	Mt Cannindah	Queensland
ML	3204	Mt Cannindah Extended 1	Queensland
ML	3205	Mt Cannindah Extended 2	Queensland
ML	3206	Mt Cannindah Extended 3	Queensland
ML	3207	Mt Cannindah Extended 4	Queensland
ML	3208	Mt Cannindah Extended 5	Queensland
ML	3209	Mt Cannindah Extended 6	Queensland
ML	1442	Piccadilly	Queensland
EPM	16198	Piccadilly	Queensland
EPM	18322	Piccadilly	Queensland
EPM	27788	Percy Marlow	Queensland
EPMA	27841	Percy Windsor	Queensland

The Piccadilly mining lease and EPM's are held by Piccadilly Gold Mines Holdings Limited (PGMH) a 100% owned subsidiary of CAE.

All other tenements are 100% owned with no farm in / farm out arrangements in existence at the end of the financial year and the date of this statement.

**RESOURCE STATEMENT AS AT 11 NOVEMBER 2021**

**Mt Cannindah Copper Gold Project – Queensland**

**Resource Table**

Category	Tonnes	Copper %	Gold (g/t)	Silver (g/t)
<b>Measured</b>	1.9	0.96	0.39	16.2
<b>Indicated</b>	2.5	0.86	0.34	14.5
<b>Inferred</b>	1.1	0.94	0.27	13.6
<b>Total</b>	<b>5.5</b>	<b>0.92</b>	<b>0.34</b>	<b>14.9</b>

*Notes: 0.5%Cu cut-off, density of 2.7t/m<sup>3</sup> minor rounding errors*

The Mineral Resource was produced by independent consultants Hellman and Schofield and was released to the ASX on 27 October 2011. The Company confirms that the Mineral Resource at Mt Cannindah was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

There were no changes in the Mt Cannindah resource between the end the financial year and the date of this statement.

## SHAREHOLDER INFORMATION

### TWENTY LARGEST SHAREHOLDERS at 11 NOVEMBER 2021

Holder Name	Shares	%
AQUIS FINANCE PTY LTD	223,189,984	42.616%
4JS PTY LTD	22,000,000	4.201%
DIVERSIFIED MINING PTY LTD	20,981,579	4.006%
WEELY'S PTY LTD	19,840,890	3.788%
GLOBAL EXPORTERS LIMITED	19,404,308	3.705%
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	16,753,392	3.199%
MR JOHN HAMILTON	14,840,000	2.834%
BOUZZA NO2 PTY LTD	13,802,546	2.635%
MR ROBERT CAMERON GALBRAITH	13,737,284	2.623%
MARGARET CARTER-LANNSTROM & ADAM CARTER-LANNSTROM <M CARTER-LANNSTROM SMSF A/C>	11,756,849	2.245%
ATRIN PTY LTD <ATRIN A/C>	7,500,000	1.432%
MR THOMAS JON PICKETT	6,292,027	1.201%
GRANT EDWARDS PTY LTD <EDWARDS FAMILY A/C>	5,744,000	1.097%
MR GEORGE CHIEN-HSUN LU	5,300,000	1.012%
G & P REDFEARN INVESTMENTS P/L <G & P REDFEARN S/F A/C>	5,106,769	0.975%
MR GARY STANLEY SWIFT & MRS KAYLEEN LESLIE SWIFT <THE SWIFT SUPER FUND A/C>	4,085,000	0.780%
MS MEGAN LOUISE CARTER	3,725,251	0.711%
MR ROBERT GALBRAITH	3,676,307	0.702%
PARK ROAD SF PTY LTD <PARK ROAD SUPER FUND A/C>	3,060,027	0.584%
BEDEL & SOWA CORP PTY LTD	3,000,000	0.573%
<b>TOTAL</b>	<b>423,796,213</b>	<b>80.920%</b>

### DISTRIBUTION OF SHAREHOLDERS

Range	Total Holders	Shares	% Issued Capital
1 – 1,000	184	40,775	0.010
1,001 – 5,000	219	612,593	0.120
5,001 – 10,000	148	1,171,476	0.220
10,001 – 100,000	485	18,139,986	3.460
100,001 – 9,999,999,999	208	503,755,861	96.190
<b>Total</b>	<b>1,244</b>	<b>523,720,691</b>	<b>100.000</b>
Unmarketable Parcels	141	7,525	.0014%

### SUBSTANTIAL SHAREHOLDERS

Name	No. of Shares	%
AQUIS FINANCE PTY LTD	245,189,984	46.82%

### Voting Rights - Ordinary Shares

Every holder of ordinary shares has the right to receive notices of, to attend and to vote at general meetings of the Company. On a show of hands every shareholder present at a meeting in person or by proxy, attorney or representative is entitled to one vote and upon a poll each share is entitled to one vote.

## CORPORATE DIRECTORY

### Company

Cannindah Resources Limited  
ABN 35108 146 694  
PO Box 3543  
Australia Fair,  
Southport, Queensland, 4215  
[www.cannindah.com.au](http://www.cannindah.com.au)

### Registered Office and Place of Business

Level 3, 50 Marine Parade,  
Southport, Queensland, 4215  
Telephone: +61 7 3357 3988

### Directors

Thomas Pickett	Executive Chairman
Geoffrey Missen	Non-Executive Director
Dr Simon Beams	Non-Executive Director

### Company Secretary

Garry Gill

### Auditors

Grant Thornton Audit Pty Ltd  
145 Ann Street  
Brisbane, Queensland 4000  
Telephone: +61 7 3222 0200  
Facsimile: +61 7 3222 0444

### Share Registry

Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia  
Level 12, 225 George St  
Sydney NSW 2000 Australia  
Enquiries (within Australia): (02) 9290 9655  
Enquiries (outside Australia): + 61 2 9290 9655  
[www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

### Stock Exchange Listing

Australian Securities Exchange Limited  
Home Exchange – Sydney  
ASX code: CAE