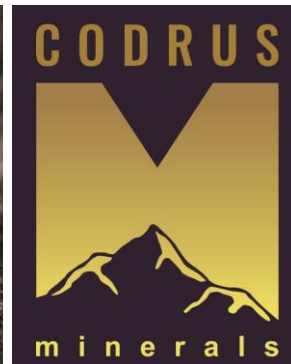


ASX ANNOUNCEMENT

22 October 2021



SEPTEMBER 2021 QUARTERLY REPORT

Major 2,500m RC drill program to commence at Red Gate Gold Project as Codrus advances its exploration portfolio in Australia and the USA

Highlights

- Drill planning completed for the Red Gate Gold Project, with 2,500m RC program now imminent.
- Maiden diamond drilling program completed at Silver Swan South.
- Trenching program planning completed at the Middle Creek Project.
- Contracts executed for IP surveying at the Bull Run Gold Project in Oregon, USA.
- Strong cash position of \$6.5m.

Codrus Minerals Limited (**ASX:CDR**, “**Codrus**”, or the “**Company**”) is pleased to report on activities at its exploration projects during the September 2021 Quarter. Since listing, the Company has completed its maiden drilling program at the Silver Swan South Project, progressed planning for drilling at its Red Gate Project, planned and permitted a trenching program at Middle Creek and awarded contracts for its maiden geophysics program at the Bull Run Project in Oregon, USA.

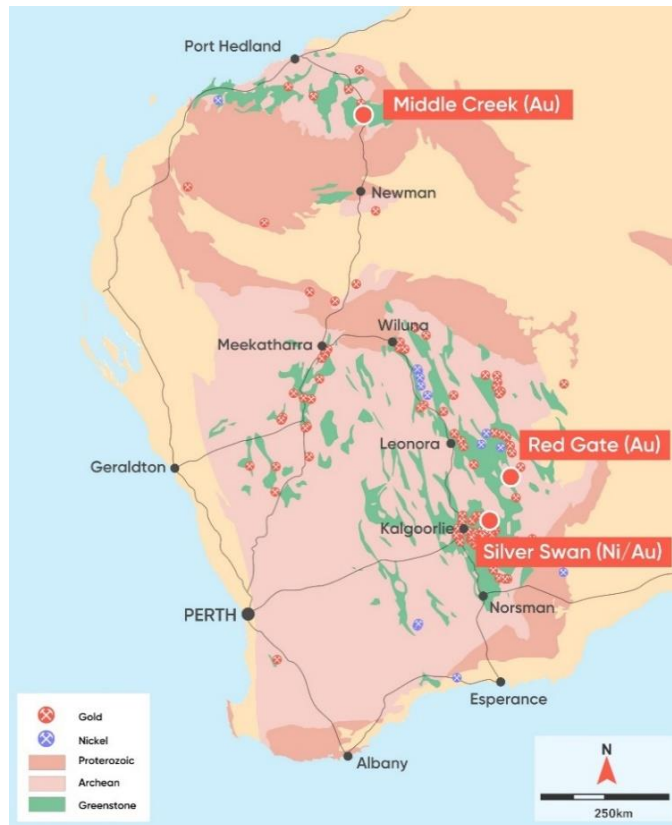


Figure 1. Silver Swan South, Red Gate and Middle Creek project locations in Western Australia.

RED GATE GOLD PROJECT

The **Red Gate Project (100% interest)** is a gold project located approximately 140km north of Kalgoorlie and comprises one granted Exploration Licence covering a total area of 145.2km² (see Figure 2).

The project has had historic exploration by both Blackstone Minerals and previous tenement holders. Historic work predominantly focused on the Porphyry North prospect – including RAB, AC and RC drilling targeting gold. On a more regional note, there have been numerous airborne and ground geophysical surveys as well as some soil sampling.

The mineralisation encountered in this historical work shows a strong relationship between the alteration, pyrite and gold. A Gradient Array Induced Polarisation (GAIP) survey was completed by previous owners (Sons of Gwalia) and showed a positive correlation between chargeability and mineralisation at Porphyry North.

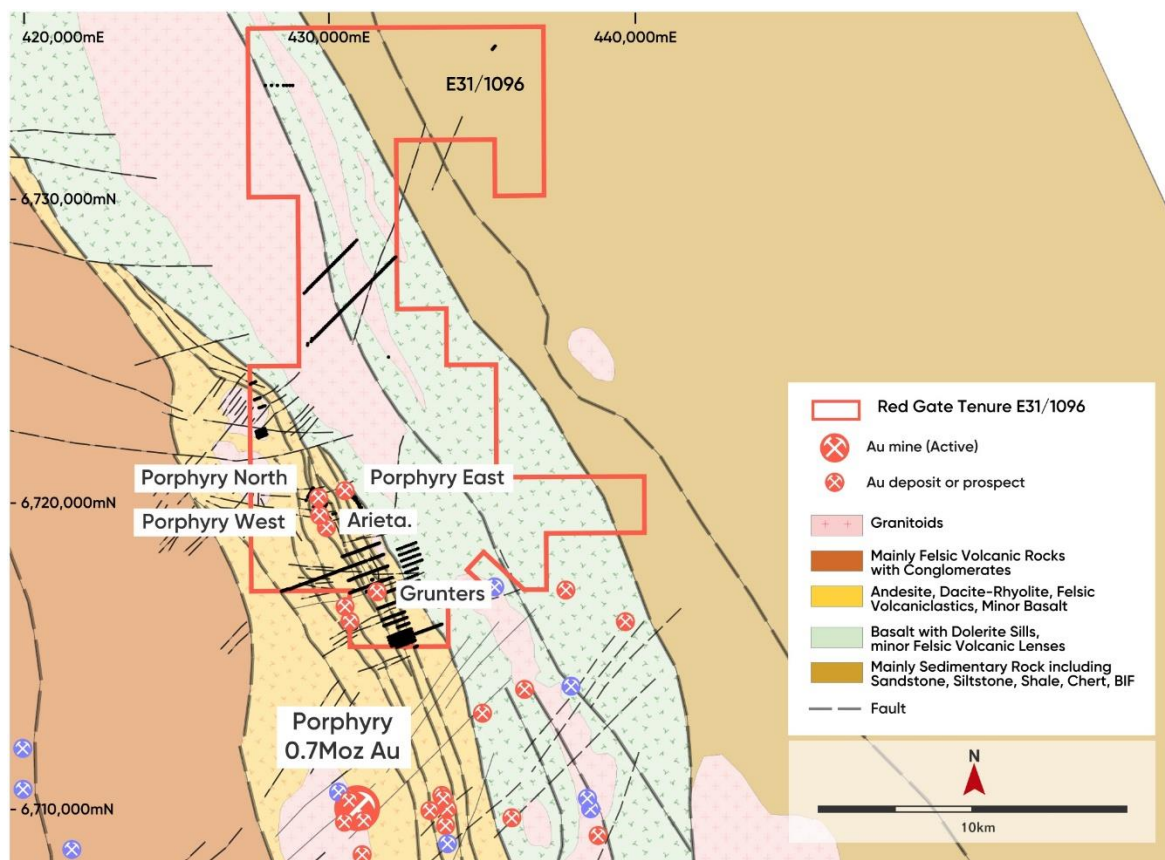


Figure 2. The Red Gate Project Tenements and prospects on interpreted geology

Blackstone Minerals completed a further 2.5d pole-dipole IP (2.5dIP) survey based on the success of the historic GAIP surveys. Three chargeable bodies of interest were identified in the survey, namely:

- PN1 - a shallow, moderately chargeable body coincident with the known and well-drilled Porphyry North gold mineralisation;
- PN2 - a moderately chargeable, resistive body partly coincident with the reconnaissance drilled Porphyry West prospect; and
- PN3 - a deep, broad moderately chargeable, resistive body at a depth of 300–400m to the south-west and possibly loosely connected with Porphyry West. This poorly constrained anomaly is now referred to as the Arieta target.

The current plan is to test the Porphyry West and Arieta IP anomalies, as well as the Grunters soil anomaly, given that Porphyry North is currently well constrained by drilling.

Drilling of these targets is planned to commence in late October, with the initial drilling to focus on a priority program of approximately 2,500m of Reverse Circulation (RC) drilling.

Codrus will update the market as soon as drilling commences.

SILVER SWAN SOUTH PROJECT

The **Silver Swan South Project (100% interest)** is a gold and nickel project located approximately 40km north-east of Kalgoorlie that is comprised of seven (7) granted tenements covering a total area of 45.2km².

The Silver Swan South Project lies approximately 10km north-east of the Kanowna Belle Gold Mine, operated by Northern Star Resources Limited (see Figure 3), and lies along the interpreted structural trend of the Fitzroy Fault (the primary control on mineralisation at Kanowna Belle).

The project has had historic exploration by numerous previous tenement holders, including Blackstone Minerals (**ASX: BSX**). Historic work that supports gold and nickel exploration targeting at the project includes rotary air blast (RAB), air-core (AC) and Reverse Circulation (RC) drilling and several airborne and ground geophysical surveys.

A significant portion of the historical work is interpreted to have not effectively tested the geological opportunity due to not penetrating bedrock as a result of the presence of thick surficial cover.

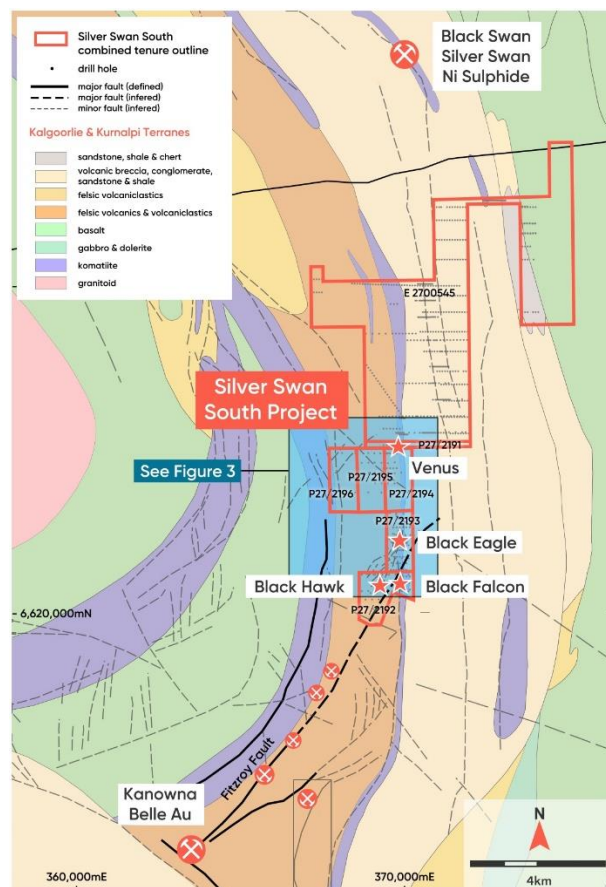


Figure 3. Silver Swan South Project location

The Company's initial drilling program at Silver Swan South targeted the Black Eagle, Black Falcon, Black Hawk and Venus prospects (see Figures 3 and 4), with a single diamond hole completed at each prospect to intersect bedrock.

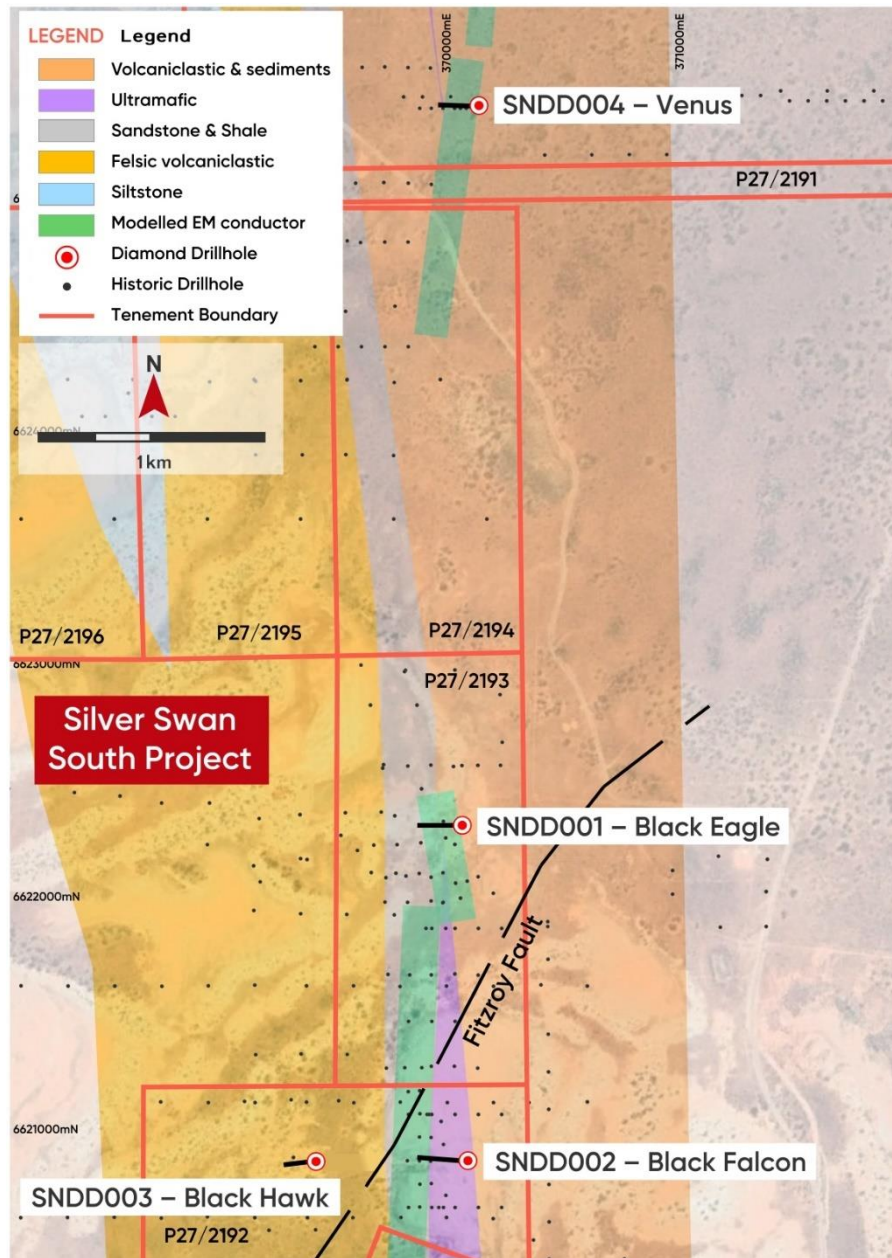


Figure 4. Plan of drill collars and hole traces at Silver Swan South

The results of the drilling were reported to the market in the ASX announcement of 13 October 2021 (refer ASX announcement “Exploration Targeting Continuing at Silver Swan South” for full drilling results).

At Black Eagle, Hole SNDD001 was targeted beneath historic drilling that intersected encouraging gold mineralisation including SNAC070: **10m at 3.2g/t Au from 68m** (see Figure 5) at the interpreted base of transported cover.

The hole did not intersect any gold below the historic intercept, potentially indicating that the mineralisation at the base of paleo cover may not be in-situ. In the ultramafic the hole did intersect a zone of anomalous nickel mineralisation with 9.7m grading 0.21% nickel and 0.17% sulphur from 143.2m.

Given the early stage of the drilling and the embryonic nature of the geological understanding at the project, this is an encouraging result.

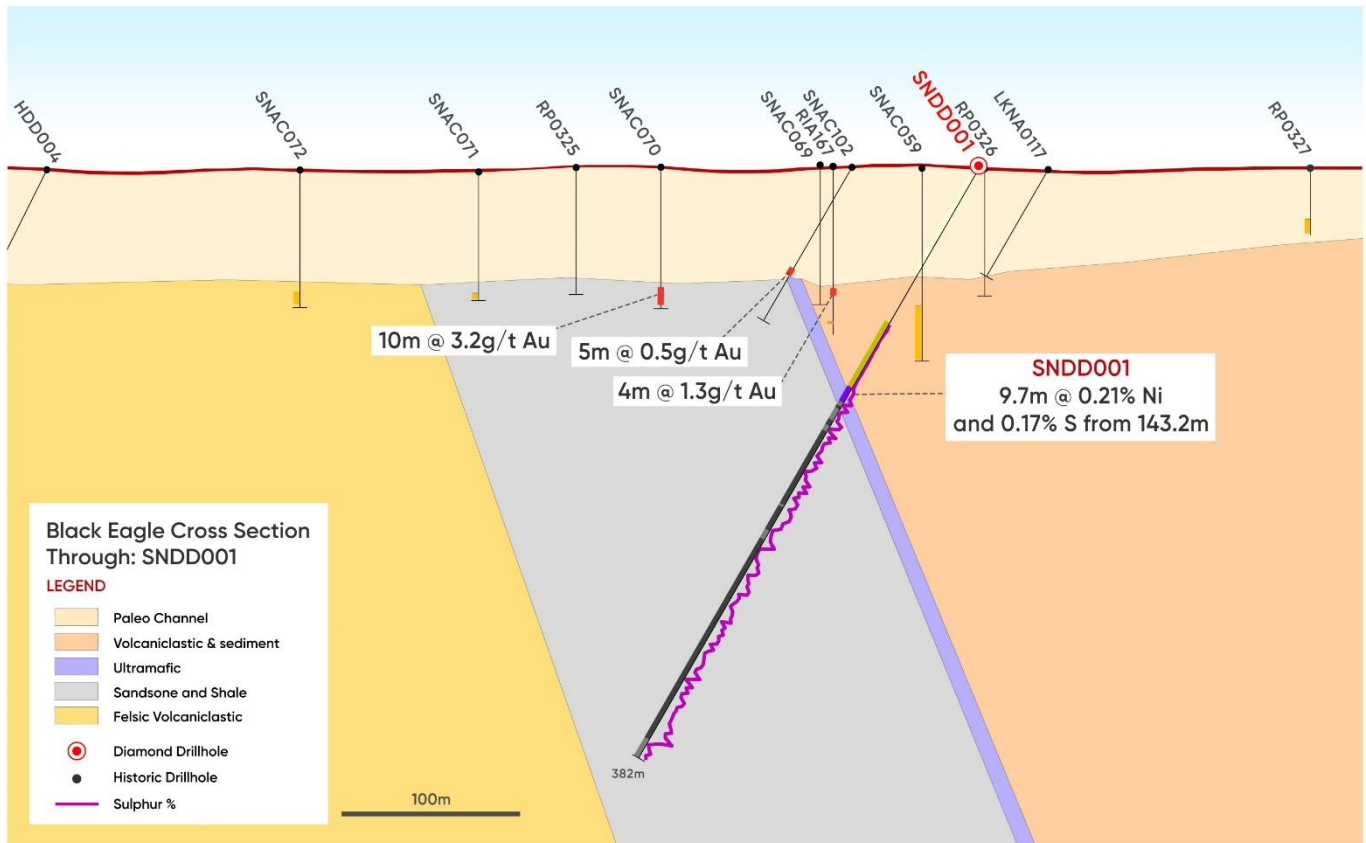


Figure 5. Schematic section of drilling (SNDD001) completed at Black Eagle

At Black Hawk, hole SNDD003 was targeted at recent bottom-of-hole intercepts from SNAC027: 7m at 1.3g/t gold from 52m (including 2m at 3.5g/t from 57m) in felsic stratigraphy adjacent to the interpreted trend of the Fitzroy Shear Zone.

In hole SNDD003 the lower zone sericite + pyrite altered porphyritic felsic volcaniclastics returned 60m at 0.29% sulphur from 223m to the end of hole, including 2m at 0.11g/t gold from 223m.

At Black Falcon, drill-hole SNDD002 targeted an ultramafic sequence that was overlain by a zone of elevated nickel in the in-situ clay zone (SNAC019: 16m at 0.6% Ni, 115ppm Cu and 468ppm As from 24m).

SNDD002 returned 4m at 0.13g/t gold from 445m down-hole (1m off the end of hole) in sericite altered felsic volcaniclastic breccia with milled quartz porphyry clasts which continues to the end of hole. Elevated sulphur (to 0.5%) zones within the +180m thick ultramafic unit in SNDD002 are associated with carbonate alteration.

At Venus, approximately 4.5km north of SNDD003, drill-hole SNDD004 targeted historically reported sulphide (pyrite) mineralisation (KSC2181) and a MLEM geophysical plate.

SDN004 returned a 10m zone of sulphur and zinc grading 3.65% S and 0.22% Zn respectively in sheared (mylonitic) graphitic black shale with low level gold anomalism from 134m down-hole.

Down-hole EM surveying was attempted on all holes reported in this release with only SNDD002 surveyed, as swelling paleo clays had compressed the PVC pipe that had been installed into holes SNDD001, SNDD003 and SNDD004. The down-hole EM survey of SNDD002 did not show any material conductive responses.

Further petrological analysis will inform the geology model and the next steps at Silver Swan South.

MIDDLE CREEK PROJECT

The **Middle Creek Project** (95% to 100% interest) is a gold project located approximately 185km north of Newman and 10km east of the small township of Nullagine in the East Pilbara Region (see Figure 6). The project comprises 21 granted licences covering a total area of 37.4km².

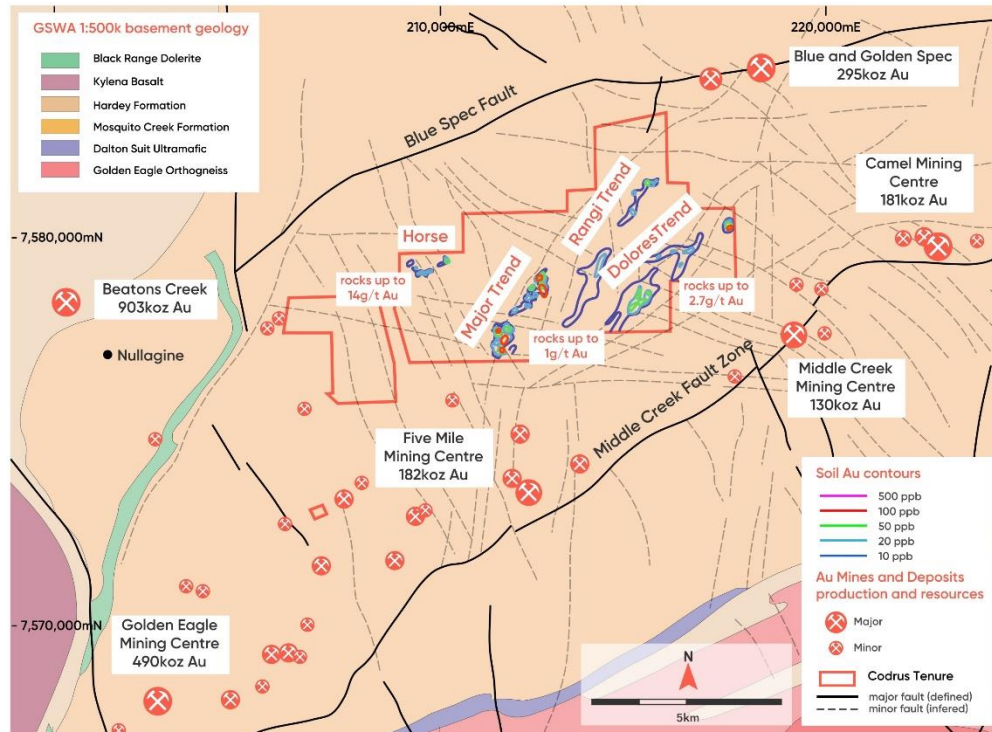


Figure 6. The Middle Creek Project Tenements and prospects on interpreted geology

There has been little historic exploration in the tenement holding at the Middle Creek Project, with work completed including surface geochemistry, geological interpretation and prospecting. The regional geological interpretation is well-understood and the lack of exploration completed on the tenements to date provides an exceptional opportunity in an area of significant historical gold production.

Initial work on the project in the Quarter will include a project-wide review of the geochemical sampling (see Figure 6) with a program of surface trenching planned for excavation, mapping and sampling in the December quarter.

All government approvals for trenching have been received and heritage surveys are currently being planned.

It is envisaged that the targets generated from this work, given the current geochemical anomalies identified, will generate follow-up RC drilling targets.

AMERICAN PROJECT

BULL RUN PROJECT (OREGON, USA)

The **Bull Run Project** is located in Baker County, eastern Oregon, USA, approximately 5 miles south of the town of Unity, and has been intermittently mined for vein gold since around 1929 (see Figure 7). Codrus has an option over the 11 lode mining claims held by Young and Mount View Farms. Additionally, the Company has a 100% interest in an additional 79 lode mining claims surrounding the Young and Mt View Farms claims in the option area.

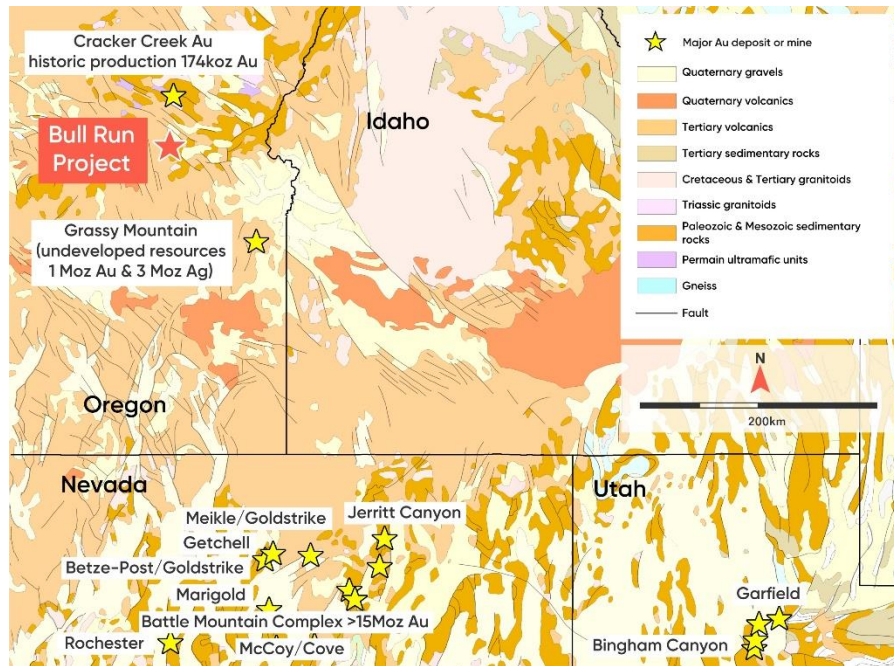


Figure 7. Location of the Bull Run Project in Oregon USA

The Bull Run Project hosts gold and base metal mineralisation in north-east trending en-echelon veins, stockwork-type vein filling and disseminations between major veins within older equigranular biotite-quartz diorite and later felsic porphyritic intrusions (see Figure 8). Low-grade mineralisation is also observed within the serpentinite.

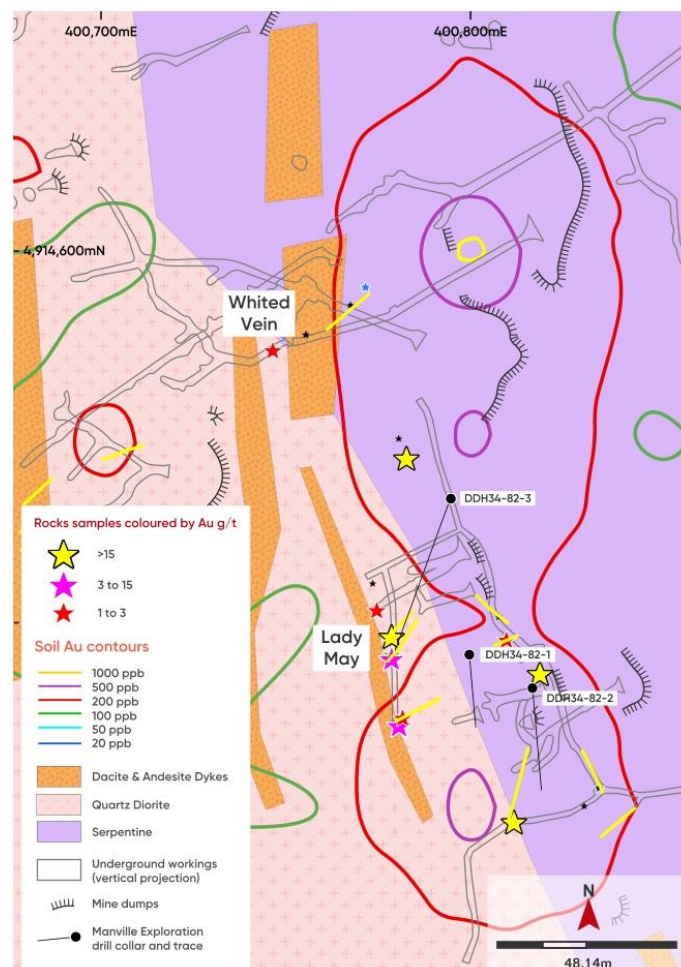


Figure 8. The Bull Run Project Tenements and prospects on interpreted geology

Historical work programs initially had drilling targeting high-grade vein hosted mineralisation and later evaluating potential larger bulk tonnage options. Blackstone Minerals (ASX: BSX) completed soil geochemistry sampling over the claims resulting in the identification of two gold-in-soil trends (see Figure 8):

- The North Trend, approximately parallel to the serpentinite-Bull Run granodiorite contact and the dominant dyke strike through the Bull Run Project area; and
- The NE to NNE Trend, parallel to the dominant vein set within the Bull Run granodiorite, highlighting in particular the Whited, Payton and Sunrise veins.

Additional datasets have also been identified for aiding drill targeting and environmental management, including additional soil sampling, UAV photography and detailed surveying of the existing mine adits. It is envisaged that these datasets will be collected early in the next Quarter.

Fieldwork conducted by previous explorers and by Blackstone Minerals has identified the presence of disseminated pyrite and chalcopyrite mineralisation which may be amenable to pole – dipole IP surveying to define drill targets.

To that end Dias Geophysical have been contracted to conduct a low noise deep 3D DCIP survey over an area of 5.75km² (see Figure 9). The survey, which will commence in the next quarter is anticipated to resolve chargeability and resistivity anomalies to a depth of 400m.

Dias will deliver multi-scale, multi azimuth datasets and 3D models of the chargeability and resistivity through the area. They will also attempt to image and map the sub-surface characteristics associated with the sulphide-rich quartz vein system.

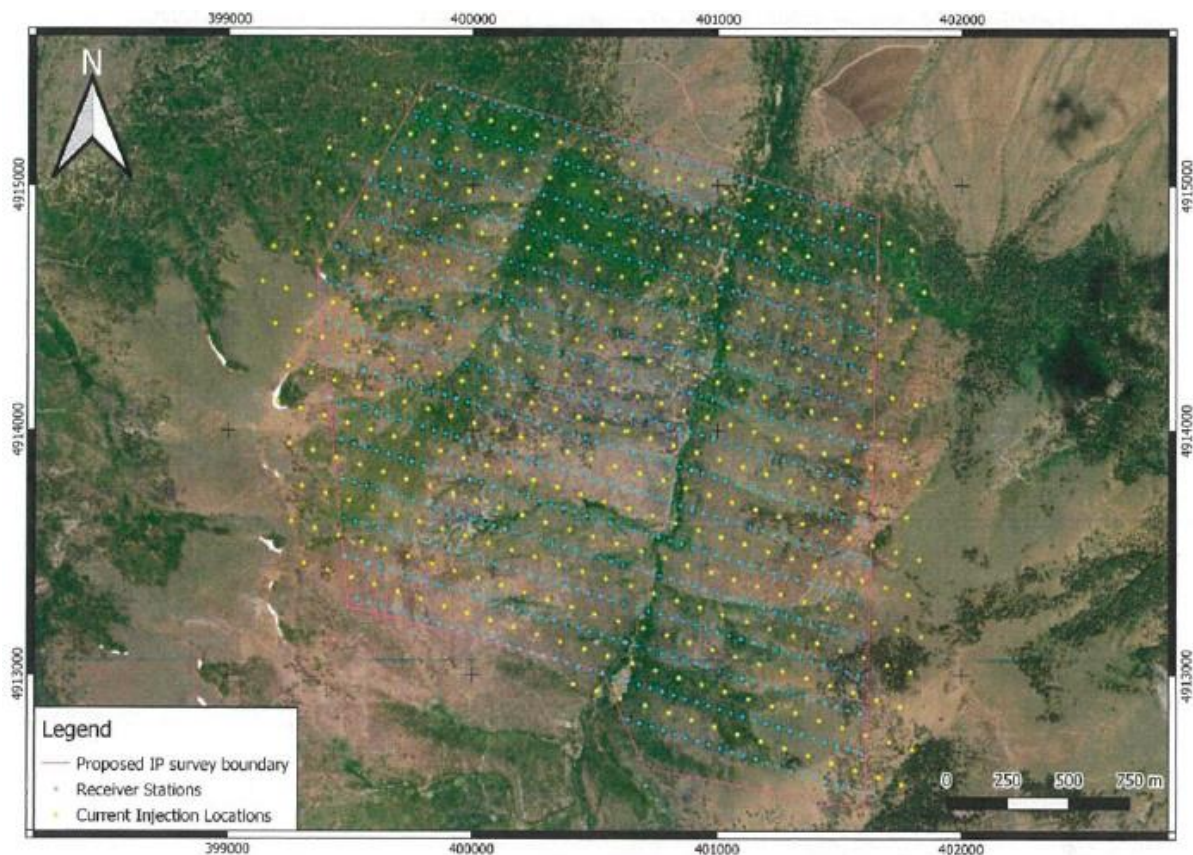


Figure 9. Location and configuration of the 3D DCIP survey. Cyan dots are receiver stations and yellow dots are current injection stations.

The 3D DCIP IP survey results will be integrated with the current geological knowledge to inform a drilling program that is anticipated to commence early in the March 2022 Quarter. Preliminary drill permitting will be completed in the coming quarter and drilling contracts finalised.

COMPLIANCE

For the purpose of Listing Rule 5.3.1, details of the Company's group exploration activities for the Quarter, including any material developments or material changes in those activities, and a summary of the expenditure incurred on those activities is detailed above and below.

For the purpose of Listing Rule 5.3.2, the Company confirms that there were no mining production and development activities during the Quarter by the Company.

Pursuant to Listing Rule 5.3.4, the Company provides the following comparison of its actual group expenditure on the individual items in the "Use Of Funds" statement in its IPO Prospectus since the date of its admission to the ASX's official list, against the estimated expenditure on those items in the "Use Of Funds" statement in the prospectus and an explanation of any material variances. Variance to the estimated spend for Year 1 is due to timing difference as the "Use of Funds" statement covers a period of 24 months whereas the cumulative actual expenditure represents a period of approximately 3 months since the listing date.

Pursuant to Listing Rule 5.3.5, \$128,000 of payments were made to related parties or their associates (refer to Item 6.1 of Appendix 5B) consisting of:

- Directors' fees, salaries and superannuation and consulting fees of \$107,000; and
- Reimbursement of expenses including salary related to exploration activities and office recharges such as rent and shared service charges of \$18,000 and \$3,000 respectively to related entities of which the directors directly do not receive a financial benefit and are on an arm's length basis.

Year 1 Use Of Funds Estimated to Actual (In A\$'000)			
	Year 1*	Actual Spend Year 1**	Variance Under / (Over)
Exploration Silver Swan South	975	537	438
Exploration Red Gate	740	41	699
Exploration Middle Creek	440	49	391
Exploration Bull Run Project (US)	665	63	602
Expenses of the Offer	692	547	145
Working capital	795	178	617
Total	4,307	1,415	2,892

*Estimated in the "Use Of Funds" statement in the IPO Prospectus as loaded to the ASX 23 June 2021

**Year to date (Period: 23 June 2021 to 30 September 2021)

TENEMENT SUMMARY

In accordance with Listing Rule 5.3.3, please refer to Appendix One for a listing of all tenement holdings.

This announcement was authorised for release by the Board of Codrus Minerals.

ENDS

Investor Inquiries:

Shannan Bamforth, Managing Director
Codrus Minerals

Media Inquiries:

Nicholas Read
Read Corporate

About Codrus Minerals Limited

Codrus Minerals is a gold focused explorer with exciting projects in Western Australia (WA) and Oregon, United States of America (USA). All of our Australian assets are located in close proximity to existing operating mines and the Bull Run Project in the USA is located in a rich historic gold producing area. Codrus currently has three projects in WA, comprising 29 tenements with a total landholding of approximately 227.8km². The Silver Swan South and Red Gate Projects are in the Eastern Goldfields, whilst the Middle Creek Project is located in the Eastern Pilbara. The tenements are prospective for economic gold mineralisation, with Silver Swan South also being prospective for Nickel. In the USA, the company holds a 100% legal and beneficial interest for 79 claims and is party to an 'Option Agreement', which covers a further 11 claims in Baker County in Eastern Oregon. In total the claims cover approximately 7km² in the Ironside Mountain Inlier. The Bull Run project is prospective for gold and has been mined intermittently since approximately 1929.

Competent Persons Statement

The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Mr. Shannan Bamforth who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Bamforth is a permanent employee of Codrus Minerals and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Bamforth consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Information in this announcement that relates to previous exploration results for the Projects is extracted from the following ASX announcement:

- *"Silver Swan South Drilling Update" 13th October 2021*
- *"Codrus Minerals – Exploration Update" 24th August 2021*
- *"Codrus Minerals Limited Prospectus" 21st June 2021*

The above announcement is available to view on the Company's website at codrusminerals.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant original market announcements. The Company confirms that the information and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Exploration and Resource Targets

Any discussion in relation to the potential quantity and grade of Exploration and Resource Targets is only conceptual in nature. While Codrus is continuing exploration programs aimed at reporting additional JORC compliant Mineral Resources, there has been insufficient exploration to define mineral resources and it is uncertain if further exploration will result in the determination of maiden JORC compliant Mineral Resources.

Forward-Looking Statements

Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of Codrus. There is continuing uncertainty as to the full impact of COVID-19 on Codrus's business, the Australian economy, share markets and the economies in which Codrus conducts business. Given the high degree of uncertainty surrounding the extent and duration of the COVID-19 pandemic, it is not currently possible to assess the full impact of COVID-19 on Codrus's business or the price of Codrus securities. Actual values, results or events may be materially different to those expressed or implied in this presentation. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements. Any forward-looking statements in this presentation speak only at the date of issue of this presentation. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Codrus does not undertake any obligation to update or revise any information or any of the forward-looking statements in this presentation or any changes in events, conditions or circumstances on which any such forward-looking statement is based.

Appendix One – Tenements

Mining Tenements (and Mining Claims) held at the end of September 2021 Quarter

Project	Location	Tenement	Interest at June 2021
Bull Run (Record Mine)	Oregon, USA	152073, 152074	0%*
	Oregon, USA	152076, 152077	0%*
	Oregon, USA	152078, 152627	0%*
	Oregon, USA	17242 – 17246	0%*
	Oregon, USA	176469 – 176514	100%
	Oregon, USA	178405 – 178437	100%
Silver Swan South	Western Australia	P27/2191 – P27/2196	100%
	Western Australia	E27/545	100%
Red Gate	Western Australia	E31/1096	100%
Middle Creek	Western Australia	P46/1900 - P46/1912	95%
	Western Australia	P46/1914 - P46/1920	95%
	Western Australia	P46/1924	100%

*Lode mining claims held under an option agreement with Young and Mount View Farms

Mining Tenements acquired and disposed during the quarter

Project	Location	Tenement	Interest at beginning of Quarter	Interest at end of the Quarter
Mining tenements relinquished				
Nil				
Mining tenements acquired				
Nil				

Beneficial percentage interests in joint venture agreements at the end of the quarter

Project	Location	Tenement	Interest at beginning of Quarter	Interest at end of the Quarter
Nil				

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed during the quarter

Project	Location	Tenement	Interest at beginning of Quarter	Interest at end of the Quarter
Mining tenements relinquished				
Nil				
Mining tenements acquired				
Nil				