



ACN: 652 352 228

Interim Financial Report

For the Half Year Ended 31 December 2022

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Corporate Directory

Directors Mr Stephen Woodham (Non-Executive Chairman)
Mr Cameron Provost (Managing Director)
Mr David Ward (Non-Executive Director)

Company Secretary Mr Alan Armstrong

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Subiaco Western Australia 6008

Bankers National Australia Bank Limited
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Perth Western Australia 6000

Share Registry Automic Pty Ltd
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Stock Exchange Listing Australian Securities Exchange ('ASX')
ASX code: CBH

ACN 652 352 228

Website www.coolabahmetals.com.au

Directors' Report

The Directors present their report together with the interim financial statements of Coolabah Metals Limited (referred to hereafter as 'Coolabah' or the 'Company') for the half year ended 31 December 2022.

Directors

The following persons were directors of Coolabah during the whole period up to the date of this report, unless otherwise stated:

- Mr Stephen Woodham – Non- Executive Chairman
- Mr Cameron Provost – Managing Director
- Mr David Ward – Non-Executive Director

Mr Stephen Woodham

Non-Executive Chairman

Mr Woodham has over 15 years' experience in the mining and exploration industry in Western Australia and New South Wales. His area of specialisation includes field logistics and support and land access in rural and remote environments. He also has an extensive track record of tenement acquisition, mining investment and commercial and cross-cultural negotiation. Mr Woodham was a founding director of Centaurus Resources, Kingwest Resources and managing director of Tellus Resources.

Mr Cameron Provost

Managing Director

Mr Provost has over 25 years' of diverse experience in executive management, company secretary and directorships crossing over various Limited and Proprietary Limited entities. His broad skillset and learnings include manufacturing, engineering, mining, water management, design & construction, general agriculture, project management, hospitality, gaming, accommodation, training, corporate governance & international patents.

Mr David Ward

Non-Executive Director

Mr Ward is a geologist with over 25 years' experience in mineral exploration and mining in NSW, QLD and NT. He has extensive experience in a wide range of deposit styles and commodities with expertise in NSW geology, particularly intrusive related mineralisation. Previously in exploration and operational roles for several companies including Newcrest Mining, Clancy Exploration, Tellus Resources and Thomson Resources. David is currently the Chief Geologist for private company, Bacchus Resources Pty Ltd.

Principal Activity

The principal activity of the Company during the financial period was copper and gold exploration.

Operating Results

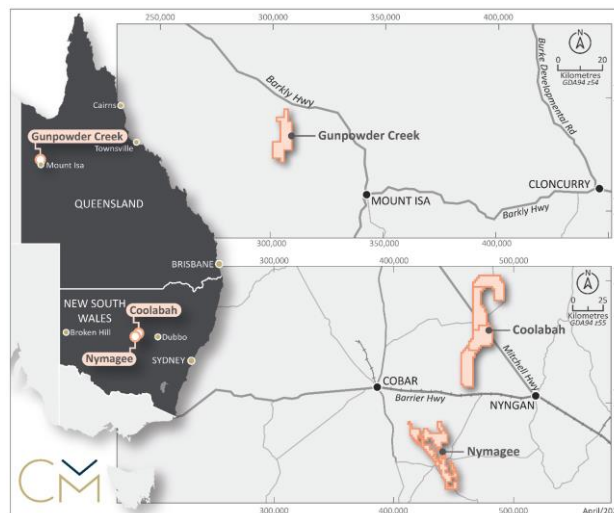
The operating result of the Company for the financial period was a loss of \$1,340,986.

Review of Operations

Successful IPO

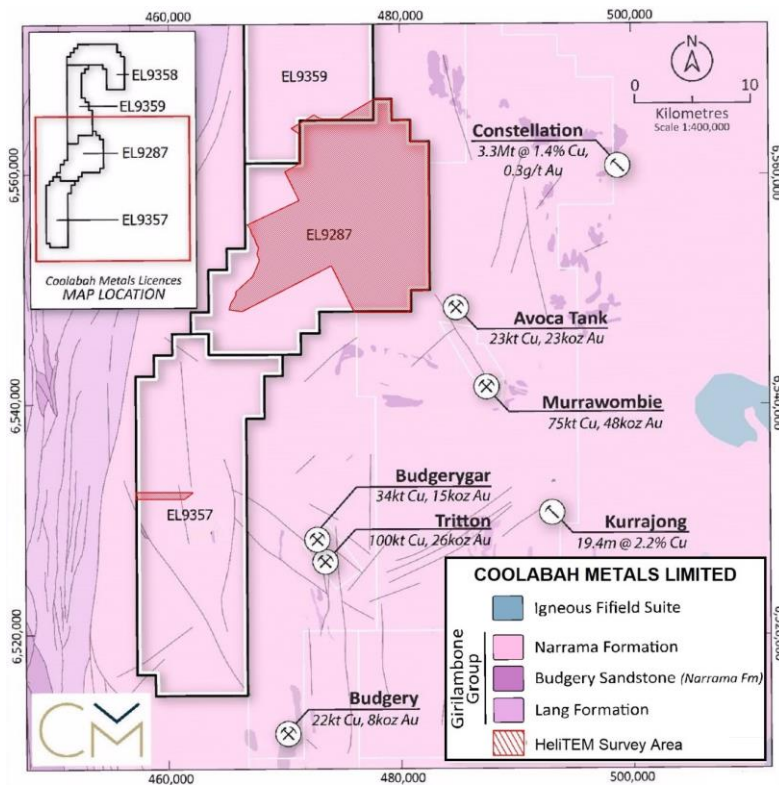
Coolabah Metals Limited successfully listed on the ASX on 26th July 2022, following the completion of its \$6million Initial Public Offering (“IPO”) . With the support of Corporate Advisors, CPS Capital and Barclay Pearce Capital, the \$6 million dollar raising closed with an overwhelming amount of support from the Australian investment community.

Exploration Activities



Coolabah Project, NSW

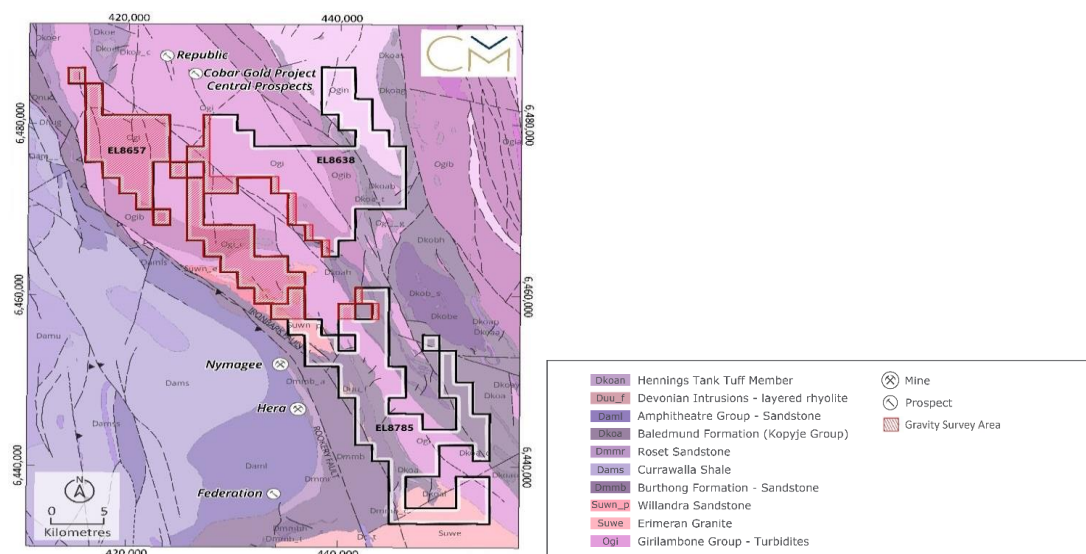
A 996-line km HeliTEM² survey was completed covering an area of over 210 square kilometres, well over half the entire tenement (EL9287). Preliminary results have identified eight (8) targets for follow-up. Review of targets generated from the EM survey is underway.



Location of HeliTEM² survey boundary over EL9287

Nymagee Project, NSW

Coolabah Metals Limited’s Nymagee Project has been incorporated into a larger regional scale airborne gravity survey conducted by the neighbouring tenement holders (Aurelia Metals Ltd ASX:AMI)iii. The airborne gravity survey covers approximately one third of the Nymagee Project tenements. The whole of EL8657, and smaller portions of EL8638 and EL8785 totalling 169 square km’s. The Hera, Nymagee and Federation Deposits display strong positive gravity anomalies, that is interpreted to be related to alteration systems around mineralisation. The gravity data has been processed and interpretation is underway.



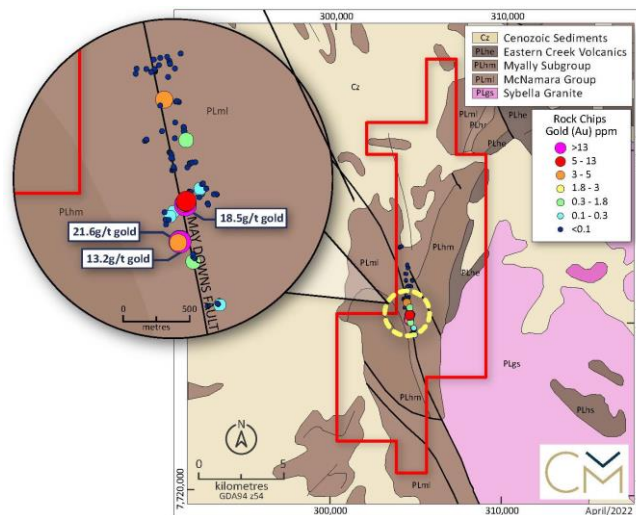
Location of Airborne Gravity Survey boundary over EL8657, EL8638 and EL8785

Gunpowder Creek, QLD

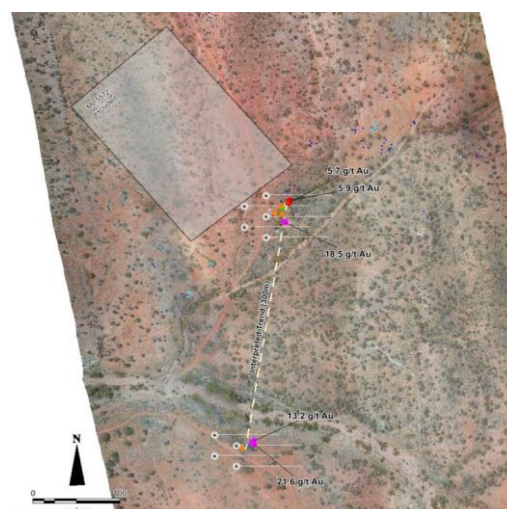
On the 26th August, Coolabah Metals Limited announced results from a 251 rockchips collected during a reconnaissance sampling program, the sampling revealed high-grade gold values from historic workings on the May Downs Fault. High grade rockchip samples from the Gunpowder Creek Project include:

- 21.6 g/t gold (GCR0143)
- 18.5 g/t gold (GCR0123)
- 13.2 g/t gold (GCR0139)

The high-grade results have been collected from two groups of historic workings approximately 300m apart. Strike measurements and the orientation of the historic workings at Golden Sunset suggest that the unnamed workings are along strike to the south-south-west. In light of the high-grade gold results a drilling contractor and all necessary approvals were secured as soon as possible and CBH announced on the 19th October commencement of a 1,500m RC drilling program to test the historic workings. RC Drilling is ongoing at the end of the quarter and results expected early-mid November.



Golden Sunset rockchip sampling returned gold values of 18.5 g/t, 5.7 g/t, 5.9 g/t, 4.7 g/t, 4.1 g/t and 3.7 g/t. Unnamed workings along strike to the south-south-west returned gold values of 21.6 g/t, 13.2 g/t and 3.6g/t.



Planned RC holes and traces, rockchip sample results and interpreted strike.

Expanded Gunpowder Creek project with the purchase of Mining Licences 5571 & 5572 Coolabah Metals Limited signed a binding agreement in October to acquire two Mining Licences with ML5572 located within our current Gunpowder Creek Project licence (EPM27733) and very close to the Golden Sunset historic workings (Figure 2).

The acquisition of ML5572 consolidates 100% ownership of the 5 km strike of the prospective May Downs Fault within the Gunpowder Creek Project (EPM27733).

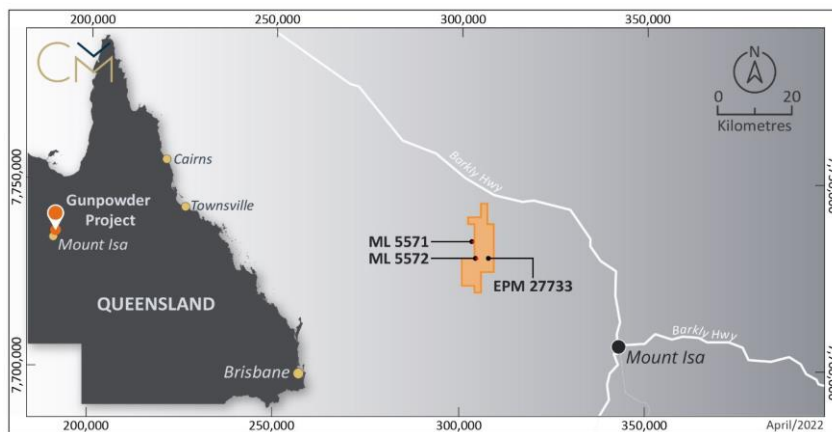


Figure 8: Location of ML5571 & ML5572 at the Gunpowder Creek Project, QLD

The maiden drill program was designed to follow-up the high-grade gold samples collected at 3 of the 26 historic gold workings situated along a north-north-west trending May Downs Fault.

The drilling program returned excellent gold results validating the high-grade surface samples collected from the historic workings.

Results from Gunpowder Creek Drilling

- 5m @ 5.70g/t Au from 108m (CGRC002 – 28.5 GM) Golden Sunset
- 4m @ 5.18g/t Au from 48m (CGRC008 – 20.7 GM) Pearl
- 4m @ 2.43g/t Au from 88m (CGRC003 – 9.7 GM) Golden Sunset
- 5m @ 1.29g/t Au from 97m (CGRC004 – 6.4 GM) Golden Sunset
- 2m @ 2.43g/t Au from 153m (CGRC004 – 4.9 GM) Golden Sunset

Interpretation of the available drillhole data along with surface indications suggests that the gold intercepts are related to fissure veins that strike approximately 50° and dip steeply to the south-east. The implication of the interpretation is that the fissure veins form in a dextral strike-slip structure which is represented by the May Downs Fault, and they should repeat in that same orientation (figure 6).

The Company plans to carry out additional follow up RC drilling at the Gunpowder Creek Project as soon as practical to do so. The drilling completed was oriented towards the east, the new interpretation suggests that the optimal drill orientation to test the mineralised fissure veins is towards the north-west and this interpretation also opens up the potential for multiple fissure veins parallel to that identified at Golden Sunset.

Entitlement Issue of Loyalty Options

The Company announced a pro-rata non-renounceable entitlement issue of options to eligible shareholders on the basis of one (1) option for every two (2) fully paid ordinary shares held by eligible shareholders at 5:00pm (WST) on Monday, 21 November 2022 (Record Date), at an issue price of \$0.001 per Loyalty Option (Loyalty Offer).

The purpose of the Loyalty Offer was to recognise the support and loyalty the Company has received from its shareholders to date, many of them having committed their capital at or before the Company's initial public offer. The Loyalty Offer also serves to help maintain shareholder loyalty for eligible shareholders who have purchased shares since the Company's shares commenced quotation on the ASX on 28 July 2022.

The Loyalty Offer was made to all shareholders of the Company named on its register of members at the Record Date, whose registered address is in Australia or New Zealand (Eligible Shareholders).

The Loyalty Options issued under the Loyalty Offer are exercisable at \$0.20 and expire on 12 December 2025.

The Loyalty Offer was fully underwritten by CPS Capital Group Pty Ltd (CPS Capital) in accordance with the underwriting agreement between the Company and CPS Capital (Underwriting Agreement).

Full details of the Loyalty Offer were set out in the prospectus that was lodged by the Company on the ASX on 15 November 2022 and despatched to the Eligible Shareholders on 24 November 2022.

Significant Events after Reporting Date

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

Dividends

No dividends have been paid, and the Directors do not recommend the payment of a dividend for the period ended 31 December 2022.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, Hall Chadwick WA Audit Pty Ltd to provide the Directors of the Company with an Independence Declaration in relation to the audit of this financial report. The Directors have received the Independence Declaration which has been included within this financial report.

Signed in accordance with a resolution of the Directors.



Cameron Provost
Managing Director

Dated this 16 day of March 2023

To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the review of the financial statements of Coolabah Metals Ltd for the half year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully



HALL CHADWICK WA AUDIT PTY LTD



D M BELL CA
Director

Dated at Perth this 16th day of March 2023

Condensed Statement of Profit or Loss and Other Comprehensive Income For the Half Year ended 31 December 2022

	Notes	Dec 2022 \$	Dec 2021 \$
Revenue		15,268	-
Expenses			
Administration expenses		(374,589)	(4,155)
Consulting and corporate advisory fees		(189,266)	(50,000)
Depreciation and amortisation		(75)	-
Director fees		(208,080)	-
Legal expenses		(38,471)	-
Exploration and evaluation expenses		(488,045)	(34,750)
Travel expenses		(57,728)	-
Total expenses		(1,356,254)	(88,905)
Loss before income tax		(1,340,986)	(88,905)
Income tax expense		-	-
Net loss for the period		(1,340,986)	(88,905)
Other comprehensive income, net of income tax		-	-
Total comprehensive loss for the period		(1,340,986)	(88,905)
Basic and diluted loss per share (cents)		(2.87)	(1.79)

The accompanying notes form part of these financial statements.

Condensed Statement of Financial Position

As at 31 December 2022

	Notes	Dec 2022 \$	June 2022 \$
ASSETS			
Current Assets			
Cash and cash equivalents		4,270,757	114,478
Trade and other receivables		206,428	67,683
Prepayments		6,975	21,651
Total Current Assets		4,484,160	203,812
Non-Current Assets			
Exploration expenditure	4	1,257,000	-
Property, plant and equipment		54,709	-
Total Non-Current Assets		1,311,709	-
Total Assets		5,795,869	203,812
LIABILITIES			
Current Liabilities			
Trade and other payables	5	226,658	214,630
Total Current Liabilities		226,658	214,630
Net Assets/(Deficiency)		5,569,211	(10,818)
EQUITY			
Issued capital	6	7,495,136	658,621
Reserves	7	84,500	-
Accumulated losses		(2,010,425)	(669,439)
Total Equity		5,569,211	(10,818)

The accompanying notes form part of these financial statements.

Condensed Statement of Cash Flows

For the Half Year ended 31 December 2022

	Notes	Dec 2022	Dec 2021
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(977,675)	(4,094)
Payments for exploration and evaluation expenditure		(490,545)	(10,500)
Receipts from other income		15,268	-
Net cash used in operating activities		<u>(1,452,952)</u>	<u>(14,594)</u>
Cash flows from investing activities			
Payments for plant and equipment		(54,784)	-
Net cash flows used in investing activities		<u>(54,784)</u>	<u>-</u>
Cash flows from financing activities			
Proceeds from issue of shares in the Company (net of costs)		5,664,015	720,001
Net cash from financing activities		<u>5,664,015</u>	<u>720,001</u>
Net increase in cash and cash equivalents		4,156,279	705,407
Cash and cash equivalents at beginning of period		114,478	-
Cash and cash equivalents at the end of the period		<u>4,270,757</u>	<u>705,407</u>

The accompanying notes form part of these financial statements.

Condensed Statement of Changes in Equity

For the Half Year ended 31 December 2022

	Issued Capital	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at Incorporation Date	1	-	-	1
Loss for the period	-	-	(88,905)	(88,905)
Other comprehensive income	-	-	-	-
	1	-	(88,905)	(88,904)
Transactions with equity holders in their capacity as owners				
Issue of ordinary shares (net of costs)	678,620	-	-	678,620
Total transactions with equity holders in their capacity as owners	678,620	-	-	678,620
Balance at 31 December 2021	678,621	-	(88,905)	589,716
	Issued Capital	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2022	658,621	-	(669,439)	(10,818)
Loss for the period	-	-	(1,340,986)	(1,340,986)
Other comprehensive income	-	-	-	-
	-	-	(1,340,986)	(1,340,986)
Transactions with equity holders in their capacity as owners				
Issue of ordinary shares (net of costs)	6,836,515	-	-	6,836,515
Issue of performance rights	-	28,500	-	28,500
Issue of options	-	56,000	-	56,000
Total transactions with equity holders in their capacity as owners	6,836,515	84,500	-	6,921,015
Balance at 31 December 2022	7,495,136	84,500	(2,010,425)	5,569,211

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Half Year ended 31 December 2022

Note 1. Corporate Information

This financial report of Coolabah Metals Limited ('Company') was authorised for issue in accordance with a resolution of the directors on 16 March 2023.

Coolabah Metals Limited is a public company, listed on the ASX, incorporated and domiciled in Australia.

Note 2. Summary of Significant Accounting Policies

(a) Basis of Preparation

The interim financial statements are a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard *AASB 134: Interim Financial Reporting*.

The interim financial report does not include all of the information required for a full annual financial report and should be read in conjunction with the annual report for the year ended 30 June 2022. The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of certain non-current assets, financial assets and financial liabilities.

The financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

(b) New and Amended Accounting Policies Adopted by the Company

During the half year ended 31 December 2022, the Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board 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.

(c) Segment Reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision makers to make decisions about resources to be allocated to the segments and assess their performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues.

Operating segments have been identified based on the information presented to the chief operating decision makers – being the Board of Directors.

Note 3. Segment Information

The Company has identified its operating segments based on the internal reports that are used by the Board (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Board as a whole will regularly review the identified segments in order to allocate resources to the segment and to assess its performance.

During this financial period, the Company had no development assets. The Board considers that it has only operated in one segment, being mineral exploration.

Note 4. Exploration Expenditure

	Dec 2022	June 2022
	\$	\$
Issue of shares to acquire the IPO assets ¹	1,200,000	-
Issue of performance rights to acquire ML 5571 & ML 5572 ²	28,500	-
Issue of shares to acquire ML 5571 & ML 5572 ²	28,500	-
	<u>1,257,000</u>	<u>-</u>

¹The issue of 6 million shares at a deemed price of 20 cents per share to the vendors of the tenements as set out in the Company's IPO Prospectus.

²The issue of 300,000 shares and 300,000 performance rights at a deemed price of 9.5 cents per share to the vendors of ML5571 & ML5572.

Note 5. Trade and Other Payables

	Dec 2022	June 2022
	\$	\$
Trade Payables	203,267	203,130
Accruals	23,391	11,500
	<u>226,658</u>	<u>214,630</u>

Trade creditors are expected to be paid on 30-day terms.

Note 6. Contributed Equity

	Dec 2022	June 2022
	\$	\$
Issued and fully paid	7,495,136	658,621

	Number of Shares	\$
Movement in Ordinary Shares on Issue		
On issue at 30 June 2022	14,200,001	658,621
Issue of IPO shares	30,000,000	6,000,000
Issue of Broker shares	750,000	150,000
Issue of shares to acquire the IPO tenements	6,000,000	1,200,000
Issue of shares to acquire ML 5571 & ML 5572	300,000	28,500
Share issue costs	-	(541,985)
On issue at 31 December 2022	51,250,001	7,495,136

Note 7. Reserves

	Dec 2022	June 2022
	\$	\$
Share based payment reserve	84,500	-
	84,500	-

The share based payment reserve is used to record the fair value of options and performance rights granted.

Note 8. Related Party Disclosures
Key Management Personnel

	Short-Term Benefits	Post- Employment Benefits	Other Benefits	Total
	Cash Salary and Fees \$	Super- annuation \$	Allowances \$	\$
Total Related Party Payments	208,080	21,848	-	229,928

In the opinion of the directors, there were no other significant changes in related party transactions during the period ended 31 December 2022.

Note 9. Commitments

In the opinion of the directors, there were no significant changes in commitments during the period ended 31 December 2022.

Note 10. Contingent Assets and Liabilities

In the opinion of the directors, there were no significant changes in contingent assets or liabilities during the period ended 31 December 2022.

Note 11. Events after Reporting Date

No matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Directors' Declaration

In accordance with a resolution of the directors of Coolabah Metals Limited, I state that:

- (a) The attached financial statements and notes:
 - (i) comply with Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Act 2001, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) give a true and fair view of the Company's financial position as at 31 December 2022 and of the Company's performance, for the half-year ended on that date.
- (b) 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 the Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

A handwritten signature in black ink, appearing to be 'C. Provost', written over a horizontal line.

Cameron Provost
Managing Director

Dated this 16 day of March 2023

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF COOLABAH METALS LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Coolabah Metals Limited ("the Company") which comprises the condensed statement of financial position as at 31 December 2022, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

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

- a. Giving a true and fair view of the of the Company's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

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

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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



HALL CHADWICK WA AUDIT PTY LTD



D M BELL CA
Director

Dated this 16th day March 2023
Perth, Western Australia