



CANNINDAH RESOURCES LIMITED

ABN 35 108 146 694

ANNUAL FINANCIAL REPORT
for the year ended 30 June 2022

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 2022.

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 (Non-Executive Director)
Simon Beams (Non-Executive Director)
Michael Hansel (Non-Executive Director) appointed 9 August 2022

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 loss for the Consolidated Entity after providing for income tax amounted to \$1,595,484 (2021: profit \$4,113,622). The surplus in 2021 arose from the accounting treatment of the benefit received by the Group from the agreement with lender Aquis Finance Pty Ltd to settle a loan 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.

Corporate Strategy

The Group's goal is to build shareholder wealth by growing the scale and therefore the value of the flagship asset with prudent exploration methods. In the 2022 financial year, the Group's key focus was to expand exploration activities at its Mt Cannindah project through drill testing areas determined by earlier reviews. The Group also expanded the size of its holdings at Piccadilly with the successful application for two new large tenements EPM's 27788 and 27841.

Operations Report

Exploration Projects

Piccadilly

The final results of the 31 reverse circulation percussion hole drilling campaign at Piccadilly were released on 5 August 2021. Key results included:

- Elevated gold results in all 31 holes testing vein structures over a 1.7km strike length
- Several sub-parallel gold bearing vein structures are developed over a zone greater than 300m in width.
- High gold grades up to 15 g/t Au recorded.
- Gold intercepts in separate holes included 4m @ 4.657 g/t Au, 3m @ 3.04 g/t Au, 2m @ 7.85 g/t Au: 6m @ 2.693 g/t Au.

During the year, the Group expanded its land holdings with the addition of two new EPM's 27788 and 27841 which are situated in the Townsville -Charters Towers Mining District within the Charters Towers Regional Local Government Authority adjacent to the Group's existing Piccadilly Project. The Group plan to adopt the same approach to explore the new tenements as the Piccadilly Project and develop a coherent intrusive related gold model which identifies the scale and gold prospective geological, geophysical and geochemical features. The Group is in a unique position to utilise the Piccadilly experience to apply scale, geophysical modelling of magnetics, IP and multi-element zoning patterns through the tenements

Mount Cannindah

Following completion of the Piccadilly program, a new Diamond Drilling campaign to test significant areas of interest at the Mt Cannindah copper/gold project commenced in July 2021. The purpose of the

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program is to identify areas which will likely extend the current JORC resource, determine the continuity of higher-grade copper and gold zones, and locate new areas for follow up both to the North and to the South of the Mt Cannindah Project. To date the program has consisted of 14 holes with further holes planned. Key results from the program include:

- 282m @ 1.28CuEq¹ from hole 2 (ASX Announcement 19 October 2021).
- 493m @ 1.17%CuEq from the surface of hole 3 (ASX Announcement 9 November 2021).
- 13.5m @ 2.06% Cu including 2m @ 6.01%Cu from hole 4 (ASX Announcement 29 November 2021) and 81m @ 1.3%Cu, 0.86g/t Au, 22.5g/t Ag (ASX Announcement 25 January 2022).
- 75m of copper across two separate zones 20m @ 1.19%CuEq from 95m and 55m @ 0.97%CuEq from 192m from Hole 7 in which a completely new high grade gold discovery of 3m @ 28.87g/t Au including 1m of 81.6g/t Au (ASX Announcement 22 February 2022).
- 278m @ 1.26%CuEq from surface at hole 8 including a supergene zone of 2m @ 4.78% CuEq and a high-grade gold zone showing 1m @ 8.18g/t Au (ASX Announcement 22 February 2022).
- 400m @ 0.91%CuEq along with a significant gold zone of 14m @ 1.65g/t Au at hole 9 ASX (ASX Announcements of 4 and 5 April 2022).
- a large 295m intercept of 1.45%CuEq and a lower gold zone of 8m @ 2.25 g/t Au including a high-grade zone of 3m @ 5.52 g/t Au (ASX Announcement 12 May 2022).
- 217m @ 1.47% CuEq and 11m at 3% Cu including 4m @ 4.52% Cu, 4.07g/t Au, and 97.8g/t Ag at hole 11. (ASX Announcement 27 June 2022).

To date the program has produced significant mineralisation in all 14 holes drilled and as a result of that success further drilling is planned for the current financial year.

During the year the Group's nine mining leases were renewed for a further 12 years until 31 March 2034.

Financial

During the financial year ended 30 June 2022, the Consolidated Entity raised \$3,500,000 (before costs) in cash from sophisticated and professional investors at prices close to or higher than the prevailing market prices. Further, at the Annual General Meeting of the Company on 17 December 2021, Shareholders agreed to convert \$150,000 of geological consulting fees payable to consultant Terra Search Pty Ltd (a company associated with Director Dr Simon Beams). At that meeting, Shareholders also agreed to issue 12.5 million Performance Rights to Directors and Executives. These Rights contained performance hurdles based on improved market capitalisations with the object to further align the rewards available to those Directors and Executives to the interests of Shareholders. On 14 March 2022, the first tranche of performance rights was converted to shares following the Company's market capitalisation exceeding \$150 million for 20 consecutive trading days. At the date of this report the hurdle for the second tranche (market capitalisation exceeding \$175 million for 20 consecutive trading days) has yet to be achieved.

Since year end the Consolidated Entity has further strengthened its financial position by raising a \$2,000,000 (before costs) to continue its drilling program and by reaching agreement with Terra Search to convert a further \$200,000 of its geological consulting fees to shares in the Company (subject to Shareholder approval).

At 30 June 2022, the Company had cash on hand of \$1,283,121 (2021: \$1,291,780).

¹ The Copper Equivalent (CuEq) measures used in this report were calculated using the following formula:

$$\text{CuEq\%} = ((\text{Cu (\%)} * \text{Cu price per 1\% per tonne} * \text{Cu Recovery}) + (\text{Au(g/t)} * \text{Au price per ppm Au} * \text{Au Recovery}) + (\text{Ag(g/t)} * \text{Ag price ppm Ag} * \text{Ag Recovery})) / (\text{Cu price per 1\% per tonne} * \text{Cu Recovery})$$

Grades for Cu, Au and Ag used in each CuEq calculation in the report and the resultant CuEq measure are set out in "Table 1. Assay Highlights Drillhole 22CAEDD009" in the report. Metal prices were calculated using 30-day average prices in USD for Q4,2021, i.e. copper - USD\$9,250/tonne, gold - USD\$1,750/oz and silver - USD\$23/oz. Average Metallurgical Recoveries were determined using previous preliminary metallurgical test work, geological observations and geochemical work analysed and interpreted by geologists Terra Search. This work established a high correlation between Cu, Au and Ag recovery rates resulting in a conservative recovery rate of 80% being applied for each of Cu, Au and Ag. In the Company's opinion all elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold.

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The Board is currently working through the usual commercial discussions that occur when certain transactions are contemplated both in terms of capital raising and future commercial opportunities. The company will update shareholders on discussions regarding any such developments as they occur

Future Strategy

The Cannindah Resources Board and Management will continue to focus on developing the exploration potential of both its Mt Cannindah and Piccadilly Projects. The successful drilling campaign at Mt Cannindah has continued into the 2023 financial year with more holes planned for the period.

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 appointed as a Non-Executive Director of Austin Metals Limited (ASX: AYT) (previously Silver City Minerals Limited ASX: SYC) in 2019 and has previously held roles as Chairman of Dynasty Resources Limited and as a Non-Executive Director of Discovery Resources Limited (ASX: DIS), Red Gum Resources Limited (ASX: RGX) and CuDeco Ltd (ASX: CDU). He was a director of Piccadilly Gold Mine Holdings Limited (now a 100% owned subsidiary of Cannindah Resources Limited) and Diversified Mining Pty Ltd, a privately held exploration entity, resigning from both 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 30 years' experience providing clients with tax, accounting and business advice. In 2021 he commenced his own boutique advisory firm Puzzle Advisory Services after 20 years as a founding Partner of The MBA Partnership. 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

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

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contributions to economic geology, exploration technology and mineral discovery in Queensland.

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.

Michael Hansel

LLB(Hons), BCom (Hons), BBus
Non-Executive Director

Mr Hansel is a Corporate Partner of HopgoodGanim Lawyers specialising in mergers and acquisitions, capital raisings, due diligence, takeovers, joint ventures, corporate restructuring and private equity transactions. Michael acts for a number of ASX-listed entities in the resources sector. He is a Director of ASX-listed Austral Resources Limited (since February 2022) and was previously a Director of ASX-listed Metro Mining Limited.

Michael is consistently recognised by a leading corporate business and commercial lawyer by various legal publications, including Doyle's Guide and The Best Lawyers™ as a leading Australian practitioner in Corporate Law, Mergers and Acquisitions and Commercial Law.

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	Performance Rights	Options
T J Pickett (Executive Chairman)	26,164,573	2,500,000	-
G J Missen (Non-Executive Director)	3,806,249	1,250,000	-
S D Beams (Non-Executive Director)	4,444,460	1,250,000	-
M K Hansel (Non-Executive Director) *	-	-	-

* Appointed 9 August 2022

Meetings of Directors

The number of meetings of the Company's Board of Directors held during the year ended 30 June 2022 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
M K Hansel (Appointed 9 August 2022)	-	-

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

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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

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 performance rights or 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. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Consolidated Entity

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. To align Directors' and executives' interests with those of Shareholders, at the Annual General Meeting on 17 December 2021, Shareholders approved the adoption of a share plan. Under the Plan, Performance Rights were issued to existing Directors and executives, conversion of which was governed by the market capitalisation of the Consolidated Entity. Further details of the Plan are discussed below.

Use of remuneration consultants

The Company did not engage remuneration consultants during the financial year ended 30 June 2022.

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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
M K Hansel (Appointed 9 August 2022)

And the following executive:

G C Gill - Chief Financial Officer / Company Secretary.

The Executive Chairman's remuneration includes non-cash components (increases to annual and long service leave and share based payments – performance rights), cash elements (salary and bonus), and superannuation. The share-based payments – performance rights component is based on an independent valuation and is included as required by accounting standard AASB2 "Share Based Payments". (Refer note 14 (b) of the Financial Statements for further information).

Key Management Personnel	Short-term Benefits		Long-term Benefits		Post - Employment Benefits	Share Based Payments – Performance Rights	Total Remuneration for the year	SGC Adjustment attributable to KMP	Total
	Fees and/or Salary	Cash, Other Bonuses	Annual Leave	Long Service Leave					
	\$	\$	\$	\$	Super - annuation	\$	\$	\$	\$
2022									
T J Pickett	280,000	200,000	9,477	7,695	28,000	189,508	714,680	119,971	834,651
G J Missen	20,000	-	-	-	-	94,754	114,754	5,736	120,490
S D Beams	40,000	-	-	-	-	94,754	134,754	-	134,754
M K Hansel [#]	-	-	-	-	-	-	-	-	-
G C Gill	72,000	-	-	-	-	94,754	166,754	-	166,754
Totals	412,000	200,000	9,477	7,695	28,000	473,770	1,130,942	*125,707	1,256,649
2021									
T J Pickett	250,000	-	21,535	13,908	23,750	-	309,194	-	309,194
G J Missen	18,300	-	-	-	1,739	-	20,039	-	20,039
S D Beams	40,000	-	-	-	-	-	40,000	-	40,000
G C Gill	72,000	-	-	-	-	-	72,000	-	72,000
Totals	380,300	-	21,535	13,908	25,489	-	441,232	-	441,232

[#] Appointed 9 August 2022.

* During the 2022 financial year a review was conducted into superannuation calculated by the Consolidated Entity from 2016 to 2020. As a result of this review, additional Superannuation Guarantee Charge totalling \$132,119 became payable to the ATO in the 2022 financial year. Of this charge it is estimated that \$125,707 was attributable to KMP and has been allocated on a pro-rata basis to Messrs Pickett and Missen as set out in the table above.

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Performance and at-risk remuneration as a percentage of total remuneration was as follows:

	2022		2021	
	Performance based remuneration %	At risk Remuneration %	Performance based remuneration %	At risk Remuneration %
T J Pickett	24.0%	22.7%	-	-
G J Missen	-	78.6%	-	-
S D Beam	-	70.3%	-	-
M K Hansel	-	-	-	-
G C Gill	-	56.8%	-	-
Totals	15.8%	37.7%	-	-

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 an 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
 - 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

a) Performance Rights

At the Annual General Meeting held on 17 December 2021 shareholders voted to issue Performance Rights to KMP as set out below. The Performance Rights vest in tranches linked to the following performance criteria set by the Board:

- 50% of the Performance Rights vest on the date when the market capitalisation of the Company exceeds \$150 million for the 20th trading day in succession (Tranche 1); and
- 50% of the Performance Rights vest on the date when the market capitalisation of the Company exceeds \$175 million for the 20th trading day in succession (Tranche 2).

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The performance rights issued by the Company were valued at grant date by an independent valuer. Details of the assumptions used in the calculation including assumed vesting dates are set out at Note 14 (b) of the Financial Statements.

Tranche 1

Name	Number of Rights granted	Grant date	Expiry date	Fair value at grant date (\$)	Converted during the period	Expensed during the year
T. Pickett	2,500,000	17-Dec-21	17-Dec-24	0.161	2,500,000	100,959
G. Missen	1,250,000	17-Dec-21	17-Dec-24	0.161	1,250,000	50,479
S. Beams	1,250,000	17-Dec-21	17-Dec-24	0.161	1,250,000	50,479
G. Gill	1,250,000	17-Dec-21	17-Dec-24	0.161	1,250,000	50,479
Total	6,250,000				6,250,000	252,396

Tranche 2

Name	Number of Rights granted	Grant date	Expiry date	Fair value at grant date (\$)	Converted during the period	Expensed during the year
T. Pickett	2,500,000	17-Dec-21	17-Dec-24	0.154	-	88,549
G. Missen	1,250,000	17-Dec-21	17-Dec-24	0.154	-	44,275
S. Beams	1,250,000	17-Dec-21	17-Dec-24	0.154	-	44,275
G. Gill	1,250,000	17-Dec-21	17-Dec-24	0.154	-	44,275
Total	6,250,000				-	221,374

b) Issue of shares

As noted in (a) above, in accordance with the resolution passed at the Annual General Meeting held on 17 December 2021, KMP were issued 12,500,000 Performance Rights as described above. Following the successful achievement of the first hurdle (market capitalisation of the Company exceeding \$150 million for the 20th trading day in succession), 50% of the Performance Rights were converted to Shares and issued to the KMP as follows:

Name	No of Shares
T. Pickett	2,500,000
G. Missen	1,250,000
S. Beams	1,250,000
G. Gill	1,250,000
Total	6,250,000

In accordance with the resolution passed at the Annual General Meeting held on 17 December 2021, 694,460 shares were issued to Terra Search Pty Ltd, a company associated with Director, Dr Simon Beams, in payment or part payment of outstanding fees of \$150,000 owing for geological services to the Consolidated Entity.

No other shares were issued to KMP during the year.

c) 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 2022.

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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
			Conversion of Performance Rights	Other			
2022							
T J Pickett	23,614,573	n/a	2,500,000	50,000	-	n/a	26,164,573
G J Missen	2,556,249	n/a	1,250,000	-	-	n/a	3,806,249
S D Beams	2,500,000	n/a	1,250,000 ¹	694,460 ²	-	n/a	4,444,460
M K Hansel*	-	-	-	-	-	n/a	-
G C Gill	1,000,000	n/a	1,250,000	-	-	n/a	2,250,000
Total	29,670,822	-	6,250,000	744,460	-	-	36,665,282
Name	Balance at beginning of year	Balance at Date of Appointment	Acquired		Disposals	Balance at Date of Resignation	Balance at end of the year
			Payment for outstanding fees	Other			
2021							
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	2,556,249
S D Beams	-	n/a	2,500,000 ²	-	-	n/a	2,500,000
G C Gill	-	n/a	1,000,000	-	-	n/a	1,000,000
Total	10,832,503		19,608,795	596,435	(1,366,911)	-	29,670,822

*MK Hansel - Appointed 9 August 2022

¹ Issued to SD Beams in his personal capacity

² Issued to Terra Search Pty Ltd a company associated with SD Beams

As noted in Section D above shares were issued to a company associated with Dr Beams to pay or part pay outstanding fees during the 2022 financial year. The share issue is treated as "Other" acquisitions in the 2022 year in the table above. "Other" Shares acquired by Mr Pickett were through on-market transactions.

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 performance rights

Movements in the number of performance rights over ordinary shares in the Consolidated entity held during the financial year by each Director and other members of key management personnel of the Consolidated entity, including their personally related parties, are set out below:

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	Balance at start of year	Granted as remuneration	Converted to shares	Expired	Balance at end of year
T. Pickett	-	5,000,000	(2,500,000)	-	2,500,000
G. Missen	-	2,500,000	(1,250,000)	-	1,250,000
S. Beams	-	2,500,000	(1,250,000)	-	1,250,000
G. Gill	-	2,500,000	(1,250,000)	-	1,250,000
Total	-	12,500,000	(6,250,000)	-	6,250,000

c) 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 2022 or 30 June 2021.

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 2022 and nil at 30 June 2021). 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

On 12 August 2022, the Company announced that it had signed agreements for the issue of 9,302,327 Shares to sophisticated and professional investors to raise \$2 million.

On 19 August 2022, the Company announced that it had agreed with Terra Search Pty Ltd to issue 930,233 Shares in payment or part payment of outstanding fees of \$200,000 owing for geological services to the Consolidated Entity. The issue of shares is subject to the approval of Shareholders at the upcoming Annual General Meeting.

No other matters or circumstances have arisen since 30 June 2022, 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

The following non-audit services were provided by related entities to the entity's auditor, Grant Thornton Audit Pty Ltd. The Directors are satisfied that the provision of non-audit services is compatible with the

CANNINDAH RESOURCES LIMITED
DIRECTORS' REPORT

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.

Grant Thornton received, or is due to receive, the following amounts for the provision of non-audit services during the year ended 30 June 2022:

	2022	2021
	\$	\$
Taxation compliance services	10,100	-

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.

On behalf of the Directors



Thomas J Pickett
Executive Chairman
29 September 2022
Gold Coast

Grant Thornton Audit Pty Ltd

King George Central
Level 18
145 Ann Street
Brisbane QLD 4000
GPO Box 1008
Brisbane QLD 4001

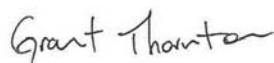
T +61 7 3222 0200

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 2022, 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, 29 September 2022

www.grantthornton.com.au

ACN-130 913 594

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CANNINDAH RESOURCES LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 30 June 2022

	Note	Consolidated	
		2022 \$	2021 \$
Income			
Other income		1,135	67,012
Total income	4	1,135	67,012
Expenses			
Employee benefits expense	5	(546,309)	(286,943)
Share based payments expense	14(b)	(473,770)	-
Exploration and evaluation expenditure written off		(123)	(600)
Depreciation and amortisation expense	5	(1,233)	-
Finance costs	5	(847)	(244,255)
Other expenses		(574,337)	(284,022)
Benefit from loan extinguishment		-	4,862,430
Profit / (loss) before income tax expense from continuing operations		(1,595,484)	4,113,622
Income tax (expense) / benefit	6	-	-
Profit/(loss) after income tax expense for the year attributable to the owners of the Company		(1,595,484)	4,113,622
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of the Company		(1,595,484)	4,113,622
Basic and diluted earnings per share (cents per share)	25	(0.30)	1.33

The accompanying notes form part of these financial statements

CANNINDAH RESOURCES LIMITED
STATEMENT OF FINANCIAL POSITION
as at 30 June 2022

	Note	Consolidated	
		2022	2021
		\$	\$
Current assets			
Cash and cash equivalents	7	1,283,121	1,291,780
Other current assets	8	178,121	64,272
Total current assets		1,461,242	1,356,052
Non-current assets			
Other assets	9	104,837	105,837
Property plant and equipment	10	5,541	-
Exploration and evaluation asset	11	10,805,569	6,993,850
Total non-current assets		10,915,947	7,099,687
Total assets		12,377,189	8,455,739
Liabilities			
Current liabilities			
Trade and other payables	12	1,857,828	460,395
Employee benefits	13	174,126	153,537
Total current liabilities		2,031,954	613,932
Total liabilities		2,031,954	613,932
Net assets		10,345,235	7,841,807
Equity			
Issued capital	14	56,750,224	53,125,082
Reserves	14(b), 15	869,384	395,614
Accumulated losses		(47,274,373)	(45,678,889)
Total equity		10,345,235	7,841,807

The accompanying notes form part of these financial statements

CANNINDAH RESOURCES LIMITED
STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2022

Consolidated

	Note	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total Equity \$
2021					
Balance at 1 July 2020		48,325,007	395,614	(49,792,511)	(1,071,890)
Transactions with owners:					
Shares issued during the period	14	5,017,812	-	-	5,017,812
Share issue costs	14	(217,737)	-	-	(217,737)
Total transactions with owners		4,800,075	-	-	4,800,075
Profit /(loss) after income tax expense for the year attributable to members of the Company		-	-	4,113,622	4,113,622
Other comprehensive income for the year, net of tax		-	-	-	-
Balance at 30 June 2021		53,125,082	395,614	(45,678,889)	7,841,807
2022					
Balance at 1 July 2021		53,125,082	395,614	(45,678,889)	7,841,807
Transactions with owners:					
Performance rights issued	14(b)	-	473,770	-	473,770
Shares issued during the period	14	3,664,688	-	-	3,664,688
Share issue costs	14	(39,546)	-	-	(39,546)
Total transactions with owners		3,625,142	473,770	-	4,098,912
Profit/(loss) after income tax expense for the year attributable to members of the Company		-	-	(1,595,484)	(1,595,484)
Other comprehensive income for the year, net of tax		-	-	-	-
Balance at 30 June 2022		56,750,224	869,384	(47,274,373)	10,345,235

The accompanying notes form part of these financial statements

CANNINDAH RESOURCES LIMITED
STATEMENT OF CASH FLOWS
for the year ended 30 June 2022

		Consolidated	
		2022	2021
		\$	\$
Cash flows from operating activities			
		-	66,949
		(1,064,986)	(559,471)
		1,135	63
		(847)	(15,970)
	24	(1,064,698)	(508,429)
Cash flows from investing activities			
		(2,567,525)	(755,541)
		(6,774)	-
		(2,574,299)	(755,541)
Cash flows from financing activities			
		3,650,000	2,391,760
		(19,662)	(217,738)
		-	500,000
		-	(157,500)
		3,630,338	2,516,523
		(8,659)	1,252,553
		1,291,780	39,227
	7	1,283,121	1,291,780

The accompanying notes form part of these financial statements

CANNINDAH RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

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 2022 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 2022

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.

Other income

The Group may also receive other income comprised of interest income, government grants and research and development tax incentives. Other income 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.

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 entities 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.

CANNINDAH RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 1 Statement of Significant Accounting Policies (continued)

Income tax (continued)

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.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a diminishing value basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Property plant and equipment	2 – 3 years
------------------------------	-------------

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

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).

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)

CANNINDAH RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 1 Statement of Significant Accounting Policies (continued)

Financial instruments (continued)

Classification and subsequent measurement of financial assets (continued)

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').

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.

CANNINDAH RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 1 Statement of Significant Accounting Policies (continued)

Subsequent measurement financial assets (continued)

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

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

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.

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.

CANNINDAH RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 1 Statement of Significant Accounting Policies (continued)

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, rights 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 the Binomial, Monte Carlo 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 the Binomial, Monte Carlo 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:

- 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.

CANNINDAH RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 1 Statement of Significant Accounting Policies (continued)

Employee benefits (continued)

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.

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.

CANNINDAH RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 1 Statement of Significant Accounting Policies (continued)

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 2022. 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, the Consolidated Entity incurred a net loss of \$1,595,484, recorded a working capital deficiency of \$570,712 and had net cash outflows from operating and investing activities of \$3,638,997 for the year ended 30 June 2022.

The Directors note that on 12 August 2022, the Company announced that it had signed agreements for the issue of 9,302,327 Shares to sophisticated and professional investors to raise \$2 million. The Directors expect that further additional funds will be required for the Company to operate and conduct exploration activities over the next 12 months. It is expected that these funds will be obtained through additional capital raisings and loan funds as required. 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 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.

CANNINDAH RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

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

Exploration and Evaluation Assets

Estimates and judgements relating to the exploration and evaluation assets has been included within Note 11.

Valuation of Performance Rights

The performance rights issued by the Company were valued at grant date by an independent valuer. The assumptions applied by the valuer are set out at Note 14(b).

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 2022

	Consolidated	
	2022	2021
	\$	\$
Note 4 Other Income		
Covid assistance payments from Government	-	66,949
<i>Other revenue</i>		
Interest received from other persons	1,135	63
Total other income	1,135	67,012

Note 5 Expenses

Loss before income tax from continuing operations includes the following specific expenses:

<i>Depreciation</i>		
Plant and equipment	1,233	-
<i>Finance costs</i>		
Interest and finance charges paid/payable	847	244,255
<i>Expense relating to short-term lease- office</i>		
Minimum lease payments	28,915	-
<i>Employee benefit expense</i>		
Amounts paid to employees	520,385	254,913
Allocated to employee benefit provisions	20,589	35,444
Superannuation expense	158,193	21,770
Allocated to exploration and evaluation projects	(212,858)	(85,184)
Amounts paid to non-executive Directors	60,000	60,000
Total employee benefit expense	546,309	286,943

Note 6 Income tax expense

Numerical reconciliation of income tax expense and tax at the statutory rate

Profit /(loss) before income tax expense from continuing operations	(1,595,484)	4,113,622
Tax at the statutory tax rate of 25% (2021: 26%)	(398,871)	1,069,542
<i>Tax effect amounts which are not deductible/(taxable) in calculating taxable income:</i>		
Non assessable income	-	(1,264,232)
<i>Non-deductible expenses:</i>		
Share based payments	118,443	
Exploration expenditure	(952,930)	
Other non-deductible / (allowable) expenses	974	(667,967)
	(1,232,384)	(862,657)

CANNINDAH RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

	Consolidated	
	2022	2021
	\$	\$
Note 6 Income tax expense (continued)		
Current year tax losses not recognised	276,230	190,831
Current year temporary differences not recognised	935,175	651,794
Deductible capital raising costs	20,979	20,032
Income tax expense	-	-
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	21,567,813	22,285,810
Net forgiven amount on Aquis debt extinguishment	-	(1,906,835)
Carried forward tax losses on which no deferred tax loss has been recognised	21,567,813	20,378,975
Potential tax benefit @ 25% (2021: 26%)	5,391,953	5,298,534
<p>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.</p>		
<i>Deferred tax assets not recognised</i>		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Timing differences	11,572,934	7,832,235
Total deferred tax assets not recognised – temporary differences	11,572,934	7,832,235
Note 7 Cash and cash equivalents		
Cash on hand and at bank	1,283,121	1,291,780
Total cash and cash equivalents	1,283,121	1,291,780
Note 8 Other current assets		
Other receivables	176,238	64,272
Prepayments	1,883	-
Total trade and other receivables	178,121	64,272
Note 9 Other assets (non-current)		
Deposits and bonds	104,837	105,837
Total other assets	104,837	105,837
10. Property plant and equipment		
Plant and equipment at cost	6,774	-
Accumulated depreciation	(1,233)	-
Plant and equipment at written down value	5,541	-

CANNINDAH RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

	Consolidated	
	2022	2021
	\$	\$
10. Property plant and equipment (continued)		
<i>Movements in plant and equipment</i>		
Opening written down value	-	-
Additions	6,774	-
Depreciation	(1,233)	-
<i>Closing written down value</i>	5,541	-
Note 11 Exploration and evaluation		
Exploration and evaluation phase - at cost	10,805,569	6,993,850
<i>Movement in exploration and evaluation asset:</i>		
Opening balance - at cost	6,993,850	4,754,881
Exploration expenditure during the period	3,811,842	850,383
Exploration expenditure – Piccadilly purchase	-	1,389,186
Current year expenditure written off	(123)	(600)
Carrying amount at the end of the period	10,805,569	6,993,850
<i>Estimates and judgements</i>		
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.		
Note 12 Trade and other payables		
Trade payables	1,469,829	290,377
Other payables and accrued expenses	387,999	170,018
Total trade and other payables	1,857,828	460,395
Note 13 Employee benefits		
Annual leave	103,862	90,967
Long Service Leave	70,264	62,570
Total provisions	174,126	153,537
<i>Movements in employee benefits:</i>		
Annual leave		
Opening balance	90,967	69,432
Accrued	27,110	28,643
Applied	(14,215)	(7,108)
Closing balance	103,862	90,967

CANNINDAH RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

	Consolidated	
	2022	2021
	\$	\$
Note 13 Employee benefits (continued)		
Long Service Leave		
Opening balance	62,570	48,661
Accrued	7,694	13,909
Applied	-	-
Closing balance	70,264	62,570

Note 14 Contributed Equity

(a) Fully paid ordinary share capital	56,750,224	53,125,082
<i>Movements in contributed equity during the year:</i>		
Balance at the beginning of the reporting period	53,125,082	48,325,007
Issued pursuant to share placements	3,514,688	2,389,968
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 (2020)	-	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
Issued to Terra Search @\$0.216 in lieu of consulting fees as approved at the AGM (2021)	150,000	-
Performance Rights conversion	-	-
Total movements in issued capital during the year	3,664,688	5,017,812
Less share issue costs	(39,546)	(217,737)
Balance at reporting date	56,750,224	53,125,082

Movements in the number of issued shares during the year:

	2022	2021
	No.	No.
Balance at the beginning of the reporting period	518,881,981	193,272,682
Issued pursuant to share placements	12,170,952	46,437,334
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
Issued in payment of outstanding fees to a company associated with a director (SD Beams)	694,460	-
Performance Rights conversion	6,250,000	-
Total movements in issued capital during the year	19,115,412	325,609,299
Balance at reporting date	537,997,393	518,881,981

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.

CANNINDAH RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 14 Contributed Equity (continued)

(a) Fully paid ordinary share capital (continued)

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 2021 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 2022 was \$570,712 (negative) (2021: \$742,120 (positive)).

(b) Performance rights

At the Annual General Meeting of the Consolidated Entity held on 17 December 2021, Shareholders approved the Share Plan and authorised the issue of Performance Rights to eligible participants pursuant to the plan. Vesting conditions for the performance rights are set out below.

- 50% of the Performance Rights vest on the date when the market capitalisation of the Company exceeds \$150 million for the 20th trading day in succession (Tranche 1); and
- 50% of the Performance Rights vest on the date when the market capitalisation of the Company exceeds \$175 million for the 20th trading day in succession (Tranche 2).

On 17 December 2021, the 12,500,000 Performance rights were issued in accordance with the approval at the AGM with movements in the rights during the period being as follows:

Tranche 1

Name	Number of Rights granted	Grant date	Expiry date	Fair value at grant date (\$)	Exercised during the period	Expensed during the period
T. Pickett	2,500,000	17-Dec-21	17-Dec-24	0.161	2,500,000	100,959
G. Missen	1,250,000	17-Dec-21	17-Dec-24	0.161	1,250,000	50,479
S. Beams	1,250,000	17-Dec-21	17-Dec-24	0.161	1,250,000	50,479
G. Gill	1,250,000	17-Dec-21	17-Dec-24	0.161	1,250,000	50,479
Total Tranche 1	6,250,000				6,250,000	252,396

Tranche 2

Name	Number of Rights granted	Grant date	Expiry date	Fair value at grant date (\$)	Exercised during the period	Expensed during the period
T. Pickett	2,500,000	17-Dec-21	17-Dec-24	0.154	-	88,549
G. Missen	1,250,000	17-Dec-21	17-Dec-24	0.154	-	44,275
S. Beams	1,250,000	17-Dec-21	17-Dec-24	0.154	-	44,275
G. Gill	1,250,000	17-Dec-21	17-Dec-24	0.154	-	44,275
Total Tranche 2	6,250,000				-	221,374
Total	12,500,000				6,250,000	473,770

CANNINDAH RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 14 Contributed Equity (continued)

(b) Performance rights (continued)

As the performance rights are conditional upon achievement of the relevant performance conditions, the vesting date is considered to be variable. In these circumstances, the accounting standards require the Company to estimate the length of the expected vesting period at grant date, based on assumptions that are consistent with those used in estimating the fair value of the performance rights granted. The Performance Rights of Tranche 1 were exercised during the period on the successful attainment of the hurdle set out above. In accordance with accounting standards, the vesting period has not been revised, meaning the full expense has not been recognised in the current year, and will continue to be recognised on a pro rata basis over the original vesting term. Were this expense recognised in full at vesting date, an additional \$753,854 would have been recognised as a share-based payment expense in the 30 June 2022 financial report.

The performance rights issued by the Company were valued at grant date by an independent valuer, using the Monte Carlo simulation method, which determined the vesting dates as 2 February 2024 (Tranche 1) and 12 April 2024 (Tranche 2). The valuation methodology applied the following assumptions

	Tranche 1	Tranche 2
Grant date	17-Dec-21	17-Dec-21
Share Price at grant date	\$0.175	\$0.175
Exercise price	nil	nil
Time to Maturity (in years)	3	3
Annual Risk-Free Rate	1.00%	1.00%
Annualised Volatility	127.74%	127.74%

(c) Options

The Consolidated Entity had no options on issue during the financial years ended 30 June 2022 and 30 June 2021.

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.

	Consolidated	
	2022	2021
	\$	\$
<i>Movements in reserve</i>		
Opening balance	395,614	395,614
Movement during year	-	-
Closing Balance	395,614	395,614

Performance Rights Reserve

The performance rights reserve recognises the fair value of performance rights issued to KMPs in relation to the supply of goods or services. Once all performance rights in the series have vested or have expired, the reserve related to those rights will be transferred to accumulated losses.

Movements in reserve

Opening balance	-	-
Performance Rights (refer Note 14(b) above)	473,770	-
Closing Balance	473,770	-
Total reserves	869,384	395,614

CANNINDAH RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

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.

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:

	Weighted Average Interest Rate	Average Cash Balance \$
2022		
Cash and cash equivalents	0.11%	1,025,155
2021		
Cash and cash equivalents	0.01%	615,875

Sensitivity Analysis

At 30 June 2022, 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:

	Consolidated	
	2022	2021
	\$	\$
Change in profit and equity:		
Increase in interest rate by 2%	20,503	12,317
Decrease in interest rate by 2%	(1,135)	(63)

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.

CANNINDAH RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 16 Financial Instruments (continued)

Credit risk (continued)

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.

Maturity Analysis - 2022

	Interest Rate	Carrying amount \$	< 6 months \$	6-12 months \$	1-3 years \$	> 3 years \$
Financial Liabilities						
Trade Creditors	0%	1,469,829	1,469,829	-	-	-
Total		1,469,829	1,469,829	-	-	-

Maturity Analysis - 2021

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

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:

	Consolidated 2022 \$	2021 \$
Short term employee benefits:		
Salaries	412,000	380,300
Bonus	200,000	-
Annual leave	9,477	21,535
Share based payments	473,770	-
Long term benefits - Long service leave	7,695	13,908
Post-employment benefits - Superannuation	153,707	25,489
Total remuneration	1,256,649	441,232

CANNINDAH RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

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:

	Consolidated	
	2022	2021
	\$	\$
<i>Audit services:</i>		
Audit or review of the financial statements	58,201	45,750
<i>Other services provided by related entities of the auditor:</i>		
Taxation services	10,100	-
	78,301	45,750

Note 19 Commitments

Committed at the reporting date but not recognised as liabilities:

Lease commitments - mining leases:

Within one year	82,672	83,553
One to five years	356,245	357,565
	438,917	441,118

Mining exploration expenditure

Within one year	1,674,500	1,845,500
One to five years	5,422,885	5,755,500
	7,097,385	7,601,000

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

• **2022 Financial Year**

Terra Search, a company associated with non-executive Director, Dr Simon Beams provides geological services to the Company. During the year ended 30 June 2022, the Consolidated Entity incurred costs of \$1,330,651 (2021: \$424,448) for these services. In addition, at the Annual General Meeting of the Company held on 17 December 2021, shareholders approved the issue of 694,460 Shares to Terra Search at \$0.216 per Share as part payment for these services valued at \$150,000. The services are contracted on an arm's length basis. At 30 June 2022, \$1,313,645 (2021: \$211,839) was included in the Company's trade creditors for services provided in respect of the current periods.

CANNINDAH RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 20 Related Party Transactions (continued)

• **2022 Financial Year (continued)**

During the year, the Group obtained accounting services from an entity associated with non-executive Director, Mr Geoffrey Missen. During the year, the Consolidated Entity paid \$20,179 (2021: \$6,850) for these services. The services are contracted on an arm's length basis. At 30 June 2022, \$4,575 (2021: \$1,593) was included in the Company's trade creditors for services provided during the period.

• **Additional information for the 2021 Financial Year**

At the Annual General Meeting of the Company held on 17 December 2020, shareholders approved the issue of 19,608,795 shares at \$0.02 each to KMP in repayment or partial repayment of fees outstanding at 30 June 2020. During the period to 30 June 2021 fees totalling \$30,700 to two Directors continued to be accrued. These amounts have since been paid.

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

Note 21 Parent Entity Information

	2022	2021
	\$	\$
Statement of Profit and Loss and Other Comprehensive Income		
Profit after income tax	(1,594,050)	4,115,581
Total comprehensive income	(1,594,050)	4,115,581
Statement of Financial Position		
Current assets	1,457,817	1,353,725
Total assets	14,375,082	10,451,326
Current liabilities	2,031,955	613,061
Total liabilities	2,031,955	613,061
Net assets	12,343,127	9,838,265
Equity		
Issued capital	56,750,224	53,125,082
Share Option Reserve	395,614	395,614
Performance Rights Reserve	473,770	-
Accumulated losses	(45,276,481)	(43,682,431)
Total equity	12,343,127	9,838,265

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 2022 and 30 June 2021.

Contingent liabilities

The parent entity had no contingent liabilities at 30 June 2022 and 30 June 2021.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment at 30 June 2022 and 30 June 2021.

CANNINDAH RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 21 Parent Entity Information (continued)

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	
				2022	2021
Mt Cannindah Mining Pty Ltd	Mineral exploration	Australia	Ordinary	100%	100%
Piccadilly Gold Mines Holding Limited	Mineral exploration	Australia	Ordinary	100%	100%

Note 23 Interests in Joint Operations

The Consolidated Entity has no interests in joint operations.

Note 24 Reconciliation of profit/(loss) after income tax to net cash used in operating activities

	Consolidated	
	2022	2021
	\$	\$
Profit/(loss) after income tax expense for the year	(1,595,484)	4,113,622
<i>Adjustments for:</i>		
Depreciation	1,233	-
Share based payments	473,770	-
Benefit from loan extinguishment	-	(4,862,430)
Write off of exploration and evaluation expenditure	122	600
Financing expenses	-	228,284
Creditors paid through issue of share capital	-	342,176
<i>Changes in operating assets/liabilities</i>		
Decrease/(increase) in trade and other receivables	(111,965)	(31,519)
Decrease/(increase) in other operating assets	(1,883)	(22,500)
Increase/(decrease) in trade and other payables	148,921	(292,106)
Increase/(decrease) in employee benefits	20,588	35,444
Net cash used in operating activities	(1,064,698)	(508,429)

Note 25 Earnings per share

	2022	2021
Basic and diluted earnings per share (cents per share)	(0.30)	1.33
	No.	No.
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted EPS	525,302,136	308,724,235

CANNINDAH RESOURCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 26 Company Information

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

Level 9 Wyndham Building
1 Corporate Court
BUNDALL QLD 4217

Note 27 Authorisation of Financial Statements

The consolidated financial statements for the year ended 30 June 2022 (including comparatives) were approved and authorised for issue by the Board of Directors on 29 September 2022.

Note 28 Subsequent events

On 12 August 2022, the Company announced that it had signed agreements for the issue of 9,302,327 Shares to sophisticated and professional investors to raise \$2 million.

On 19 August 2022, the Company announced that it had agreed with Terra Search Pty Ltd to issue in 930,233 Shares in payment or part payment of outstanding fees of \$200,000 owing for geological services to the Consolidated Entity. The issue of shares is subject to the approval of Shareholders at the upcoming Annual General Meeting.

No other matters or circumstances have arisen since 30 June 2022, 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.

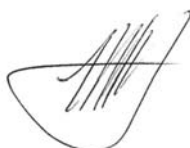
CANNINDAH RESOURCES LIMITED
DIRECTORS' DECLARATION
for the year ended 30 June 2022

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 2022 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



Thomas J Pickett
Executive Chairman
29 September 2022
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 2022, 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 2022 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 2 in the financial statements, which indicates that the Group realised a net loss of \$1,595,484 during the year ended 30 June 2022. Operating cash outflows for the period were \$1,064,698. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, 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
Exploration and evaluation assets - Notes 2 & 10	
<p>At 30 June 2022 the carrying value of Exploration and Evaluation Assets was \$10,805,569.</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"> • Obtaining the management prepared reconciliation of capitalised exploration and evaluation expenditure and agreeing it to the general ledger; • Reviewing management's area of interest considerations against AASB 6; • Conducting a detailed review of management's assessment of trigger events prepared in accordance with AASB 6 including: <ul style="list-style-type: none"> – Tracing projects to statutory registers and exploration licenses to determine whether a right of tenure existed; – Enquiring of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of managements' budgeted expenditure; – 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; • Evaluating the competence, capabilities and objectivity of management's expert in the evaluation of potential impairment triggers; and • Assessing the appropriateness of the related disclosures within the financial statements.

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 2022, 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. 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 5 to 10 of the Directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Cannindah Resources Limited, for the year ended 30 June 2022 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, 29 September 2022