

**Codrus Minerals Limited**  
**(formerly known as Black Eagle (WA) Pty Ltd)**

**ABN 17 600 818 157**

**Audited Half Year Report – 31 December 2020**

## Contents

Corporate Directory	2
Directors' Report	3
Auditor's Independence Declaration	7
Interim Financial Report	9
Directors' Declaration	25
Independent Auditor's Review Opinion	26

## **Corporate Directory**

### **Directors**

Andrew Radonjic  
Shannan Bamforth  
Jamie Byrde  
Stuart Owen

### **Company Secretary**

Jamie Byrde

### **Principal & Registered Office**

Level 3, 24 Outram Street  
West Perth WA 6005  
Telephone: (08) 9425 5217  
Facsimile: (08) 6500 9982

### **Lawyers**

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

### **Auditors**

Stantons International  
Level 2  
1 Walker Avenue  
WEST PERTH WA 6005

### **Bankers**

National Australia Bank  
50 St Georges Terrace  
PERTH WA 6000

### **Website Address**

[www.codrusminerals.com.au](http://www.codrusminerals.com.au)

**Codrus Minerals Limited**  
**Directors' report**  
**31 December 2020**

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Codrus Minerals Limited (formerly known as Black Eagle (WA) Pty Ltd) (referred to hereafter as the 'Company' or 'Parent Entity') and the entities it controlled at the end of, or during, the period ended 31 December 2020.

**Directors**

The following persons were directors of Codrus Minerals Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Andrew Radonjic (Appointed on 1 August 2017)  
Shannan Bamforth (Appointed on 29 March 2021)  
Jamie Byrde (Appointed on 1 January 2021)  
Stuart Owen (Appointed on 1 January 2021; Resigned on 29 March 2021)

**Principal activities**

The principal activity of the Group during the period was mineral exploration. There were no significant changes in the nature of the Group's principal activities during the period.

**Dividends**

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of dividend to the date of this report.

**Review of operations**

The loss for the Group after providing for income tax and non-controlling interest amounted to \$397,922 (31 December 2019: \$234,219).

The Group has three Australian projects (Silver Swan South, Red Gate and Middle Creek), which are all located in Western Australia and are prospective for gold, with the Silver Swan South project also prospective for nickel sulphides. The Group also has a project based in the United States, namely Record Mine.

**Silver Swan South Project (100% interest)**

The Silver Swan South Project comprises one granted exploration licence E27/545 and six granted prospecting licences, P27/2191 – 2196 covering an area of 38.5 km<sup>2</sup>. The Project is along trend of the massive nickel sulphides Silver Swan Deposit (pre-mining ore reserve of 655 kt at 9.5% Nickel) and associated deposits (pre-mining resource of 10.4 Mt at 1.0% Nickel), and only 8 km northeast of the major Kanowna Belle Gold Mine (+5 Moz gold endowment).

During the period the Group continued to work on finalising priority targets for drill testing.

**Highlights of the Project include:**

- The Group's second phase aircore drilling program at Silver Swan South intersected gold mineralisation and extensive basement geochemical anomalism at the Black Eagle prospect with the following result:
  - 10 m @ 3.2 g/t Au from 68 m within;
  - 15 m @ 2.2 g/t Au from 64 m to end of hole.
- These results significantly upgraded the Black Eagle prospect and when combined with previous reconnaissance results of 3m @ 3.5g/t Au from 60m saw Black Eagle elevated to a priority drill target;
- The Silver Swan South project is located 8 km along strike and encompasses the interpreted extension of the Fitzroy Shear Zone which hosts the Kanowna Belle Gold Mine (+5 Moz gold endowment);
- Aircore drilling will also target the Black Hawk prospect following up on an initial 3 m @ 2.6 g/t Au from 52 m intersected in the first phase of drilling at Silver Swan South.

The Group's initial drilling at Silver Swan South was targeting both gold, hosted by structural targets along strike from the Kanowna Belle Gold Mine (+5Moz gold endowment), and nickel sulfide mineralisation associated with ultramafic units along strike from the Silver Swan and Black Swan Nickel Mines (combined endowment 166kt Ni metal). The initial programs were designed to test for basement hosted mineralisation, using air core drilling, to improve definition of gold and base metal anomalism identified by previous reconnaissance style drilling.

### **Red Gate Project (100% interest)**

The Red Gate Project consists of one granted Exploration Licence E31/1096 covering an area of 145.2 km<sup>2</sup>. The Project is centred 10 km north of the Porphyry Gold Mine (0.9 Moz gold endowment), 140 km northeast of Kalgoorlie. Historical exploration work has mostly targeted the Porphyry North Prospect where shallow, outcropping mineralisation has been defined. There is the potential to discover further mineralisation at Porphyry North and several other prospects nearby. During the period, the Group continued to work on finalising priority targets for drill testing.

### **Middle Creek Project (95% - 100% interest)**

The Middle Creek Project is adjacent to Millennium Minerals Limited's Nullagine Gold Project (where the Golden Eagle operations have produced >400 koz gold since 2012 and, as at 31st July 2018, had a 1.1Moz resource inventory), in the Pilbara region of Western Australia and consists of 21 prospecting licence applications covering 37.7 km<sup>2</sup> within the Mosquito Creek belt. During the period, the Group continued to work on finalising priority targets for drill testing.

### **Significant changes in the state of affairs**

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

### **Matters subsequent to the end of the financial period**

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Commonwealth and State Governments and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

On 1 January 2021, Mr Stuart Owen and Mr Jamie Byrde were appointed as Non-Executive Directors of Black Eagle (WA) Pty Ltd and the Company was renamed as Codrus Minerals Limited.

On 15 January 2021, Blackstone Minerals Limited (ASX: BSX), the ultimate holding company of Codrus Minerals Limited, announced the decision to spin out non-core gold assets, namely Record Mine Project, Silver Swan South Project, Red Gate Project, and Middle Creek Project, via its wholly owned Australian subsidiary, Codrus Minerals Limited (formerly known as Black Eagle (WA) Pty Ltd). It is intended that the Company will undertake an Initial Public Offering and seek listing on the Australian Stock Exchange.

On 29 March 2021, Mr Shannan Bamforth was appointed as the Managing Director of Codrus Minerals Limited. Mr Stuart Owen resigned as Non-Executive Director of the Company.

Apart from the above, there were no other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

### **Likely developments and expected results of operations**

Information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Group.

### **Environmental regulation**

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

**Information on directors**

Name: Andrew Radonjic  
Title: Non-Executive Director (Appointed on 1 August 2017)  
Qualifications: BAppSc (Mining Geology), MSc (Mineral Economics), MAusIMM  
Experience and expertise: Mr Radonjic is a geologist and mineral economist with over 30 years of experience in mining and exploration, with a specific focus on gold and nickel in the Eastern Goldfields of Western Australia. Mr Radonjic began his career at the Agnew Nickel Mine before spending over 15 years in the Paddington, Mount Pleasant and Lady Bountiful Extended gold operations north of Kalgoorlie, where he has fulfilled a variety of senior roles which gave rise to three gold discoveries, totalling in excess of 3 million ounces in resources and in the development of over 1 million ounces.  
Special responsibilities: None

Name: Shannan Bamforth  
Title: Managing Director (Appointed on 29 March 2021)  
Qualifications: BSc (Geology)  
Experience and expertise: Mr Bamforth is a geologist with over 20 years' experience in the resources industry with a focus on base metals and gold. He has worked in exploration, operations and corporate roles in Australia, Africa, China and Indonesia. Prior to joining Codrus Minerals Limited, Mr Bamforth held various senior positions with a variety of companies including Sandfire Resources Limited, Regent Pacific Group, St Barbara Mines, AngloGold Ashanti, and Acacia Resources. He is a member of The Australian Institute of Mining and Metallurgy.  
Special responsibilities: None

Name: Jamie Byrde  
Title: Non-Executive Director (Appointed on 1 January 2021)  
Qualifications: BComm, CA  
Experience and expertise: Mr Byrde is a Chartered Accountant with 16 years' experience in corporate advisory, public and private company management since commencing his career with Big four and mid-tier Chartered Accounting Firms positions. Mr Byrde specialises in Financial Management, ASX and ASIC compliance and Corporate Governance of mineral and resource focused public companies. Mr Byrde is also currently Company Secretary for Blackstone Minerals Limited and Venture Minerals Limited.  
Special responsibilities: None

Name: Stuart Owen  
Title: Non-Executive Director (Appointed on 1 January 2021; Resigned on 29 March 2021)  
Qualifications: BSc (Geology & Geography), PhD (Geology) and Member of AIG  
Experience and expertise: Dr Owen has a BSc & PhD in geology and over 25 years of experience in mineral exploration for a wide range of commodities including gold, nickel, copper, cobalt, PGEs, tin, tungsten, iron ore, uranium and diamonds in Australia, Africa, SE Asia and North America. Stuart was Senior Geologist for Taipan Resources NL when Taipan discovered and took the Paulsens gold deposit through feasibility study (subsequent production 909,000oz at 7.17g/t Au to 2017). He was Exploration Manager for Adamus Resources Ltd from listing on ASX to a stage where a company-making resource of over one million ounces gold had been defined for Southern Ashanti Gold Project and has produced >600,000 oz Au to date. Stuart has been Exploration Manager for Venture Minerals since its listing on the ASX in 2006.  
Special responsibilities: None

**Company secretary**

Mr Byrde was appointed as the Company Secretary since 1 August 2017.

**Codrus Minerals Limited**  
**Directors' report**  
**31 December 2020**

**Shares under option**

There were no options issued as at the date of this report.

**Shares issued on the exercise of options**

There were no shares issued on exercise of options at the date of this report.

**Indemnity and insurance of officers**

The Company, through its ultimate holding company, Blackstone Minerals Limited (ASX:BSX), has indemnified the director of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, Blackstone Minerals Limited, its parent company, paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

**Indemnity and insurance of auditor**

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

During the financial period, 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.

**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 immediately after this directors' report.

**Auditor**

Stantons International Limited continues in office in accordance with section 327 of the Corporations Act 2001.

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



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Jamie Byrde  
Director

6 April 2021  
Perth

6 April 2021

The Directors  
Codrus Minerals Limited  
Level 3, 24 Outram Street  
WEST PERTH WA 6005

Dear Sirs

**RE: CODRUS MINERALS LIMITED**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Codrus Minerals Limited.

As Audit Director for the audit of the financial statements of Codrus Minerals Limited for the period ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully,

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**



**Martin Michalik**  
Director



## **Codrus Minerals Limited**

### **Contents**

**31 December 2020**

Consolidated statement of profit or loss and other comprehensive income	9
Consolidated statement of financial position	10
Consolidated statement of changes in equity	11
Consolidated statement of cash flows	12
Notes to the consolidated financial statements	13
Directors' declaration	25
Independent auditor's report to the members of Codrus Minerals Limited	26

### **General information**

The financial statements cover Codrus Minerals Limited as a consolidated entity consisting of Codrus Minerals Limited and the entities it controlled at the end of, or during, the period. The financial statements are presented in Australian dollars, which is Codrus Minerals Limited's functional and presentation currency.

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

#### **Registered office**

Suite 3, Level 3,  
24 Outram Street,  
West Perth 6005

#### **Principal place of business**

Suite 3, Level 3,  
24 Outram Street,  
West Perth 6005

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 6 April 2021. The directors have the power to amend and reissue the financial statements.

**Codrus Minerals Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the period ending 31 December 2020**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
		<b>\$</b>	<b>\$</b>
<b>Expenses</b>			
Exploration expenditure	4	<u>(397,922)</u>	<u>(234,219)</u>
<b>Loss before income tax expense</b>		<b>(397,922)</b>	<b>(234,219)</b>
Income tax expense		<u>-</u>	<u>-</u>
<b>Loss after income tax expense for the period</b>		<b>(397,922)</b>	<b>(234,219)</b>
Other comprehensive loss for the period, net of tax	3	<u>-</u>	<u>-</u>
<b>Total comprehensive loss for the period attributable to owners</b>		<b><u>(397,922)</u></b>	<b><u>(234,219)</u></b>

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

**Codrus Minerals Limited**  
**Consolidated statement of financial position**  
**As at 31 December 2020**

	Note	Consolidated 31 December 2020 \$	30 June 2020 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalent		-	-
Total current assets		<u>-</u>	<u>-</u>
<b>Non-current assets</b>			
Exploration expenditure	4	-	-
Total non-current assets		<u>-</u>	<u>-</u>
<b>Total assets</b>		<u>-</u>	<u>-</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	5	20,000	20,000
<b>Total current liabilities</b>		<u>20,000</u>	<u>20,000</u>
<b>Non-current liabilities</b>			
Trade and other payables	5	2,116,018	1,718,096
<b>Total non-current liabilities</b>		<u>2,116,018</u>	<u>1,718,096</u>
<b>Total liabilities</b>		<u>2,136,018</u>	<u>1,738,096</u>
<b>Net assets deficiency</b>		<u><b>(2,136,018)</b></u>	<u><b>(1,738,096)</b></u>
<b>Equity</b>			
Issued capital	6	1	1
Accumulated losses	7	(2,136,019)	(1,738,097)
<b>Total equity</b>		<u><b>(2,136,018)</b></u>	<u><b>(1,738,096)</b></u>

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

**Codrus Minerals Limited**  
**Consolidated statement of changes in equity**  
**For the period ended 31 December 2020**

<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Accumulated losses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2019	1	(1,204,851)	(1,204,850)
Loss after income tax expense for the period	-	(234,219)	(234,219)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>(234,219)</b>	<b>(234,219)</b>
<b>Balance at 31 December 2019</b>	<b>1</b>	<b>(1,439,070)</b>	<b>(1,439,069)</b>

  

<b>Consolidated</b>	<b>Issued Capital \$</b>	<b>Accumulated Losses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2020	1	(1,738,097)	(1,738,096)
Loss after income tax expense for the period	-	(397,922)	(397,922)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>(397,922)</b>	<b>(397,922)</b>
<b>Balance at 31 December 2020</b>	<b>1</b>	<b>(2,136,019)</b>	<b>(2,156,018)</b>

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

**Codrus Minerals Limited**  
**Consolidated statement of cash flows**  
**For the period ended 31 December 2020**

	Note	Consolidated 31 December 2020 \$	31 December 2019 \$
<b>Cash flows from operating activities</b>	18	-	-
<b>Cash flows from investing activities</b>			
Payments for exploration expenditure		-	-
Net cash used in investing activities		-	-
<b>Cash flows from financing activities</b>			
Loan from related party		-	-
Net cash used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the financial period		-	-
Cash and cash equivalents at the end of the financial period		-	-

*Note: All expenditure was paid directly by the parent company of Codrus Minerals Limited, Blackstone Minerals Limited, and therefore no cashflow movement in Codrus Minerals Limited.*

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes*

**Codrus Minerals Limited**  
**Notes to the consolidated financial statements**  
**31 December 2020**

**Note 1. 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.

**Basis of preparation of half-year report**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for 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, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

*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 Group'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.

The Company's parent entity, Blackstone Minerals Limited, includes the Company in its consolidated financial statements, which are prepared in accordance with Australian Accounting Standards and also comply with the International Financial Reporting Standards as issued by the IASB. The consolidated financial statements are available on the website.

**Going concern**

The financial statements for the period ended 31 December 2020 have been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business.

During the period, the Group recorded a loss of \$397,922 (31 December 2019: \$234,219). At balance date, the Group has a net asset deficiency of \$2,136,018 (30 June 2020: \$1,738,096 deficiency).

Based on the Group's future cashflow forecast, the Group will require additional funding in the next 12 months to enable it to continue its normal business activities and to ensure the realisation of assets and extinguishment of liabilities as and when they fall due, including progression of its exploration and project development activities and meeting its annual tenement expenditure commitments.

In early 2020, the COVID-19 pandemic was announced by the World Health Organisation and is having a negative impact on world stock markets, currencies and general business activity. The timing and extent of the impact and recovery from COVID-19 is unknown but it may have an impact on activities and potentially impact the ability for the Group to raise capital in the current prevailing market conditions.

These conditions indicate a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

**Codrus Minerals Limited**  
**Notes to the consolidated financial statements**  
**31 December 2020**

**New or amended Accounting Standards and Interpretations adopted**

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**Parent entity information**

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 15.

**Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Codrus Minerals Limited ('company' or 'parent entity') as at 31 December 2020 and the results of all subsidiaries for the period then ended. Codrus Minerals Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

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

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

**Exploration and evaluation expenditure**

*Exploration and evaluation assets acquired*

The exploration and evaluation expenditure accounting policy is expense expenditure as incurred rather than for the capitalisation of acquisition costs. Acquired Mineral Rights comprise exploration and evaluation assets which are acquired as part of asset acquisitions recognised at cost. These costs are assessed for recoverability in accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*.

**Foreign currency translation**

*Functional and presentation currency*

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Codrus Minerals Limited's and its subsidiaries functional and presentation currency.

**Codrus Minerals Limited**  
**Notes to the consolidated financial statements**  
**31 December 2020**

*Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges, qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Translation differences on financial assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available for sale financial assets are included in the fair value reserve in equity.

*Group companies*

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- Income and expenses for the statement of comprehensive income are translated at average exchange rates, and
- All resulting exchange differences are recognised in other comprehensive income.

**Income tax**

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

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 which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability.

No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

**Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.



**Codrus Minerals Limited**  
**Notes to the consolidated financial statements**  
**31 December 2020**

**Trade and other payables**

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

**Fair value measurement**

*Financial liabilities*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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.

All interest-related charges and, if applicable, gains and losses arising on changes in fair value are recognised in profit or loss.

**Issued capital**

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

**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.

**Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors.

**Codrus Minerals Limited**  
**Notes to the consolidated financial statements**  
**31 December 2020**

**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 Group for the reporting period ended 31 December 2020.

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and judgements may differ from the related actual results and may have a significant effect on the carrying amount of assets and liabilities within the next financial year and on the amounts recognised in the financial statements. The 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.

*Recovery of deferred tax assets*

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

*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 Group based on known information. Other than as addressed in Going Concern note and Events Subsequent to Reporting Date note, 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 Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

**Codrus Minerals Limited**  
**Notes to the consolidated financial statements**  
**31 December 2020**

**Note 3. Income tax expense**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>31 December</b>
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<i>Income tax expense</i>		
Current tax	-	-
Deferred tax - origination and reversal of temporary differences	-	-
Adjustment recognised for prior periods	-	-
	<hr/>	<hr/>
Aggregate income tax expense	<u>-</u>	<u>-</u>
Deferred tax included in income tax expense comprises:		
Increase in deferred tax assets	-	-
Increase/(decrease) in deferred tax liabilities	-	-
	<hr/>	<hr/>
Deferred tax - origination and reversal of temporary differences	-	-
	<hr/>	<hr/>
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit before income tax expense	<u>(397,922)</u>	<u>(234,219)</u>
Tax/(tax benefit) at the statutory tax rate of 26.0% (2019: 27.5%)		
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Exploration written off	(103,460)	(64,410)
	<hr/>	<hr/>
Unrecognised tax losses	103,460	64,410
	<hr/>	<hr/>
Income tax expense	<u>-</u>	<u>-</u>

**Note 4. Non-current assets – exploration expenditure**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June</b>
	<b>2020</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Exploration expenditure	<u>-</u>	<u>-</u>
<i>Reconciliation</i>		
Reconciliation of the beginning and end of the current and previous financial period are set out below:		
Opening balance	-	-
Additions	397,922	513,246
Expensed to profit or loss	<u>(397,922)</u>	<u>(513,246)</u>
	<hr/>	<hr/>
Closing balance	<u>-</u>	<u>-</u>

**Codrus Minerals Limited**  
**Notes to the consolidated financial statements**  
**31 December 2020**

**Note 5. Liabilities**

	Consolidated	
	31 December 2020 \$	30 June 2020 \$
Accruals	20,000	20,000
Loan from related party	2,116,018	1,718,096

**Note 6. Equity - issued capital**

	Consolidated			
	31 December 2020 Shares	30 June 2020 Shares	31 December 2020 \$	30 June 2020 \$
Ordinary shares - fully paid	4	4	1	1

*Movements in ordinary share capital*

Details	Date	Shares	Issue price	\$
Balance	1 July 2019	4	-	1
Balance	30 June 2020	4	-	1
Balance	31 December 2020	4	-	1

*Ordinary shares*

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 and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Capital risk management*

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2020 Annual Report.

**Codrus Minerals Limited**  
**Notes to the consolidated financial statements**  
**31 December 2020**

**Note 7. Equity – accumulated losses**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June</b>
	<b>2020</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Accumulated losses at the beginning of the financial period/year	1,738,097	1,204,851
Loss after income tax expense for the period	<u>397,922</u>	<u>533,246</u>
Accumulated losses at the end of the financial period/year	<u><b>2,136,019</b></u>	<u><b>1,738,097</b></u>

**Note 8. Segment Reporting**

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

The segment information provided to the board of directors for the reportable segments for the half-year ended 31 December 2020 is as follows:

	<b>Exploration</b>			
	<b>Australia</b>	<b>United States</b>	<b>Corporate</b>	<b>Total</b>
<b>For the half year ending 31 December 2020</b>				
Exploration expenditure written off	350,400	47,522	-	397,922
<b>Total segment loss before income tax</b>	<u><b>350,400</b></u>	<u><b>47,522</b></u>	<u>-</u>	<u><b>397,922</b></u>
<b>For the year ending 31 December 2019</b>				
Exploration expenditure written off	162,462	71,757	-	234,221
<b>Total segment loss before income tax</b>	<u><b>162,462</b></u>	<u><b>71,757</b></u>	<u>-</u>	<u><b>234,221</b></u>
<b>Total segment assets</b>				
31 December 2020	-	-	-	-
30 June 2020	-	-	-	-
<b>Total segment liabilities</b>				
31 December 2020	1,922,700	193,318	20,000	2,136,018
30 June 2020	1,572,382	145,714	20,000	1,738,096

**Codrus Minerals Limited**  
**Notes to the consolidated financial statements**  
**31 December 2020**

**Note 9. Financial instruments**

***Financial risk management objectives***

The Group's principal financial instruments comprise cash and short-term deposits. The main purpose of the financial instruments is to earn the maximum amount of interest at a low risk to the group. The Group also has other financial instruments such as trade and other receivables and trade and other payables which arise directly from its operations. For the period under review, it has been the Group's policy not to trade in financial instruments.

The Group has exposure to the following risks:

- Market risk
- Liquidity risk

***Market risk***

Market risk is the risk that changes in market prices, such as commodity prices will affect the Group's potential income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising return. There were no changes in the Group's market risk management policies from previous years.

***Liquidity risk***

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Due to the dynamic nature of the underlying businesses, the Group aims at ensuring flexibility in its liquidity profile by maintaining the ability to undertake capital raisings. Funds in excess of short term operational cash requirements are generally only invested in short term bank bills.

The following tables detail the Group's contractual maturity for its financial liabilities:

	Carrying amount	Contractual cash flows	Less than 1 year	2-5 years	>5 years
<b>31 December 2020</b>					
Trade and other payables	<u>2,136,018</u>	<u>2,136,018</u>	<u>-</u>	<u>-</u>	<u>2,136,018</u>
<b>30 June 2020</b>					
Trade and other payables	<u>1,738,096</u>	<u>1,738,096</u>	<u>-</u>	<u>-</u>	<u>1,738,096</u>

**Note 10. Key management personnel disclosures**

***Compensation***

There was no compensation made to director and other members of key management personnel of the Group during the year.

**Note 11. Remuneration of auditors**

There was no remuneration made to auditors during the period (30 June 2020: \$20,000).

**Note 12. Contingent liabilities**

There were no contingent liabilities as at reporting date (30 June 2020: Nil).

**Codrus Minerals Limited**  
**Notes to the consolidated financial statements**  
**31 December 2020**

**Note 13. Commitments**

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June</b>
	<b>2020</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Capital commitments</i>		
Exploration commitment		
Not longer than one year	325,431	325,431
Longer than one year, but not longer than five years	943,436	1,685,811
Longer than five year	-	-
	<u>1,268,867</u>	<u>2,011,242</u>

**Note 14. Related party transactions**

*Parent entity*

Codrus Minerals Limited is the parent entity.

*Subsidiaries*

Interests in subsidiaries are set out in note 16.

*Key management personnel*

Disclosures relating to key management personnel are set out in note 10.

*Transactions with related parties*

The following transactions occurred with related parties:

	<b>Consolidated</b>	
	<b>31 December</b>	<b>31 December</b>
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Payment for exploration expenditure by Blackstone Minerals Limited (ultimate holding company of Codrus Minerals Limited)	397,922	234,219

*Payables to related party*

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	<b>Consolidated</b>	
	<b>31 December</b>	<b>30 June</b>
	<b>2020</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Opening balance	1,718,096	1,204,850
Movement during the period	397,922	513,246
Closing balance	<u>2,116,018</u>	<u>1,718,096</u>

*Loans to/from related parties*

The loan from related party was at \$2,116,018 (2019: \$1,718,096) as at reporting date.

**Codrus Minerals Limited**  
**Notes to the consolidated financial statements**  
**31 December 2020**

**Note 15. Parent entity information**

Set out below is the supplementary information about the parent entity, Codrus Minerals Limited.

*Statement of profit or loss and other comprehensive income*

	<b>Parent</b>	
	<b>31 December 2020</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax	350,318	412,405
Total comprehensive income	350,318	412,405

*Statement of financial position*

	<b>Parent</b>	
	<b>31 December 2020</b>	<b>30 June 2020</b>
	<b>\$</b>	<b>\$</b>
Total current assets	-	-
Total assets	-	-
Total current liabilities	-	-
Total liabilities	1,942,700	1,592,382
Equity		
Issued capital	1	1
Retained profits	(1,942,701)	(1,592,383)
Total equity	<u>(1,942,700)</u>	<u>(1,592,382)</u>

*Contingent liabilities*

The parent entity had no contingent liabilities as at 31 December 2020 and 30 June 2020.

*Capital commitments - Property, plant and equipment*

The parent entity had no capital commitments for property, plant and equipment as at 31 December 2020 and 30 June 2020.

**Note 16. Interests in subsidiaries**

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

<b>Name</b>	<b>Principal place of business / Country of incorporation</b>	<b>Ownership interest</b>	
		<b>31 December 2020</b>	<b>30 June 2020</b>
		<b>%</b>	<b>%</b>
Black Eagle LLC	Oregon, United States	100.00%	100.00%



**Codrus Minerals Limited**  
**Notes to the consolidated financial statements**  
**31 December 2020**

**Note 17. Events after the reporting period**

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Commonwealth and State Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

On 1 January 2021, Mr Stuart Owen and Mr Jamie Byrde were appointed as Non-Executive Director of Black Eagle (WA) Pty Ltd and the Company was renamed as Codrus Minerals Limited.

On 15 January 2021, Blackstone Minerals Limited (ASX: BSX), the ultimate holding company of Codrus Minerals Limited, has announced the decision to spin out non-core gold assets, namely Record Mine Project, Silver Swan South Project, Red Gate Project, and Middle Creek Project, via its wholly owned Australian subsidiary, Codrus Minerals Limited (formerly known as Black Eagle (WA) Pty Ltd). It is intended that the Company will undertake an Initial Public Offering and seek listing on the Australian Stock Exchange.

On 29 March 2021, Mr Shannan Bamforth was appointed as the Managing Director of Codrus Minerals Limited. Mr Stuart Owen resigned as Non-Executive Director of the Company.

Apart from the above, no other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

**Note 18. Reconciliation of profit after income tax to net cash from operating activities**

	<b>Consolidated</b>	
	<b>31 December 2020</b>	<b>31 December 2019</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax expense for the period	(350,318)	(234,219)
Adjustments for:		
Exploration costs written off	350,318	234,219
Change in operating assets and liabilities:		
Increase/(decrease) in working capital	-	-
Net cash from operating activities	<u>-</u>	<u>-</u>

**Codrus Minerals Limited**  
**Director's declaration**  
**31 December 2020**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the financial period ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



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Jamie Byrde  
Director

6 April 2021  
Perth

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

**Report on the Audit of the Financial Report**

**Opinion**

We have audited the financial report of Codrus Minerals Limited (formerly Black Eagle (WA) Pty Ltd) and its subsidiaries ("the Group"), which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year period then ended, and notes to the 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:

- (i) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the half-year period then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We 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**

Without modification to the audit opinion expressed above, attention is drawn to the following matter.

As referred to in note 1 to the financial report, the financial report has been prepared on a going concern basis. At 31 December 2020, the Group had a net asset and net working capital deficiency of \$2,136,018. The Group incurred a loss for the period ended 31 December 2020 of \$397,922.

The ability of the Group to continue as a going concern and meet its administration, exploration and other commitments is dependent upon the Group raising further working capital or commercialisation of its exploration assets. In the event the Group is unable to raise further working capital and/or commercialise its exploration assets, the Group may not be able to meet its liabilities as they fall due.

**Other Information**

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the period ended 31 December 2020, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **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 ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### **Auditor's 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.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
**(Trading as Stantons International)**  
**(An Authorised Audit Company)**

*Stantons International Audit & Consulting Pty Ltd*



**Martin Michalik**  
Director

West Perth, Western Australia  
6 April 2021