

**TIETTO MINERALS LIMITED**

Australian Company Number 143 493 118

**ANNUAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**



# TIETTO MINERALS LIMITED

Australian Company Number 143 493 118

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# TIETTO MINERALS LIMITED

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## CORPORATE DIRECTORY

### Board of Directors

Francis Harper	Non-executive Chairman
Caigen Wang	Managing Director
Mark Strizek	Executive Director
Hanjing Xu	Non-executive Director
Paul Kitto	Non-executive Director

### Company Secretary

Matthew Foy

### Registered Office

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Facsimile: +61 8 9486 4799

Website: [www.tietto.com](http://www.tietto.com)

### Compliance Manager

FT Corporate Pty Ltd

104 Colin St

West Perth WA 6005

### Share Registry

Automatic Pty Ltd

Level 5

126 Phillip Street

Sydney NSW 2000

### Australian Solicitors to the Company

Allion Partners Pty Limited

Level 9, 863 Hay Street

Perth WA 6000

### Auditor

BDO Audit (WA) Pty Ltd

38 Station St

Subiaco WA 6008

### ASX ticker code

TIE



## CHAIRMAN'S MESSAGE

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Dear Fellow Shareholder,

Tietto's management has moved rapidly over the last 12 months to advance the Abujar Project to its third resource upgrade set for October 2020 and to be close to the release of a Pre-Feasibility Study for the development of a major gold project.

Investors have begun to recognize both the potential scale of Abujar and the quality and execution speed of Tietto's management team led by CEO Caigen Wang. This new interest led Tietto to raise \$56.6 million in equity funds in July 2020, giving Tietto a cash balance of over \$60 million.

Subject to the delivery of a Definitive Feasibility Study, we believe that we have now raised the large majority of any equity requirement for project development, well ahead of its likely deployment in 2021.

Tietto's highly successful strategy of owning and operating its drilling fleet now numbering 7 diamond rigs has enabled Tietto to consistently report over 2,000 drilling metres per week (or more than 100,000 metres per year) at a cost of less than US\$35 per metre compared to contractor rates exceeding US\$200 per metre. This has resulted in extraordinarily low annual drilling costs and a very low cost of discovery per gold ounce. Tietto intends to accelerate drilling at both the Abujar Project and its other exploration licences as we begin the search for a second gold deposit of Abujar AG Deposit size.

The management of Tietto at all levels is of the highest quality: our brilliant Ivorian geological team led by Yaya Ouattara and Rock Senouvo have been successful in continuously growing gold ounce resources, with assistance from Tietto directors Caigen Wang, Mark Strizek and Dr Paul Kitto.

We are very proud of our in-country management team led by our Country Manager Mr Fred Yao Nkanza who has been operating and managing the Ivorian team so efficiently and professionally.

Other key members include our drilling team comprised of Chinese nationals and Ivorian nationals ably led by our Abujar Project management team have been integral to Tietto's rapid execution and efficient addition of resource ounces including the recent program of deep diamond drilling at Abujar in all conditions, year-round and during the COVID-19 pandemic.

Finally, we are very grateful to our long-standing Ivorian joint venture partners who have been working with Caigen from Tietto's earliest days in 2012 and have been critical for project acquisition and new projects in West Africa. These partners have been brilliant in helping Tietto acquire exploration ground, work with local land-holders in demanding circumstances, and other key stakeholders including the Ivorian Government at all levels. Tietto shareholders are indebted to these gentlemen.

Other vital team members are director Hanjing Xu, company secretary Matt Foy and IR specialist Nathan Ryan.

Tietto is an owner-operated company with the Board holding close to 10% of the capital and is dedicated to maximizing the per-share value of Tietto.

We look forward to delivering more good news for shareholders regularly as we expedite feasibility studies while accelerating our exploration diamond drilling program throughout 2021.

Francis Harper





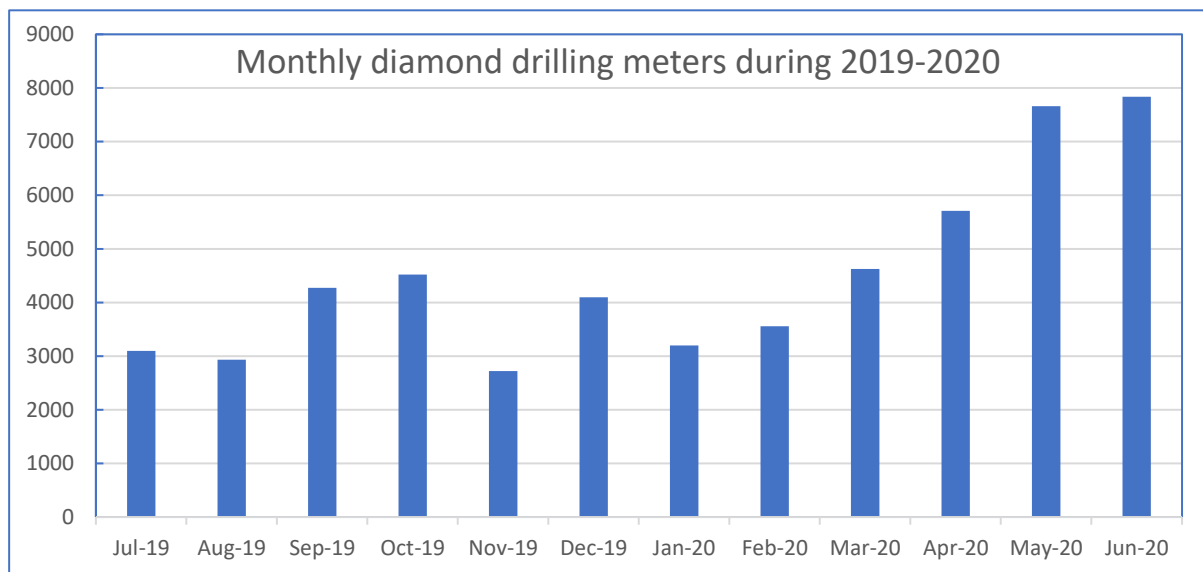
## REVIEW OF OPERATIONS

West African gold developer and explorer Tietto Minerals Limited (ASX: TIE) (**Tietto**) is pleased to report on its activities for the 2020 financial year. The principal activities of the Group during the period were gold exploration in West Africa, specifically in Côte d'Ivoire, where it is developing the Abujar Gold Project. Tietto also has projects in Liberia.

### Exploration

#### Resource Definition Drilling

During FY2020, Tietto completed a total of 54,232m diamond drilling with our company owned rigs that increased in number over the period from 2 to 5 rigs. The drill campaign commenced in October 2019 to infill and extend the Abujar Gold Project at depth and along strike, where the Company believed considerable potential existed for further resource growth.



**Figure 1: Diamond drilling performance during the reporting year with 2 to 4 sets of diamond drill rigs**

The addition of new rigs to the company owned fleet allows Tietto to operate four rigs day/night and keep one rig on stand-by as a backup. In July 2020, Tietto purchased its 6<sup>th</sup> diamond drill rig, a more powerful rig capable of drilling 1000m deep holes for the purpose of testing and defining gold resources as part of the AG depth extension.

Tietto's diamond drill rigs focused on multiple targets to drive resource growth:

- AG – Extending high-grade core (19.3Mt @ 2.2 g/t Au for 1.38Moz)
- AG South – Shallow high-grade gold mineralisation directly south of AG
- APG – Extension to shallow oxide resource 7km south of AG
- GGL (from AG to Gamina) – Directly north of AG with extensive artisanal workings.

Post year-end, the Company reported it had completed more than 61,000 drill metres, continuing with additional programs of work until the resource cut - off date at the end of August 2020 ahead of a resource update announced in mid-October 2020.



## REVIEW OF OPERATIONS (CONTINUED)

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### **AG Deposit**

Tietto's ongoing diamond drilling program at AG is testing the extension of the resources high-grade core (19.3Mt @ 2.2 g/t Au for 1.38Moz). Tietto received many high to exceptionally high-grade assay results from diamond drilling (DD) during the year, with the Company reporting nearly 40 high-grade gold intercepts over 50 gold gram metres within the high-grade core at AG.

In February, Tietto intersected shallow high-grade gold mineralisation in extensional diamond drilling at AG, with results including:

- 13m @ 3.10 g/t Au from 10m
- 1m @ 30.81 g/t Au from 106m
- 1m @ 18.37 g/t Au from 66m
- 1m @ 18.28 g/t Au from 76m
- 1m @ 17.99 g/t Au from 98m

These were followed by further high-grade results on 10 March, 24 March and 2 April 2020:

- 6m @ 17.52 g/t Au from 34m
- 10m @ 12.09 g/t Au from 286m incl. 4m @ 29.65 g/t Au
- 6m @ 9.35 g/t Au from 317m incl. 4m @ 13.85 g/t Au (Figure 2)
- 7m @ 9.38 g/t Au from 259m incl. 1m @ 53.49 g/t Au
- 4m @ 5.06 g/t Au from 318m.

Results from the AG deposit extended gold mineralisation up to 100m below existing resource model, with mineralisation remaining open both along strike and down dip.

In May 2020, Tietto reported results from AG that extended gold mineralisation more than 100m below the existing Resource model, with mineralisation intersected down to 460m below surface. Results from AG continue to demonstrate it is a large high-grade gold system which remains open both along strike and down dip.

Results reported in May-July included:

- 5m @ 14.24 g/t Au from 401m incl. 2m @ 34.7 g/t Au (Figure 2)
- 8m @ 3.12 g/t Au from 276m
- 12m @ 7.54 g/t Au from 370m incl. 5m @ 17.22 g/t Au (Figure 3)
- 6m @ 2.63 g/t Au from 312m
- 7m @ 8.16 g/t Au from 440m; incl. 3m @ 17.16 g/t Au
- 2m @ 15.91 g/t Au from 233m.



## REVIEW OF OPERATIONS (CONTINUED)

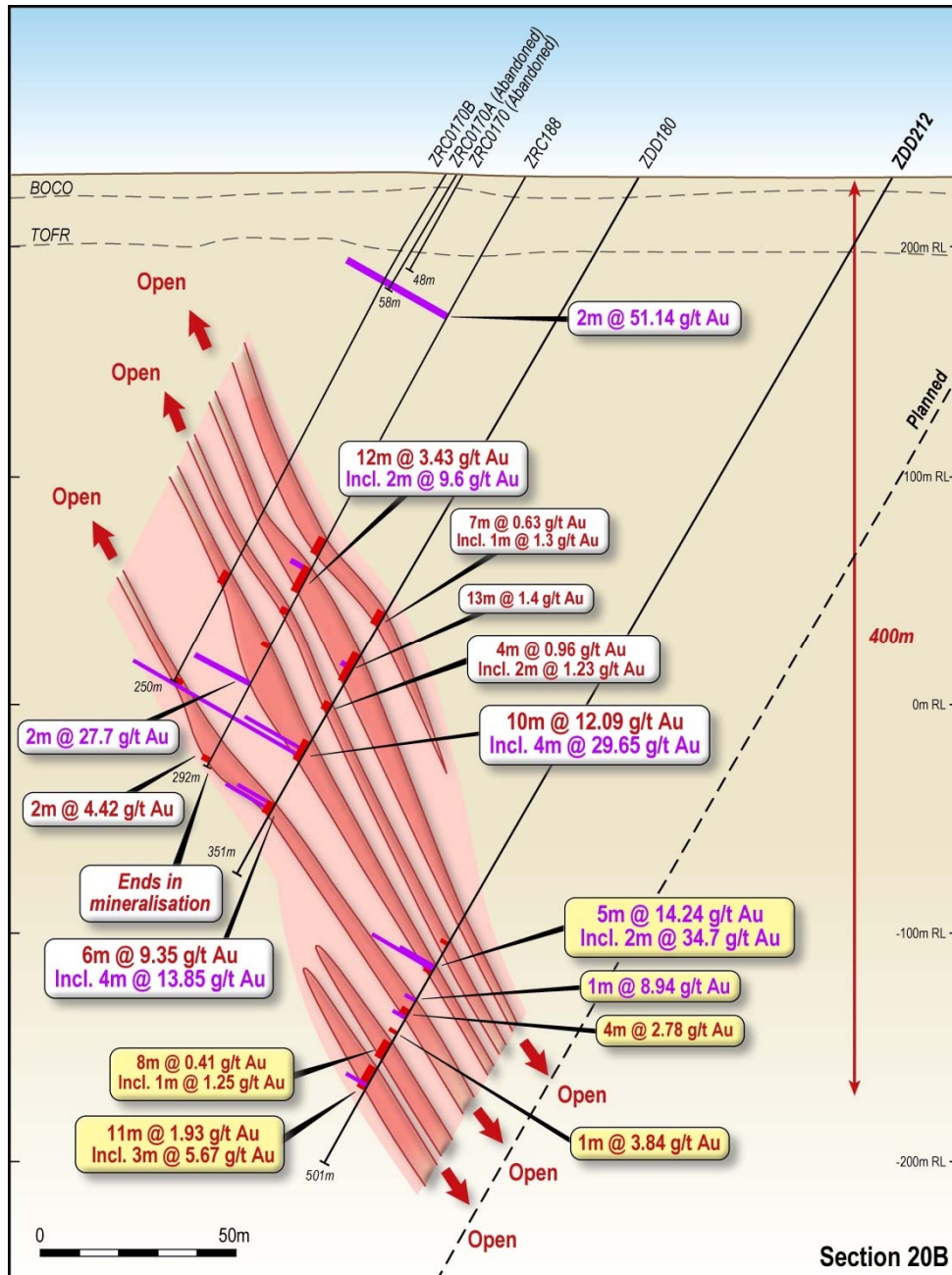
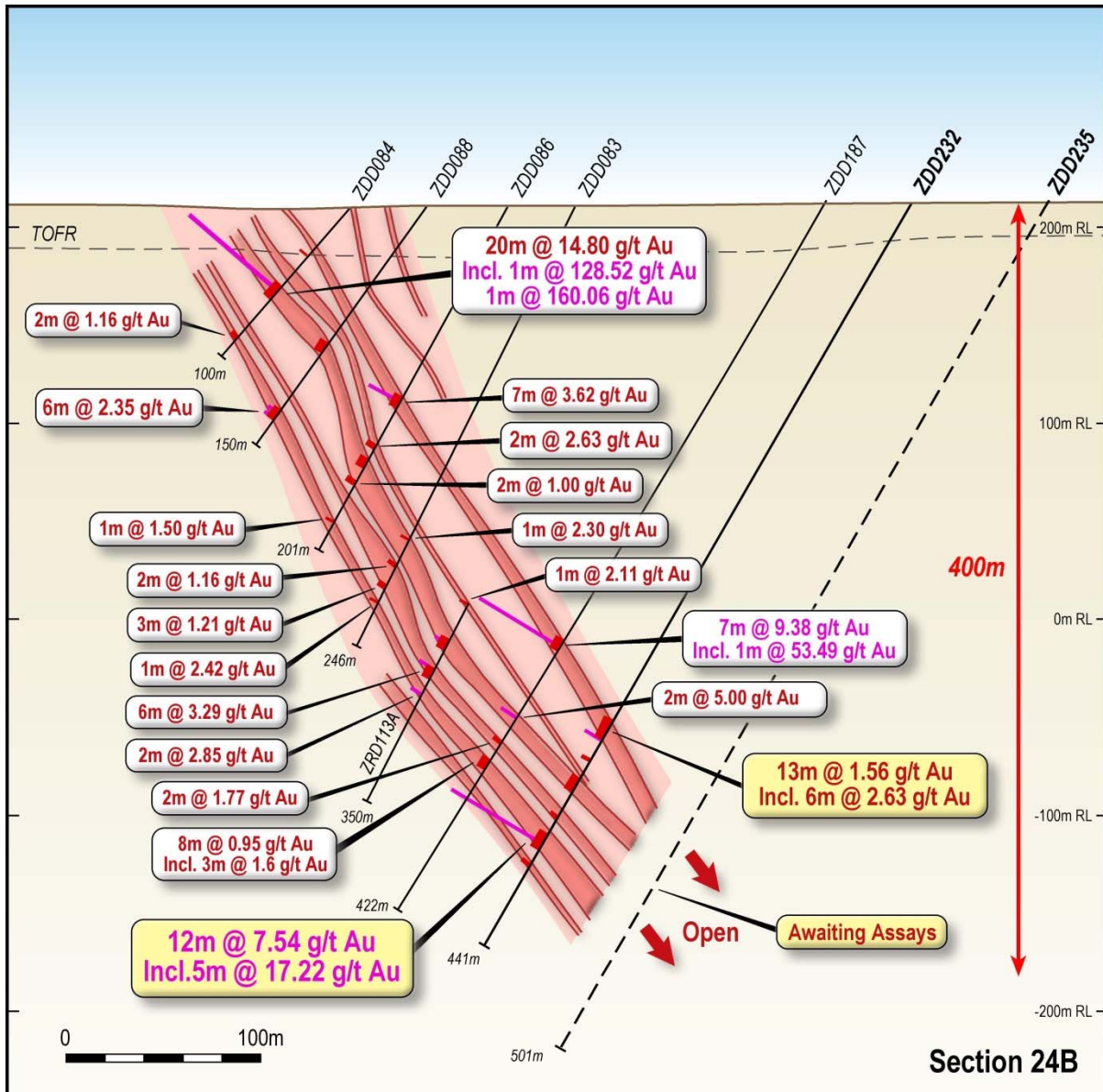


Figure 2: Oblique cross section showing latest deep drill results at AG



## REVIEW OF OPERATIONS (CONTINUED)



**Figure 3: Oblique cross section showing latest deep drill results at AG**

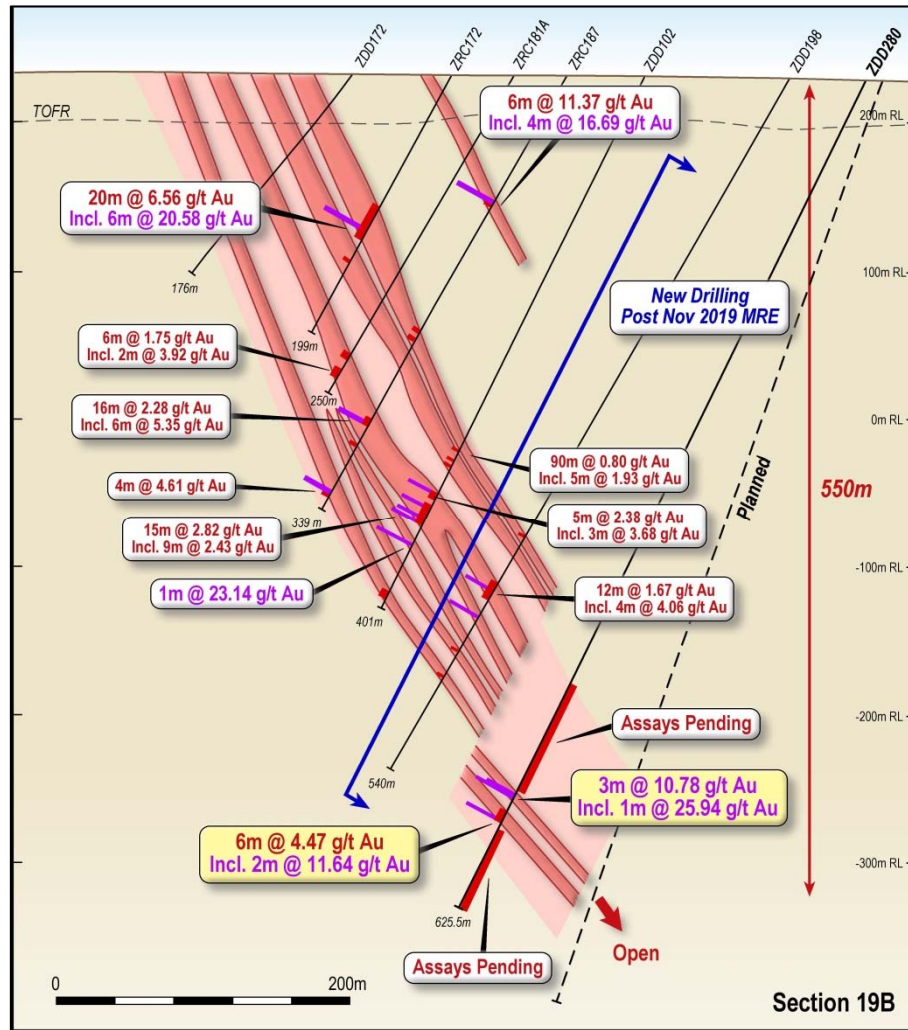
This led the Company to plan five 650m long diamond holes to test the depth extents of the AG system 550 metres below surface over a 650m strike length. Drilling on these holes commenced after year-end in July 2020. First results from these holes included:

- 3m @ 10.78 g/t Au from 537m; incl. 1m @ 25.94 g/t Au (Figure 4)
- 6m @ 4.47 g/t Au from 553m; incl. 2m @ 11.64 g/t Au.





## REVIEW OF OPERATIONS (CONTINUED)



**Figure 4: Oblique cross section showing latest deep drill results at AG**

High-grade gold mineralisation at AG remains open along strike and at depth. Tietto plans to drill more holes along strike at AG, as well as further step-back drilling to test the depth limits of this large high-grade gold system. As of this reporting date, Tietto has reported 40 high-grade gold intercepts over 50 gold gram metres within the high-grade core at AG.

**REVIEW OF OPERATIONS (CONTINUED)****Table 1: Previously reported assay intervals greater than 50 gold gram metres<sup>1</sup> at the AG deposit**

Hole id	From	To	Length	g/t Au	Includes <sup>2</sup>	Depth	Section
ZDD035	76.0	83.0	7.0	57.79	4.0m @ 100.73 g/t Au	66	26B
ZDD084	55.0	62.0	7.0	41.76	4.0m @ 72.87 g/t Au	43	24B
ZDD095	215.0	236.0	21.0	13.02	7.0m @ 38.08 g/t Au	195	23B
ZDD043	111.0	127.0	16.0	16.31	9.0m @ 28.67 g/t Au	103	28
ZDD082	83.0	85.0	2.0	113.30	2.0m @ 113.3 g/t Au	70	26
ZDD028	39.0	57.0	18.0	11.72	1.0m @ 194.93 g/t Au	40	28B
ZRC171	238.0	244.0	6.0	34.17	6.0m @ 34.17 g/t Au	212	20
ZDD333	173.0	194.0	21.0	8.73	4m @ 42.35 g/t Au	145	25B
ZDD027	70.0	88.0	18.0	8.37	4.0m @ 34.93 g/t Au	70	29
ZRC172	108.0	128.0	20.0	6.56	6.0m @ 20.58 g/t Au	103	19B
ZDD180	286.0	296.0	10.0	12.09	4.0m @ 29.65 g/t Au	253	20B
ZDD058	179.0	186.0	7.0	15.50	7.0m @ 15.5 g/t Au	158	25
ZDD061	254.0	255.0	1.0	103.90	1.0m @ 103.9 g/t Au	218	22
ZRC188	70.0	72.0	2.0	51.14	2.0m @ 51.14 g/t Au	62	20B
ZDD074	174.0	176.0	2.0	50.65	1.0m @ 100.39 g/t Au	141	22B
ZDD232	370.0	382.0	12.0	7.54	5m @ 17.22 g/t Au	325	24B
ZRC164A	268.0	286.0	18.0	4.90	12.0m @ 6.92 g/t Au	249	19
ZDD096	173.0	178.0	5.0	17.27	4.0m @ 21.45 g/t Au	144	23B
ZDD081	78.0	94.0	16.0	4.75	6.0m @ 8.44 g/t Au	71	25
ARC17	48.0	58.0	10.0	7.46	8.0m @ 9.21 g/t Au	37	17B
ZDD029	91.0	97.0	6.0	12.07	6.0m @ 12.07 g/t Au	80	27B
ZRC047A	208.0	218.0	10.0	7.16	6.0m @ 11.66 g/t Au	167	23
ZDD212	401.0	406.0	5.0	14.23	2.0m @ 34.7 g/t Au	350	20B
ZDD043	177.0	178.0	1.0	70.35	1.0m @ 70.35 g/t Au	152	28
ZDD092	147.0	153.0	6.0	11.49	6.0m @ 11.49 g/t Au	126	23B
ZRC187	100.0	106.0	6.0	11.37	4.0m @ 16.69 g/t Au	88	19B
ZDD096	122.0	124.0	2.0	33.53	2.0m @ 33.53 g/t Au	100	23B
ZDD187	259.0	267.0	8.0	8.26	7.0m @ 9.38 g/t Au	225	24B
ZRC169B	186.0	192.0	6.0	10.52	6.0m @ 10.52 g/t Au	156	21B
ZRC037	66.0	68.0	2.0	31.10	2.0m @ 31.1 g/t Au	48	25
ZDD104	364.0	370.0	6.0	9.91	1.0m @ 55.28 g/t Au	336	16
ZRC044	74.0	76.0	2.0	29.50	2.0m @ 29.5 g/t Au	56	24
ZRD104	245.0	251.0	6.0	9.60	5.0m @ 11.44 g/t Au	221	19
ZDD235	440.0	447.0	7.0	8.16	3m @ 17.16 g/t Au	381	24B
ZDD180	317.0	323.0	6.0	9.35	4.0m @ 13.85 g/t Au	278	20B
ZRC188	252.0	254.0	2.0	27.70	2.0m @ 27.7 g/t Au	222	20B
ZDD058	194.0	198.0	4.0	13.63	4.0m @ 13.63 g/t Au	169	25
ZDD093	0.0	2.0	2.0	26.33	1.0m @ 52.25 g/t Au	1	23B
ZDD080	54.0	56.0	2.0	26.05	2.0m @ 26.05 g/t Au	47	26B
ZRC174	240.0	250.0	10.0	5.00	10.0m @ 5.0 g/t Au	210	16B

<sup>1</sup> 0.4 g/t Au cut off used with max 3m internal dilution and no top cut applied<sup>2</sup> 1.0 g/t Au cut off used with max 3m internal dilution and no top cut applied



## REVIEW OF OPERATIONS (CONTINUED)

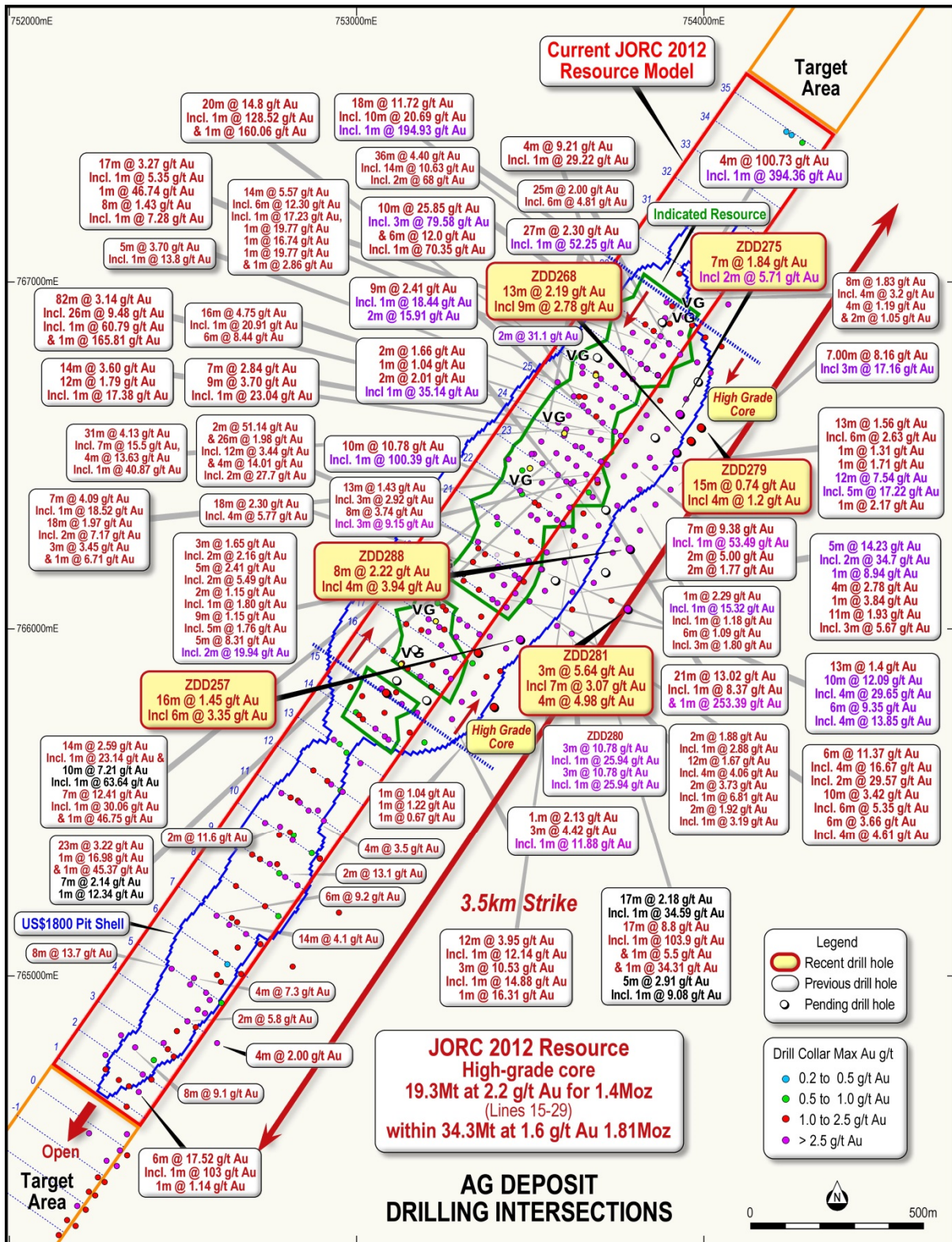
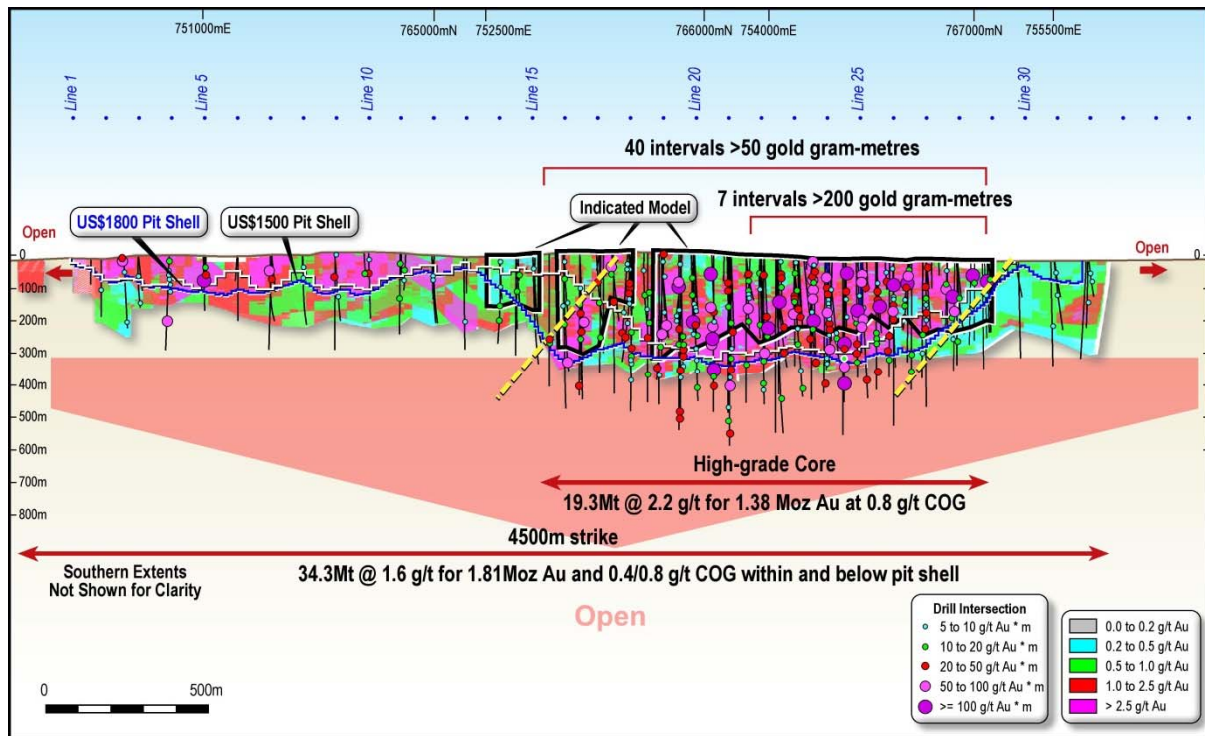


Figure 5: Plan view showing drill results at AG





**REVIEW OF OPERATIONS (CONTINUED)**



**Figure 6: Oblique long section showing latest drill results at AG**

**AG South**

Tietto’s diamond drilling at AG South, as part of its 50,000m campaign, is testing the strike and depth extensions 1.5km south of the high-grade AG core.

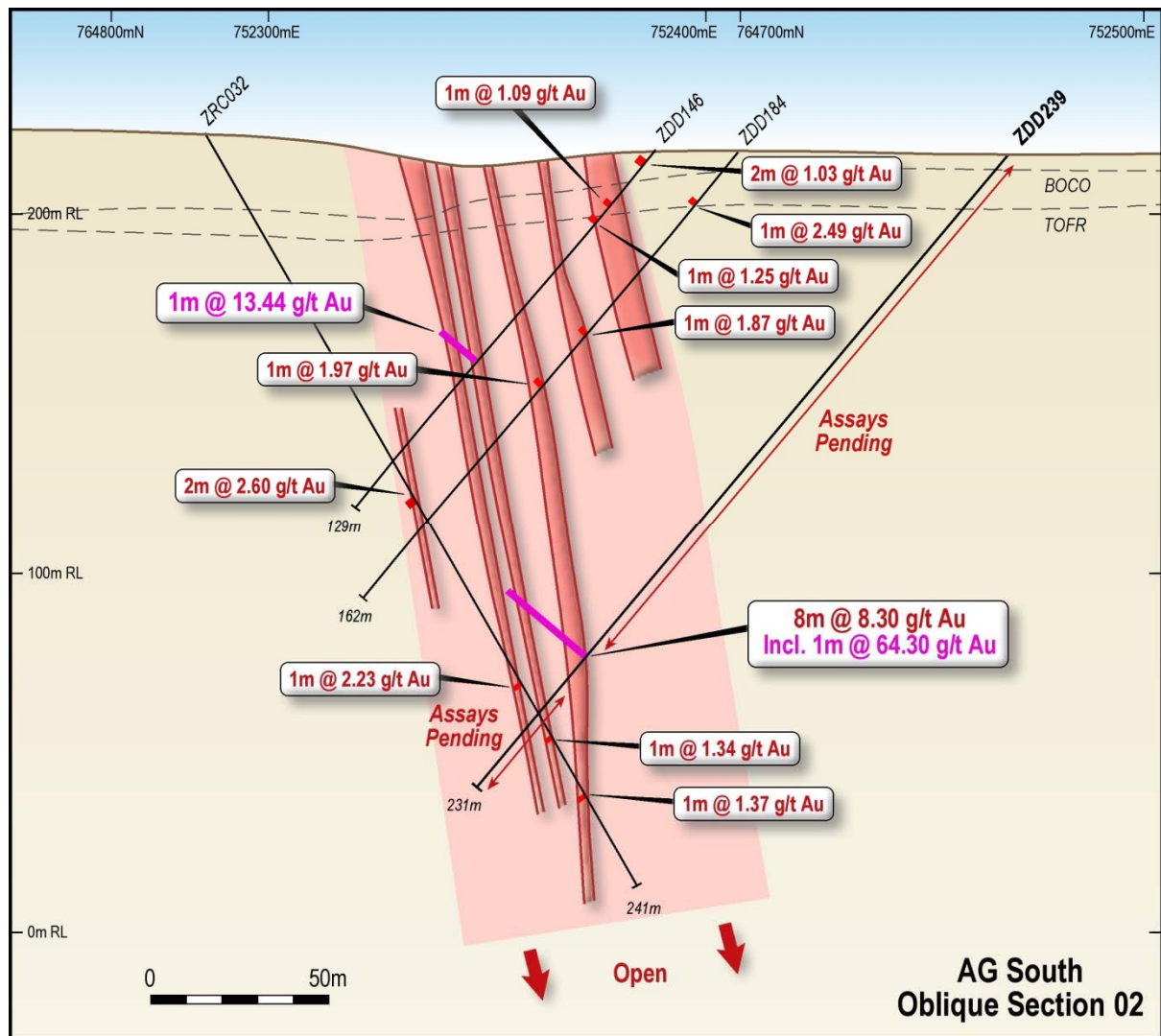
In June 2020 Tietto reported several high-grade intersections including:

- 8m at 8.30 g/t Au including 1m @ 64.30 g/t Au (Figure 7)





## REVIEW OF OPERATIONS (CONTINUED)



**Figure 7: Oblique cross section showing latest drill results at AG South**

These results built on previous results reported by Tietto in February and March 2020 which included 1m @ 30.81 g/t Au and 2m @ 9.44 g/t Au inc. 1m @ 18.28 g/t Au.

High-grade gold mineralisation at AG South remains open along strike and at depth. Tietto plans to drill more holes along strike as well as further step-back drilling at AG South to test the depth limits.

### **APG Deposit**

In January 2020, Tietto reported shallow high-grade results from diamond drilling at the Abujar-Pischon-Golikro (APG) deposit, which is 7km south of the Abujar-Gludehi (AG) deposit. APG is a wide gold mineralised system, with best results of:

- 14m @ 2.45 g/t Au from 50m (Figure 9)
- 28.5m @ 1.04 g/t Au from 22m
- 9m @ 2.32 g/t Au from 160m including 4.92m @ 3.80 g/t Au
- 14.24m @ 1.0 g/t Au from 34m.

Tietto has progressed drilling within the three areas (Figure 8). Approximately 1.5km of combined strike length lays undrilled within the 5km strike that hosts the APG Mineral Resource (Inferred JORC Mineral Resource of 11.2Mt at 1.0 g/t Au for 0.35Moz).



## REVIEW OF OPERATIONS (CONTINUED)

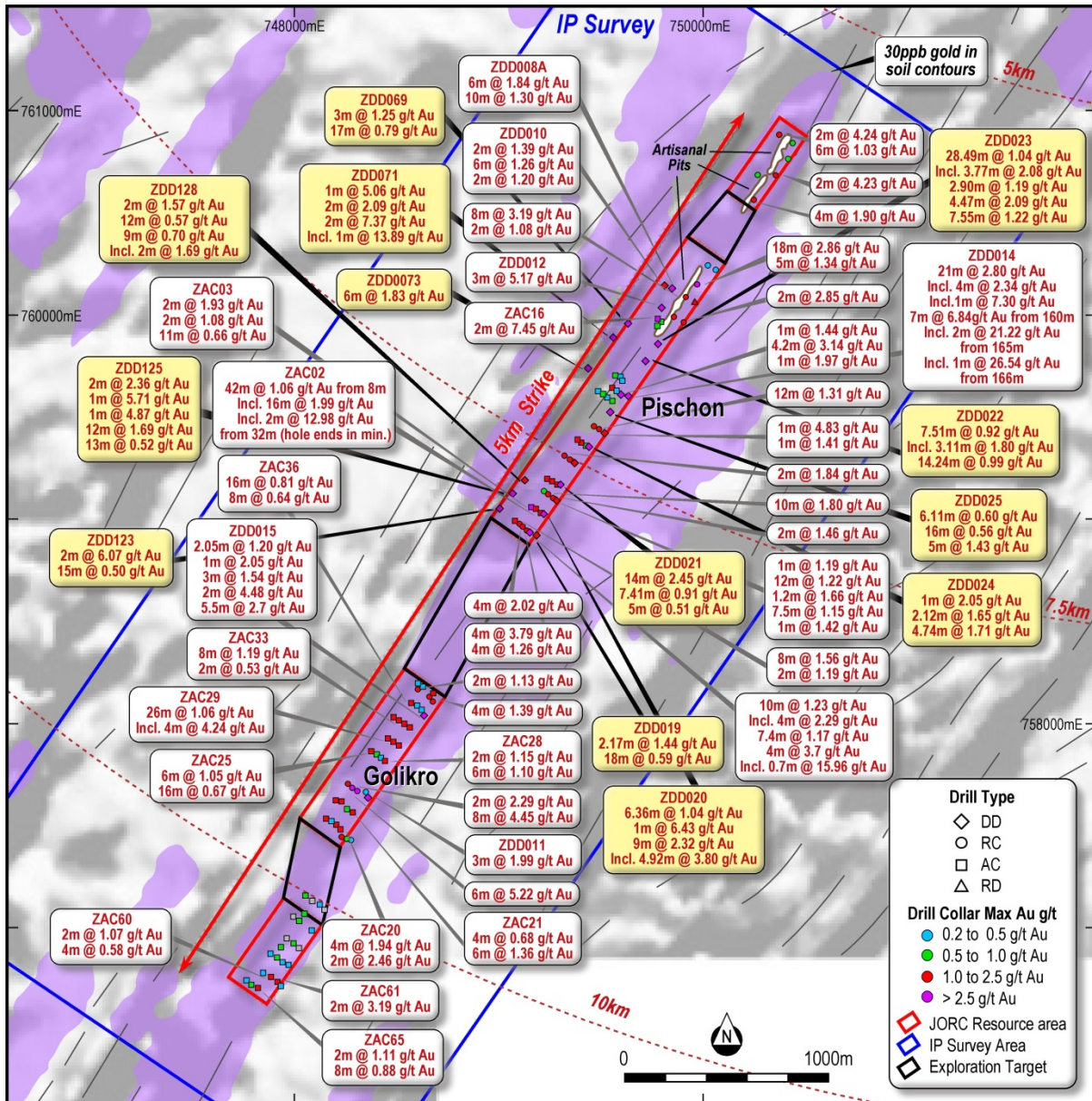


Figure 8: Plan view showing drill results at APG

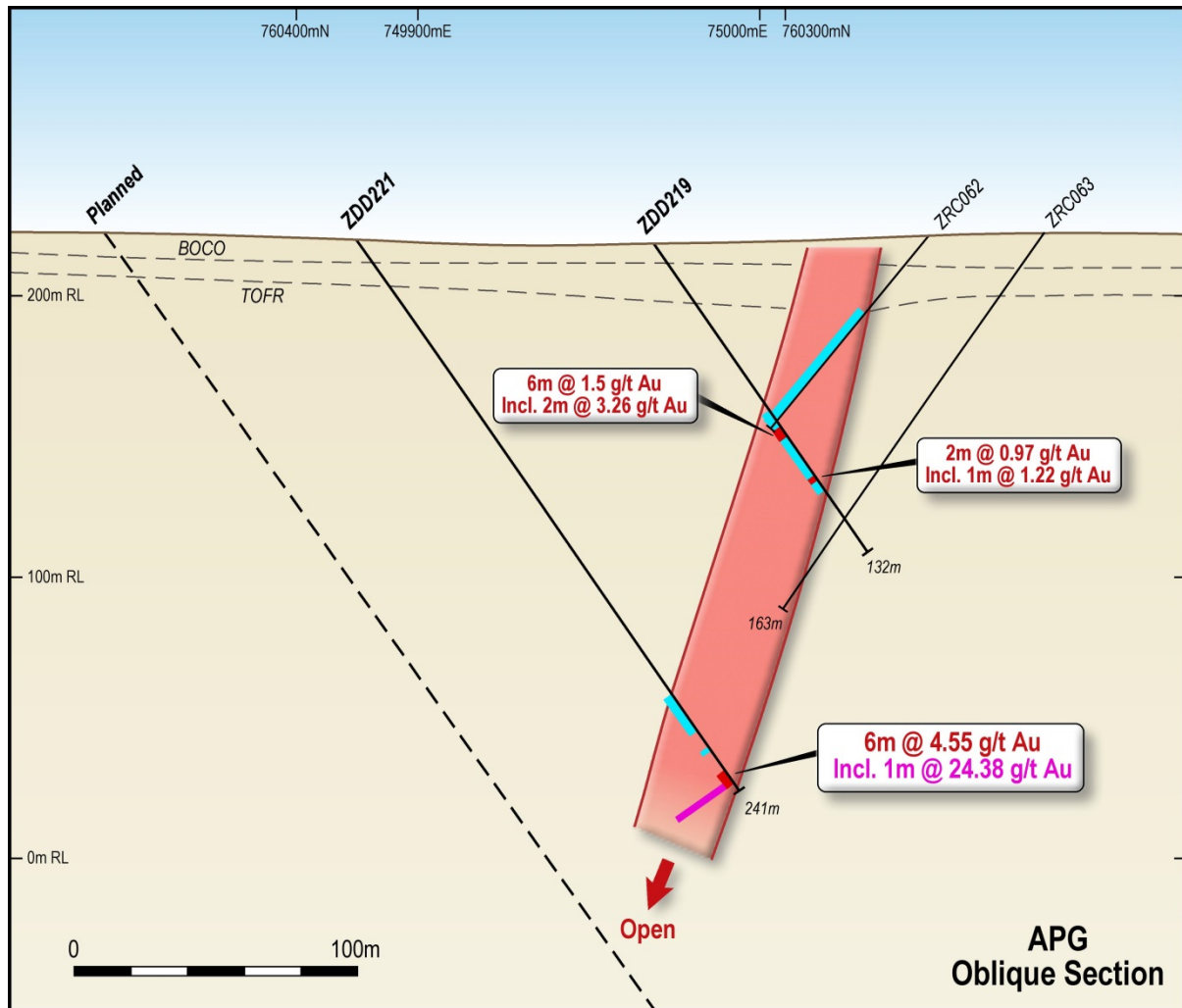
Diamond drilling in the second half of the year continued to extend gold mineralisation along strike and down dip at APG. Results have confirmed gold mineralisation over a 900m strike length that is exclusive of the current Resource model of 350Koz @ 1.0g/t which has joined into a contiguous 3,500m zone, open to the north and south.

Results reported during the June quarter included:

- 6m @ 4.55 g/t Au from 229m incl. 1m @ 24.38 g/t Au (ZDD221) (Figure 9)
- 6m @ 2.67 g/t Au from 83m.



## REVIEW OF OPERATIONS (CONTINUED)



**Figure 9: Oblique Cross Section view showing drill results at APG**

The gold system at APG remains open at depth – up to 280m below surface – and recent holes such as ZDD221 confirm the presence of high-grade gold shoots. Tietto expects its drilling at APG will deliver resource growth, enhancing its potential to provide shallow open-pittable gold ounces that would complement a potential high-grade open-pit operation at AG.

### **Air Core drilling over three Abujar Tenements**

Tietto engaged a contractor to commence a campaign of 26,000m of Air Core (AC) drilling over the three Abujar tenements where gold-in-soil anomalism associated with geological structures has been defined:

- 15,000m AC drilling was undertaken on the western most gold-in-soil anomaly in the Abujar Middle tenement. Field work was completed in July 2020 and assay results are pending.
- 6,000m AC drilling was undertaken on the Abujar South tenement. Field work is ongoing and expected to complete in August 2020.
- 5,000m AC drilling was planned on the Abujar North tenement. Field work is expected to commence in September 2020.





**REVIEW OF OPERATIONS (CONTINUED)**

**Mineral Resources Statement**

**Introduction**

Mineral Resources can be defined as the concentration of material of economic interest in or on the earth's crust, whereas Ore Reserves are the parts of a Mineral Resource that can at present be economically mined.

Mineral Resources and Ore Reserves are reported as tonnes and grade (quality) above a minimum value (cut-off). We report estimates of our Mineral Resources and Ore Reserves on an annual basis, but new discoveries of Mineral Resources can be estimated at any time.

Our estimates of Mineral Resources and Ore Reserves are undertaken by a team of highly skilled technical personnel including geologists, mining engineers and metallurgist that qualify as Competent Persons under the JORC Code.

The JORC Code is a framework for classifying Mineral Resource and Ore Reserve estimates. Mineral Resources can be classified as Measured, Indicated and Inferred, according to the level of geological knowledge and confidence. Ore Reserves can be classified as Proved or Probable on the basis of the Mineral Resource classification and consideration of all JORC modifying factors.

The figures included in our Mineral Resources statement are estimates only and not precise calculations, therefore appropriate rounding according to JORC guidelines has been applied.

The Mineral Resource tables in this report provide a detailed breakdown of the estimates, which have been prepared according to the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code).

**Annual Review**

Tietto conducts an annual review of its Mineral Resources and Ore Reserves. This process is managed by the Executive Director of Tietto. The governance arrangements and internal controls in place with respect to its estimates of mineral resources and the estimation process include oversight of the competent person by the Executive Director and review by the Board. No mining has commenced and no additional mining studies have been completed.

**Abujar Gold Project Mineral Resource Update – 30 June 2020**

The 2020 Mineral Resources for Abujar Gold Project remain unchanged from the 2019 estimate. This information was prepared and first disclosed under the 2012 JORC Code. There has not been any material change since it was last reported.

Tietto announced an upgrade to the Mineral Resource Estimate for its Abujar Gold Project in central Côte d'Ivoire in November 2019, with the estimate increasing by 24% to 45.5Mt @ 1.5 g/t Au for 2.15 million ounces of contained gold (Table 2).

**Table 2: Statement of Mineral Resources by Deposit as at 11 November, 2019 Reported at 0.4 g/t Au cut off within pit shells; and 0.8 g/t Au cut off below the pit shells for AG, and 0.4 g/t to a depth of 40m and 0.8 g/t below 40m for APG.**

Area	Class	Oxide			Transition			Fresh			Total		
		Quantity (Mt)	Au (g/t)	Au (MOz)	Quantity (Mt)	Au (g/t)	Au (MOz)	Quantity (Mt)	Au (g/t)	Au (MOz)	Quantity (Mt)	Au (g/t)	Au (MOz)
AG	Indicated	0.08	2	0.01	0.3	1.6	0.02	14.19	1.8	0.84	14.58	1.8	0.86
	Inferred	0.44	1.5	0.02	1.21	1.3	0.05	18.02	1.5	0.88	19.68	1.5	0.95
	<b>Total</b>	<b>0.53</b>	<b>1.6</b>	<b>0.03</b>	<b>1.51</b>	<b>1.3</b>	<b>0.06</b>	<b>32.22</b>	<b>1.7</b>	<b>1.72</b>	<b>34.26</b>	<b>1.6</b>	<b>1.81</b>
APG	Inferred	1.24	0.7	0.03	3.43	0.8	0.09	6.56	1.1	0.23	11.24	1	0.35
<b>Grand Total</b>		<b>1.77</b>	<b>1</b>	<b>0.06</b>	<b>4.95</b>	<b>1</b>	<b>0.15</b>	<b>38.78</b>	<b>1.6</b>	<b>1.94</b>	<b>45.49</b>	<b>1.5</b>	<b>2.15</b>



## REVIEW OF OPERATIONS (CONTINUED)

**Note:**

1. The Mineral Resources has been compiled under the supervision of Mr. Jeremy Clark who is a full-time employee of RPM and a Registered Member of the Australian Institute of Mining and Metallurgy. Mr. Clark has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code.
2. All Mineral Resources figures reported in the table above represent estimates at 12 November 2019. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.
3. Mineral Resources are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition).
4. The Mineral Resources have been reported at a 100% equity stake and not factored for ownership proportions.

This includes a shallow high-grade core of 1.4Moz at 2.2 g/t Au over a 1.4km zone at the Abujar-Gludehi (AG) deposit. The upgrade also de-risked the AG deposit with the new drilling delivering Indicated Resources of 0.86Moz at 1.8 g/t Au including 9.6Mt at 2.5g/t Au for 0.76Moz from surface at AG.

Tietto's updated AG Mineral Resource totals 34.3Mt at 1.6g/t Au for 1.81 Moz reported at 0.4 g/t Au cut-off within pit shells; and 0.8 g/t Au cut-off below the pit shell. This increase came from 20,000m of step-out and down dip extensional drilling at AG since the April 2019 resource upgrade.

The total resource at AG reported at varying cut-off grades is provided in Table 3 below and shows a significant amount of higher-grade mineralisation within the overall resource. However, RPM recommends that the Mineral Resource is reported using 0.4 g/t Au cut-off above the pit shell and 0.8 g/t Au cut-off below, as presented in Table 2.

**Table 3: AG Indicated and Inferred Mineral Resource at varying cut off grades**

COG	Indicated			Inferred			Total		
	MTonnes	Au g/t	Moz	MTonnes	Au g/t	Moz	MTonnes	Au g/t	Moz
0.3	16.1	1.7	0.88	27.9	1.2	1.09	44.0	1.4	1.97
0.4	15.1	1.8	0.87	25.8	1.3	1.07	40.9	1.5	1.93
0.5	13.7	1.9	0.85	22.8	1.4	1.02	36.5	1.6	1.87
0.6	12.3	2.1	0.82	19.1	1.6	0.96	31.4	1.8	1.78
0.7	10.9	2.3	0.79	15.9	1.7	0.89	26.8	2.0	1.68
0.8	9.7	2.5	0.76	13.6	1.9	0.83	23.3	2.1	1.60
0.9	8.7	2.6	0.74	11.7	2.1	0.78	20.4	2.3	1.52
1	7.8	2.8	0.71	10.4	2.2	0.74	18.3	2.5	1.45
1.1	7.1	3.0	0.69	9.3	2.4	0.70	16.3	2.6	1.39
1.2	6.4	3.2	0.66	8.3	2.5	0.67	14.7	2.8	1.33
1.3	5.9	3.4	0.64	7.5	2.6	0.64	13.3	3.0	1.27
1.4	5.3	3.6	0.62	6.8	2.8	0.60	12.1	3.1	1.22
1.5	4.9	3.8	0.60	6.2	2.9	0.58	11.1	3.3	1.17
1.6	4.5	4.0	0.58	5.5	3.1	0.55	<b>10.0</b>	<b>3.5</b>	<b>1.12</b>
1.8	3.9	4.4	0.54	4.7	3.3	0.50	8.6	3.8	1.04
1.9	3.6	4.6	0.52	4.4	3.4	0.48	7.9	3.9	1.00
2	3.3	4.8	0.51	4.1	3.5	0.46	7.4	4.1	0.97
2.5	2.4	5.7	0.45	2.7	4.2	0.37	5.2	4.9	0.81
3	1.9	6.5	0.40	1.9	4.8	0.29	3.8	5.7	0.69



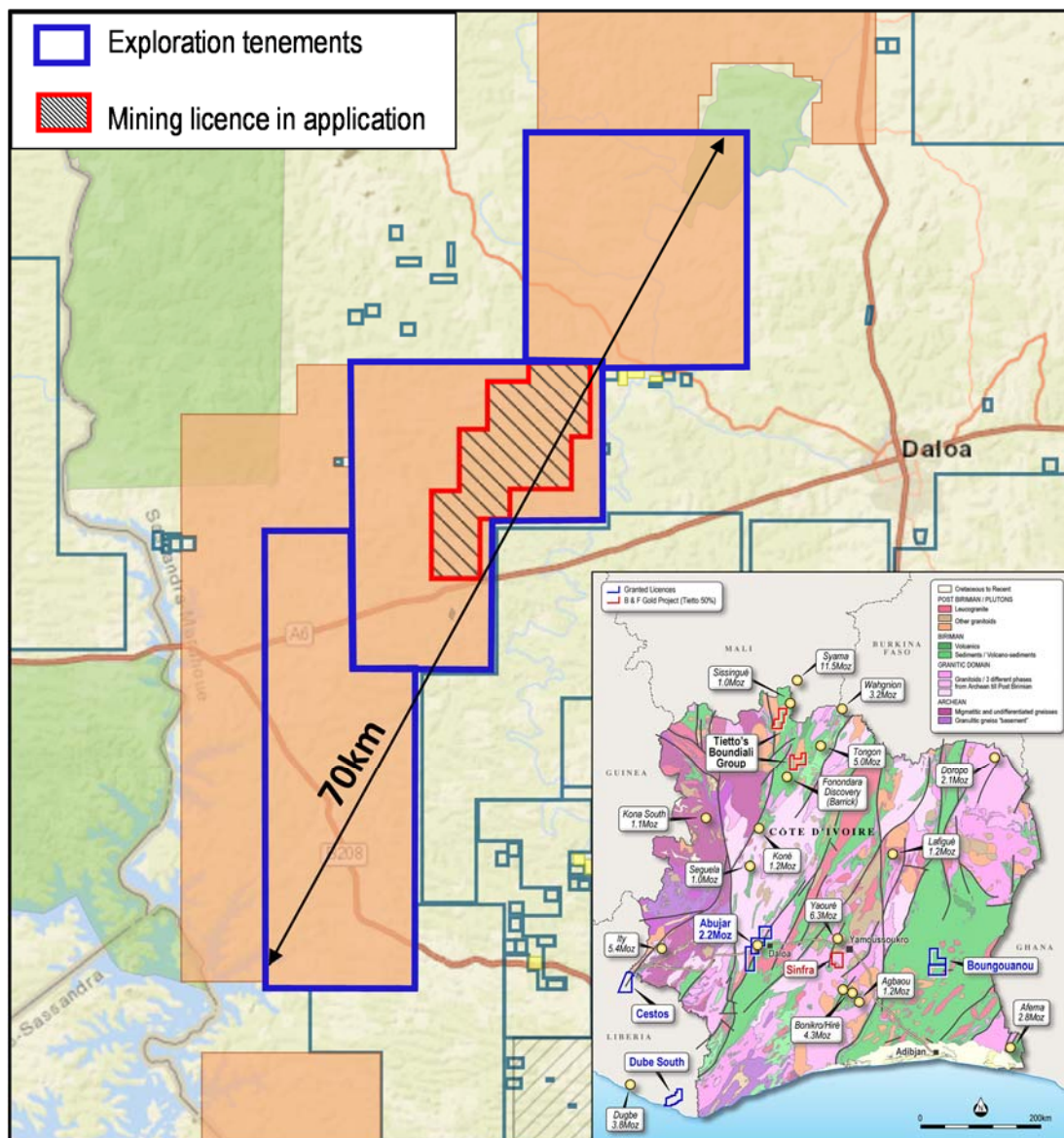
## REVIEW OF OPERATIONS (CONTINUED)

### Abujar Mining Licence application

Tietto Minerals, through its 90%-owned subsidiary Tiebaya Gold Sarl, applied for a gold mineral mining licence within the Abujar Middle Tenement; part of the Abujar Project. The mining tenement application over 120.36km<sup>2</sup> is shown in the Ivorian Mining Ministry's cadastral map, see figure 10 below.

As of the end of the reporting year, the mining licence application has progressed well. Presentations to government authorities (Figure 11) at various levels were delivered in June/July 2020.

Community gatherings for land ownership declarations were held in July 2020 (Figure 12).







**Figure 11: Presentation to government authority in mining licence approval process**



**Figure 12: Community meetings during mining licence approval process**

### **Metallurgical Testwork**

Mintrex Pty Ltd in Perth is contracted to manage detailed metallurgical testing programs for the Abujar feasibility study. Its work advanced grind size establishment, gravity recovery and cyanide leach optimisation, building on preliminary work completed in 2016 which demonstrated exceptional gravity gold recovery of over 80% and CIL gold recoveries above 98%.

Tietto reported detailed results from this program during the June quarter, which demonstrated highly favourable characteristics for low-cost processing including:

- Free milling ores - very high gravity gold and CIL gold recoveries delivering up to 98-99% overall gold recoveries.
- High gold recovery at coarse grind sizes ranging from 96% (180  $\mu\text{m}$ ) to 98% (106  $\mu\text{m}$ ) for fresh ore.
- Notable low energy and low reagent requirements
- Simple flowsheet - single-stage crusher with SAG mill circuit (SSAG) with gravity and CIL for gold recovery.
- Testwork completed on representative samples from the Abujar-Gludehi deposit (AG) which hosts Abujar's high-grade core of 19.3Mt @ 2.2 g/t Au for 1.38Moz.

Tietto subsequently engaged Mintrex to manage metallurgy and plant design for the Abujar Feasibility Studies.



**REVIEW OF OPERATIONS (CONTINUED)**

**Metallurgical Samples**

Samples were divided into nine composites on the basis of their ore type (oxide, transitional and fresh ores) and their proximity. Table 4 identifies the nine composites.

**Table 4 - Sample identification**

Sample ID	Metallurgical Drill Hole ID
Fresh 1	ZDD028, ZDD080, ZDD082
Fresh 2	ZDD028
Fresh 3	ZDD043
Variability Fresh 1	ZDD029, ZDD035
Variability Fresh 2	ZDD081, ZDD090
Variability Fresh 3	ZDD038, ZDD085
Transitional	ZDD090
Variability Trans	ZDD075, ZDD084, ZDD088, ZDD091, ZDD093
Oxide	ZDD087, ZDD088, ZDD090, ZDD093

**Physical Testwork**

The physical properties of the Abujar ores allow Tietto to consider a lower cost, simple flowsheet utilising single-stage crushing with SAG mill circuit (SSAG) given the high gold recoveries obtained at coarser grind sizes (>106 µm) and excellent physical testwork results (), demonstrating gold mineralisation at AG is not abrasive and is of medium to moderate hardness:

- Bond Abrasion Index (**Ai**) – average results were **0.28 for fresh ore** and **0.06 for transitional ore**
- Bond Rod Mill Work Index (**RWi**) – average results were **13.2 kWh/t for fresh ore** and **8.5 kWh/t for transitional ore**
- Bond Ball Mill Work Index (**BWi**) – average results were **12.0 kWh/t for fresh ore** and **9.0 kWh/t for transitional ore**.

- **Table 5: Physical properties**

Process	Material	AG Deposit <sup>3</sup>	Other Projects <sup>4</sup>
Bond Abrasion Index (Ai)	Oxide	0.02	0.003 - 0.08
	Trans	0.06	0.17 - 0.28
	Fresh	0.28	0.24 - 0.46
Bond Rod Mill Work Index (RWi)	Oxide	*	3.7 – 8.63
	Trans	8.5	16.6 – 19.1
	Fresh	13.17	19.4 – 22.1
Bond Ball Mill Work Index (BWi)	Oxide	*	5.4 – 6.1
	Trans	8.95	14.7 – 16.23
	Fresh	12.02	17.78 – 18.9
A*b Index	Oxide	*	
	Trans	135	
	Fresh	48.5	

\*To be tested, too soft to evaluate at this stage

<sup>3</sup> ASX release 9 April 2020

<sup>4</sup> Various NI 43-101 FS 2015 – 2019 (CDV, PRU, WAF)





## REVIEW OF OPERATIONS (CONTINUED)

### **Grind Size Testwork**

Gravity amalgamation testwork established significant gravity gold in almost all composites (including Fresh 1 and Variability Fresh 2, the two samples for the optimisation testwork). The samples were quite “spotty”, having particles of free gold throughout; meaning the grade of the composites was quite variable. This led to the addition of a gravity recovery step which was added before each leach optimisation test.

The selected composites (Fresh 1 and Var Fresh 2) were ground to four particle sizes – 180 µm, 150 µm, 106 µm and 75 µm. Subsequently, samples were gravity separated, the concentrate measured and the tails leached under standard cyanidation conditions. Results are shown in

. Overall recovery after 24 hours was broadly between 94-99%.

**Table 6: Grind size optimisation results**

Sample ID	Grind Size P80 (µm)	Gravity Recovery (%)	Total Recovery after 24h (%)
Fresh 1	180	82.2	96.0
Fresh 1	150	88.3	97.7
Fresh 1	106	80.7	97.5
Fresh 1	75	82.4	98.8
Var Fresh 2	180	56.2	94.2
Var Fresh 2	150	61.7	94.3
Var Fresh 2	106	72.5	97.0
Var Fresh 2	75	54.2	98.0

The gravity concentrate was subjected to intensive leach testwork and the results show that for the Fresh-1 composite, about 86% of the gold was recovered to the gravity concentrate, of which >99% was extracted in the intensive leach. About 78% of the gold in the VAR Fresh-2 was recovered to the gravity concentrate, with >99% extracted in the intensive leach.

### **Leach Optimisation Testwork**

This stage of testwork focused on optimising the conditions for leaching the gold from the ore by cyanidation including detailed gravity separation testwork. The effect of various conditions and parameters on gold recovery during leaching were then examined using the selected samples.

Leaching optimisation tests on two fresh samples found that the leaching process was relatively simple and robust:

- Optimum Grind size - size between 106 µm and 150 µm.
- Use of air or oxygen sparging (ore is not an oxygen consumer).
- Oxygen uptake rate -consumption of oxygen by the reaction is minimal and thus the ore is a very low oxygen consumer.
- Addition of lead nitrate was not necessary.
- Inclusion of carbon in the leaching vessel has a minor positive effect on total gold recovery - calculated head grade and assay grade matched well for these tests, which indicates that the composites do not have any significant preg-robbing characteristics.
- The optimised leaching process consumed of 0.2-0.3 kg/t of cyanide. Lime consumption was around 0.2 kg/t for the fresh domain, 0.6 kg/t for the transitional sample and 2.7 kg/t for the oxide.
- The total gold recovery including gravity and leaching was between 95.5-99%.



## REVIEW OF OPERATIONS (CONTINUED)

### Environment and social impact studies

Tietto appointed RPMGlobal to provide specialist ESG advice for the Abujar project, and Ivorian environment specialist EnviTec to undertake an environmental and social impact study (ESIA) work in April 2020.

The ESIA aims to identify the potential social and environmental impacts of developing Abujar and outline any proposed mitigation measures. Once the ESIA is completed, expected to be late this year, Tietto will submit it to the Ivorian Environment Minister for review and approval as a necessary step for the issuance of the mining license.

Field baseline survey studies were completed by the contractors and the Company is reviewing these reports.

- General meeting to take place in July between government and local communities to promote the Abujar Gold Project for mine development; and
- Public opinion poll on environmental study to be carried out in Q3 2020.



**Figure 13: Environment baseline study and community meeting on social impact**

### COVID-19

Tietto was early to implement comprehensive and extensive hygiene and self-isolation policies to protect its workforce and mitigate any potential impact from COVID-19 in Côte d'Ivoire.

The Company began adopting quarantine protocols in early February and progressively strengthened site safeguards. All steps in Tietto's control were taken to ensure the wellbeing of its people at site and mitigate the spread of COVID-19. There have been no cases of COVID-19 infection reported by any of the Company's employees. Tietto imposed strict measures to restrict the movement of people to site to prevent the spread of COVID-19.

Freight was exempt from government lockdown measures and regular shipments of supplies and fuel were received at site. Tietto is however prepared for any interruption in freight movement, having begun stockpiling supplies, fuel and drilling consumables during February in case of COVID-19 reaching Côte d'Ivoire.

The Company, through its subsidiary has been working closely with local communities in fighting the COVID-19 pandemic and made a 5,000,000XOF (~A\$12,300) donation to an Ivorian food bank in June. The Company also donated general supplies such as rice, cooking oils and sanitizers to the villages within the Abujar project area.





## REVIEW OF OPERATIONS (CONTINUED)



**Figure 14: Tietto supports Ivorian food bank and local communities**

### Safety

Tietto celebrated 500 LTI free days (lost time injury) in March 2020 since commencing diamond drilling with company owned drill rigs. Tietto through its 90% owned subsidiary Tiebaya Gold Sarl held a series of programs to celebrate this important milestone and half day safety training and then an afternoon soccer game.



Rising Ivorian national flag in early morning



Safety training section in the morning



Practical safety training



Afternoon soccer game

**Figure 15: Tietto celebrated 500 days lost time injury free**





## REVIEW OF OPERATIONS (CONTINUED)

### Community Gathering

Tietto held its 5th Annual Community Gathering to celebrate the harmonious collaboration between Tietto and local communities and landowners within the Abujar Project areas, attended by local communities, government officials, senior police officers, representatives of the Ministry of Mines and the Company staff. Each year for the past five years, Tietto has celebrated the smooth cooperation with local communities and officials. During the celebration, representatives from each stakeholder expressed their gratitude and appreciation to the other parties.



**Figure 16: Tietto celebrated its 5th harmonious community collaboration on 10th March 2020**

### Reconstruction of 47km internal access roads

Tietto appointed an external construction company for a three-month reconstruction of 47km of access roads within the Abujar Middle Tenement early in the year. The successful completion of the road reconstruction assisted the smooth and consistent delivery of the DD drilling campaign over the entire wet season with excellent road safety records.

### Camp Expansion

Tietto completed expansion of the Abujar exploration camp capable of accommodating 50 people with additional building units for office, kitchens and six sheds for workshops and core storage etc.



**Figure 17: Abujar exploration camp capable of accommodation 50 people**



## REVIEW OF OPERATIONS (CONTINUED)

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### CORPORATE

#### *Appointment of Executive Director*

In December 2019 Tietto announced the appointment of Mark Strizek as its Executive Director, effective 1 January 2020.

Mr Strizek was a Non-Executive Director of Tietto since July 2017 and instrumental in assisting with the technical development and marketing of the 2.2Moz Abujar Gold Project. He has more than 25 years' experience in gold exploration, resource development and operations of open pit and underground projects.

In his role as Executive Director, Mr Strizek is driving the growth of the Company's gold resources across its projects including the high-grade Abujar Gold Project.

#### *Capital Raising*

In November 2019, Tietto announced it had received binding commitments for a placement to raise A\$17.0 million (before costs) through the placement of approximately 65.4 million fully paid ordinary shares at A\$0.26 per share (**November Placement**).

The Company issued 65,280,719 fully paid ordinary shares at an issue price of A\$0.26 to institutional and sophisticated investors in Australia and overseas, raising approximately A\$17.0 million before costs.

Settlement of the November Placement occurred in two tranches, with Tranche 1 of 29,000,000 shares issued on 26 November and Tranche 2 following Shareholder approval on 9 January 2020.

In addition, two Tietto Directors sought shareholder approval to participate in the November Placement; Non-executive Director Mr Hanjing Xu subscribed for approximately \$200,000 and Non-executive Director Mr Mark Strizek subscribed for \$30,000 in the November Placement.

The November Placement broadened the share register through the introduction of new international and Australian institutional investors and received strong support from existing shareholders.

Post year-end, in August 2020, the Company issued 91 million shares pursuant to a Share Placement and Share Purchase Plan at an issue price of \$0.62 per share raising approximately \$56.6 million total gross proceeds.

Hartleys Limited and Canaccord Genuity (Australia) Limited acted as Joint Lead Managers to the Placement and Underwriters to the underwritten \$45.0 million component of the Placement. The Placement was strongly subscribed by both domestic and international existing and new institutional investors.

Proceeds of the Placement will be used to continue delivering growth in resources through resource and exploration drilling at Abujar, fully fund both the Pre-Feasibility Study and Definitive Feasibility Study for Abujar, provide capital for long lead time items associated with the proposed mine development, and for working capital.

On 10 September 2020, the shareholders approved the issue of 500,000 Class D Performance Rights to Mark Strizek.



**REVIEW OF OPERATIONS (CONTINUED)**

*Release of Escrowed Securities*

The following securities were released from escrow on 18 January 2020:

- 94,017,497 fully paid ordinary shares;
- 11,500,000 options exercisable at 20¢ expiring 31 December 2021;
- 25,808,480 options exercisable at 25¢ expiring 31 December 2021; and
- 14,625,000 performance rights expiring 18 January 2022.

**Appendix A – Schedule of Tenements as at 30 June 2020**

Tenement ID	Status	Interest at beginning of Year	Interest acquired or disposed	Interest at end of Year
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**Côte d'Ivoire**

Abujar North <sup>1</sup> (Zahibo License)	Granted	15%	0%	15%
Abujar Middle <sup>2</sup> (Zoukougbeu License)	Granted	90%	0%	90%
Abujar South (Issia License)	Granted	100%	0%	100%
Bongouanou North	Granted	50%	0%	50%
Bongouanou South	Granted	50%	0%	50%
Two Boundiali tenements	In application			

1. Tietto has the right to acquire up to a 80% interest in the Abujar North Exploration License.
2. Tietto has 90% share capital of Tiebaya Gold which holds 100% interest of the Abujar Middle Exploration License

**Liberia**

Dude South	Granted	100%	0%	100%
Cestos Project	Granted	100%	0%	100%

**Competent Persons' Statements**

*The information in this report that relates to Exploration Results is based on information compiled by Mr Mark Strizek, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Strizek is an executive director of the Company. Mr Strizek has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Strizek consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears. Additionally, Mr Strizek confirms that the entity is not aware of any new information or data that materially affects the information contained in the ASX releases referred to in this report.*

*The information in this report that relates to Mineral Resources is based on information evaluated by Mr Jeremy Clark who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM) and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Clark is an employee of RPMGlobal Asia Limited and he consents to the inclusion of the estimates in the report of the Mineral Resource in the form and context in which they appear. Additionally, Mr Clark confirms that the entity is not aware of any new information or data that materially affects the information contained in the ASX releases referred to in this report.*

**Compliance Statement**

*This report contains information extracted from ASX market announcements reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("2012 JORC Code") and available for viewing at [www.tietto.com](http://www.tietto.com). Includes results reported previously and published on ASX platform, 16 January 2018, 27 March 2018, 23 April 2018, 8 May 2018, 7 June 2018, 4 October 2018, 1 November 2018, 28 November 2018, 31 January 2019, 26 February 2019, 12 March 2019, 9 April 2019, 9 May, 2019, 30 May 2019, 9 July 2019, 26 July 2019, 20 August 2019 and 27 August 2019. The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous announcements.*





# TIETTO MINERALS LIMITED

Australian Company Number 143 493 118

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

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The directors of Tietto Minerals Limited herewith submit the annual financial report of the Company consisting of Tietto Minerals Limited ("Tietto or the Company") and its controlled entities ("the Group") for the financial year ended 30 June 2020. In order to comply with the provisions of the *Corporations Act 2001*, the Directors' Report as follows:

### DIRECTORS

The names of the directors of the Company who have held office during and since the end of the financial year and until the date of this report are noted below. Directors were in office during and since the end of the financial year unless otherwise noted.

Francis Harper (appointed 19 July 2017)	Non-Executive Chairman
Caigen Wang (appointed on 5 May 2010)	Managing Director
Mark Strizek (appointed 19 July 2017)	Executive Director
Hanjing Xu (appointed 4 August 2017)	Non-Executive Director
Paul Kitto (appointed 22 January 2019)	Non-Executive Director

### INFORMATION ABOUT DIRECTORS AND COMPANY SECRETARY

#### **Francis Harper, Non-Executive Chairman (appointed on 19 July 2017)**

Mr Harper is the chairman of Tietto. He has been a director of Blackwood Capital since 2002 and prior to that spent 15 years with NM Rothschild in the US, UK and Australia in M&A and resources finance. Blackwood Capital has raised over \$1 billion for small caps since inception. Mr Harper (through Blackwood Capital) financed West African Resources (ASX: WAF) and was chairman from 2009 to 2015. Mr Harper is currently a non-executive Chairman of Vital Metals Limited.

#### **Caigen Wang, Managing Director (appointed on 5 May 2010)**

Dr Wang founded Tietto in 2010 following a long career as a mining engineer and mine manager in Australia and China, and, early in his career, 2 years at University of Alberta, Canada, 5 years at the Western Australian School of Mines in Kalgoorlie and 7 years before that at China University of Mining and Technology. Dr Wang is a fellow of AusIMM.

From 2009 to 2011 Dr Wang was CEO of ASX listed Ishine Resources, which had multiple Australian exploration projects, and from 2008 to 2009 Dr Wang was Mine Manager/General Manager of Hunan Westralian, managing five small producing and three development gold mines in China. From 2007 to 2008 Dr Wang was Senior Mine Planning Engineer at St Barbara's Southern Cross Operations. From 2004 to 2007 Dr Wang was Senior Geomechanics Engineer for BHP at its Leinster Nickel Operations (Nickel West). From 2003 to 2004 Dr Wang was Senior Geotechnical Engineer at Sons of Gwalia's Southern Cross Operations.

Dr Wang has been responsible for all of Tietto's project acquisition, daily operations of the Company's business and project development.

#### **Mark Strizek, Non-Executive Director (appointed on 19 July 2017), Executive Director (appointed 1 January 2020)**

Mr Strizek is a resource industry professional with over 20 years in the industry with experience in gold, base and technology metal projects. Mr Strizek has worked as an executive with management and Board responsibilities in exploration, feasibility, finance and development ready assets across Australia, West Africa, Asia and Europe. Mr Strizek was Managing Director of Vital Metals Limited, an ASX listed company from 2011 to 2019.

#### **Hanjing Xu, Non-Executive Director (appointed on 4 August 2017)**

Mr Xu has enjoyed a successful career in the natural resources industry over the last 25 years.

The unique characteristic of his career is that he has been a top decision making executive in both Chinese state-owned conglomerates and internationally listed mining companies. Examples include his roles as President of the Australian Branch of China National Nonferrous Metals and Export Corporation (CNIEC), President of CNIEC, Director of Foreign Affairs Bureau, China National Nonferrous Metals Industry Corporation (CNNC), Executive Director of Sino Gold Mining Ltd and Managing Director of Eldorado Gold China. His knowledge of China was instrumental to the success of Sino Gold.



# TIETTO MINERALS LIMITED

Australian Company Number 143 493 118

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

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### INFORMATION ABOUT DIRECTORS AND COMPANY SECRETARY (CONTINUED)

#### **Hanjing Xu, Non-Executive Director (appointed on 4 August 2017) (Continued)**

Mr Xu has a university graduation certificate in English from Chengdu University of Electronic Science and Technology. Prior to joining CNNC Hanjing worked as a teacher of English and editor of China Greater Encyclopedia Publishing House.

Mr Xu led China and CNNC in its launch into the international resource industry with a number of first breakthroughs in Chinese mining industry, including first trade investment in alumina of Alcoa, first international project finance for mining in China and first international company mining in China. He was a keynote speaker at the opening session of Prospectors and Developers Association of Canada 2010 in Canada. He is now actively involved in research on Chinese mining reform and regarded as a leading authority in this area.

In November 2012, Mr Xu successfully published a book in Chinese, "Mining And The World". The book sets a growth theory of mining which in turn illustrates the growth history of world economies, politics and cultures. He is now a visiting professor of China Mining and Geology University and a Fellow Member of Specialist Committee of China Nonferrous Metals Association.

#### **Paul Kitto, Non-Executive Director (appointed on 22 January 2019)**

Dr Kitto has more than thirty years experience within the mining industry serving on a number of Board of Directors and holding senior management positions in various countries around the world predominantly in Australasia and Africa.

Dr Kitto has been Exploration Manager, West Africa for Newcrest Mining Ltd since 2015, and prior to that was CEO of Ampella Mining Ltd from 2008 until 2014 when Ampella was acquired by Centamin PLC. Dr Kitto led Ampella in discovering and growing the 3.25 million oz Konkera resource at the Batie West Project in Burkina Faso.

Dr Kitto has also led or been part of the exploration teams whose research resulted in the discovery of numerous multi-millions of ounces of gold in Africa, Australia and Papua New Guinea. Dr Kitto has extensive experience associated with a wide range of deposit types predominantly associated with gold and base metal deposits.

#### **Matthew Foy, Company Secretary**

Mr Foy is an experienced company secretary and active member of the WA State Governance Council of the Governance Institute Australia (GIA). He spent four years at the ASX facilitating the listing and compliance of companies and possesses core competencies in publicly listed company secretarial, operational and governance disciplines.

### PRINCIPAL ACTIVITIES

The principal activities of the Group are gold explorations in West Africa, specifically in Côte d'Ivoire and Liberia.

### REVIEW OF OPERATIONS

A review of the Group's exploration projects and activities during the year is discussed in the Operations Review included in this Annual Report.

The loss of the Group after income tax for the year was \$12,508,320 (2019: \$9,879,759).

### DIVIDENDS

No dividends were paid or declared since the start of the financial year. No recommendation for the payment of dividends has been made.





# TIETTO MINERALS LIMITED

Australian Company Number 143 493 118

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

### DIRECTORS' SHAREHOLDINGS

The following table sets out each director's relevant interest in shares, debentures, and rights or options in shares or debentures of the Company or a related body corporate as at the date of this report.

Directors	Notes	Ordinary Shares Number	Share options Number	Performance rights Number	Performance rights Class
Francis Harper	1, 6	10,893,030	6,625,000	812,500	Tranche C
Caigen Wang	2, 3, 6	15,790,017	9,885,260	3,250,000	Tranche C
Mark Strizek	4, 6 6	1,659,135	1,625,000	487,500 500,000	Tranche C Class D
Hanjing Xu	4, 6	3,166,058	1,625,000	487,500	Tranche C
Paul Kitto	5, 6	2,000,000	2,000,000	2,500,000	Tranche C

#### Notes:

- Share options comprise 4,125,000 options exercisable at \$0.20 on or before 31 December 2021 and 2,500,000 options exercisable at \$0.1725 on or before 28 August 2022.
- Caigen Wang's relevant interest in ordinary shares is held directly and indirectly through the following parties:
  - 5,898,480 held directly by Caigen Wang;
  - 5,381,820 held by Mrs Jian Zhao (spouse); and
  - 4,509,717 held indirectly through Multiple Resources Pty Ltd, an entity controlled by Dr. Wang.
- 9,885,260 options exercisable at \$0.25 on expiring 31 December 2021.
- 1,625,000 options exercisable at \$0.20 expiring 31 December 2021.
- Share options comprise 1,000,000 options exercisable at \$0.25 on or before 21 January 2022 and 1,000,000 options exercisable at \$0.30 on or before 22 January 2023.
- Tranche C Performance Rights vest upon achieving in respect of the Projects, an aggregate of at least 3.0M oz with cut-off grade of at least 0.4g/t within pit shell and at least 0.8g/t beyond pit shell.  
250,000 of Class D Performance Rights vest upon achieving an aggregate of at least 3.0M oz with cut-off grade of at least 0.4g/t within pit shell and at least 0.8g/t beyond pit shell and another 250,000 Class D Performance Rights will vest upon achieving a positive pre-feasibility study on the Abujar Gold Project.

### REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

Information about the remuneration of directors and key management personnel is set out in the Remuneration Report of this Directors' Report.

### SHARE OPTIONS GRANTED TO DIRECTORS AND KEY MANAGEMENT PERSONNEL

There were no share options or performance rights issued to any Key Management Personnel of the Group as part of their remuneration since the end of the financial year.



# TIETTO MINERALS LIMITED

Australian Company Number 143 493 118

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

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### CHANGES IN STATE OF AFFAIRS

On 4 June 2019, the Group entered into a new subscription agreement ("new agreement") with Hongkong Ausino Investment Limited ("Ausino"). Under the new agreement, Ausino agreed to pay the Group's expenses for a total of up to AUD 2,000,000, within 18 months of 4 June 2019. For each of Ausino's payments, the amount paid will be converted into fully paid ordinary shares in the Company, based on a deemed subscription price of AUD 0.15 per share.

During the financial year 30 June 2020, Ausino paid AUD 784,086 in settlement of debt on behalf of the Group. The debt was converted into 5,227,240 ordinary shares at \$0.15 per share and 5,000,000 options exercisable at \$0.20 on or before 16 January 2023 on 17 January 2020.

In August/September 2019, the Company successfully completed Tranche 2 of the share placement which started in April 2019. Tranche 2 comprised the issue of 4,133,335 shares at an issue price of \$0.15 per share raising \$620,000 before costs.

During the year, the Company further raised \$17 million before costs through the placement of 65,280,719 fully paid ordinary shares at A\$0.26 per share to accelerate the Group's drill-out of the rapidly expanding Abujar Gold Project.

There were no other significant changes in the state of affairs of the Group during the year.

### EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to year end, the Company issued 91 million shares pursuant to a Share Placement and Share Purchase Plan at an issue price of \$0.62 per share raising approximately \$56.6 million total gross proceeds.

On 10 September 2020, the shareholders approved the issue of 500,000 Class D Performance Rights to Mark Strizek.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while there has been no negative impact for the Group up to 30 June 2020, 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 Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

There has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

### LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Disclosure of information regarding the likely developments in the operations of the Group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Group. Accordingly, this information has not been disclosed in this report.

### SAFETY AND ENVIRONMENTAL REGULATIONS

The Group is aware of its occupational health and safety and environmental obligations with regard to its exploration activities and ensures that it complies with all regulations including compliance with the National Greenhouse and Energy Reporting (NGER) Act 2007 when carrying out exploration work.

### PROCEEDINGS ON BEHALF OF THE GROUP

No persons have applied for leave pursuant to section 237 of the *Corporation Act 2001* to bring, or intervene in, proceedings on behalf of the Group.



# TIETTO MINERALS LIMITED

Australian Company Number 143 493 118

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

### SHARE OPTIONS

Share options outstanding at the date of this report:

Type	Number	Grant date	Expiry date	Exercise \$	Fair value at grant date \$
Unlisted	5,125,000	31/10/2017	31/12/2021	0.20	0.112
Unlisted	5,000,000	29/12/2017	31/12/2021	0.20	0.113
Unlisted	39,530,203	29/12/2017	31/12/2021	0.25	Nil (free-attaching)
Unlisted	7,000,000	27/07/2018	22/01/2023	0.30	0.058
Unlisted	1,000,000	18/10/2018	22/01/2022	0.25	0.034
Unlisted	1,000,000	13/08/2019	22/01/2022	0.25	0.147
Unlisted	1,000,000	13/08/2019	22/01/2023	0.30	0.161
Unlisted	2,500,000	13/08/2019	28/08/2022	0.1725	0.174
Unlisted	11,500,000	28/08/2019	28/08/2022	0.1725	0.148
Unlisted	5,000,000	4/6/2019	16/1/2023	0.20	Nil (free-attaching)
	<u>78,655,203</u>				

The holders of such options do not have the right, by virtue of the option, to participate in any share or other interest issue of any other body corporate or registered scheme.

### Shares issued on the exercise of options

During the year, 262,000 ordinary shares were issued on the exercise of 262,000 options at \$0.25 per share.

### Share options that expired/lapsed

1,000,000 share options exercisable at \$0.30 expiring 22 January 2023 were cancelled following the cessation of an employee's employment. No other share options expired or lapsed during or since the end of the financial year.

### PERFORMANCE RIGHTS

Performance rights outstanding at the date of this report:

Class	Number	Grant date	Expiry date	Exercise \$	Fair value at grant date \$
Tranche C	5,037,500	31/10/2017	18/01/2022	Nil	0.15
Tranche C	2,500,000	13/08/2019	18/01/2022	Nil	0.24
Class D	500,000	10/9/2020	21/9/2024	Nil	0.5650
	<u>8,037,500</u>				

The holders of the performance rights do not hold any voting rights or rights to participate in dividends unless the rights have vested and were converted to fully paid ordinary shares.

### Shares issued on vesting of performance rights

15,837,500 shares were issued during the year upon the vesting of performance rights. Refer to Note 14 of the Notes to the Consolidated Financial Statements for further details on the shares issued.

### Performance rights that expired/lapsed

1,500,000 Class C Performance Rights were cancelled following the cessation of an employee's employment. No other performance rights expired or lapsed during or since the end of the financial year.



# TIETTO MINERALS LIMITED

Australian Company Number 143 493 118

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

### DIRECTORS' MEETINGS

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member).

Directors	Directors' Meetings	
	Eligible to attend	Attended
Francis Harper	8	8
Caigen Wang	8	8
Mark Strizek	8	8
Hanjing Xu	8	6
Paul Kitto	8	6

### INDEMNIFICATION OF DIRECTORS AND AUDITORS

During or since the end of the financial year the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

- except as may be prohibited by the *Corporations Act 2001* a Director or Officer of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as Director or officer of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

Since the beginning of the financial year the Company has paid insurance premiums of \$20,151 (2019: \$19,370) in respect of directors and officers liability and corporate reimbursement, for directors and officers in the Company. The insurance premiums relate to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever the outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty.

### NON-AUDIT SERVICES

During the years ended 30 June 2020 and 30 June 2019 there were no non-audit services provided by the Company's external auditor BDO Audit (WA) Pty Ltd.

### AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the *Corporations Act 2001* requires our auditors, BDO Audit (WA) Pty Ltd, to provide the directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence declaration is set out on page 38 and forms part of this Directors' Report for the year ended 30 June 2020.



# TIETTO MINERALS LIMITED

Australian Company Number 143 493 118

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

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### REMUNERATION REPORT (AUDITED)

This report, which forms part of the Directors' Report, outlines the remuneration arrangements in place for the key management personnel of Tietto Minerals Limited (the "Company") for the financial year ended 30 June 2020.

The information provided in this remuneration report has been audited as required by Section 308(3C) of the *Corporations Act 2001*.

The Remuneration Report details the remuneration arrangements for key management personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent Company.

The prescribed details for each person covered by this report are detailed below under the following headings:

- key management personnel details;
- remuneration policy and relationship between the remuneration policy and Company performance;
- key terms of employment contracts;
- remuneration of key management personnel;
- key management personnel equity holdings;
- transactions with related parties; and
- loans with related parties.

#### Key management personnel details

The key management personnel of Tietto Minerals Limited during the year or since the end of the year were:

Francis Harper (appointed 19 July 2017)	Non-Executive Chairman
Caigen Wang (appointed on 5 May 2010)	Managing Director
Mark Strizek (appointed 19 July 2017)	Executive Director
Hanjing Xu (appointed 4 August 2017)	Non-Executive Director
Paul Kitto (appointed 22 January 2019)	Non-Executive Director

#### Remuneration policy and relationship between the remuneration policy and Company performance

The Board policy for determining remuneration is based on the principle of remunerating directors and senior executives on their ability to add value to the Company (taking into account the Company's strategic plan and operations) whilst also considering market remuneration packages for similar positions within the industry. No external consultants were engaged during the current or prior financial years to review the Company's existing remuneration policies.

The Board appreciates the interrelationship between this policy and Company performance. It acknowledges that it is in the best interests of shareholders to provide challenging but achievable incentives to reward senior executives for reaching the Company's stated goals. The Board will discuss these issues internally and with candidates prior to engaging additional directors or senior executives in the future.

The Remuneration Committee is responsible for determining the remuneration policies for the Group, including those affecting executive directors and other key management personnel. The Committee may seek appropriate external advice to assist in its decision making. Remuneration policies and practices are directed primarily at attracting, motivating and retaining key management personnel.

The remuneration policy for directors and other key management personnel has the following key elements:

##### *Fixed remuneration*

Fixed remuneration includes base salaries received, payments made to superannuation funds, the taxable value of non-monetary benefits received and any once-off payments such bonuses or termination benefits, see 'Remuneration of key management personnel' table for details.



# TIETTO MINERALS LIMITED

Australian Company Number 143 493 118

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

### REMUNERATION REPORT (AUDITED) (CONTINUED)

#### Remuneration policy and relationship between the remuneration policy and Company performance (continued)

##### Short-term incentives

There were no bonuses which were awarded to key management personnel in relation to FY 2019 which were paid in FY 2020.

A Non-Executive Directors' fee pool limit is \$250,000 per annum.

##### Long-term incentives

The value of options granted and vested during the current and previous financial years was determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at valuation date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. 6,500,000 options were granted on 31 October 2017 and 2,000,000 options were granted on 22 January 2019 to the directors.

The value of performance rights was determined using the spot share price at grant date of respective performance rights and taking into account the terms and conditions upon which the instruments were granted. 17,875,000 performance rights were granted on 31 October 2017 and 4,500,000 performance rights were granted on 13 August 2019.

##### Statutory performance indicators

We aim to align our executive remuneration to our strategic and business objectives and the creation of shareholder wealth. The table below shows measures of the Group's financial performance over the last five years as required by the *Corporations Act 2001*. However, these are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to key management personnel. As a consequence, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

##### Statutory performance indicators of the Group over the last five years

	2020	2019	2018	2017	2016
Loss for the year attributable to owners of Tietto Minerals Limited (\$)	(12,495,098)	(9,899,430)	(5,529,451)	(1,095,008)	(2,087,396)
Loss per share (cents)	(4.02)	(4.32)	(3.28)	(0.89)	(2.75)
Share price at beginning of year (\$)	0.17	0.12	N/A	N/A	N/A
Share price at listing (\$)	N/A	N/A	0.20	N/A	N/A
Share price at end of year (\$)	0.49	0.17	0.12	N/A	N/A

#### Key terms of executive employment contract

Remuneration and other terms of employment for the Managing Director, Dr Caigen Wang are formalised in a consultancy agreement with Multiple Resources Pty Ltd. Major provisions of this agreement are set out below:

- Effective from the date the Company successfully lists on the ASX (18 January 2018) until the agreement is validly terminated by either party in accordance with the terms of the Consultancy Agreement.
- Monthly consultancy fee of \$23,125 (excluding GST) for the provision of at least 230 days per year. The fee was increased to \$33,333 (excluding GST) from 1 June 2020. Multiple Resources Pty Ltd and Dr Wang are not entitled payment by the Company of salary, holiday pay, sick pay, severance pay, long service leave or any other entitlement which an employee has in respect of his employment.
- At the Company's discretion and subject to obtaining applicable regulatory approvals, Multiple Resources Pty Ltd is entitled to a performance-based bonus over and above the consultancy fee. Multiple Resources Pty Ltd is also entitled to reimbursement of reasonable expenses and expenditure.
- The Company may also terminate the Consultancy Agreement by giving 6 months' written notice. Multiple Resources Pty Ltd may also terminate the Consultancy Agreement without cause.



# TIETTO MINERALS LIMITED

Australian Company Number 143 493 118

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

### REMUNERATION REPORT (AUDITED) (CONTINUED)

#### Key terms of executive employment contract (continued)

Remuneration and other terms of employment for the Executive Director, Mr. Mark Strizek are set out below:

- Base salary of \$251,141.55 per year effective from 1 January 2020.
- Mr Strizek is entitled to payment by the Company of salary, holiday pay, sick pay, severance pay, long service leave or any other entitlement which an employee has in respect of his employment.
- The Company shall continue to employ the Mr. Strizek as an Executive Director for an initial term of 24 months to 31 December 2021.
- The Agreement may be terminated by the employee by giving the Company 6 weeks written notice. The Company may also terminate at any time by giving the employee one month's written notice and 3 months' salary.

#### Remuneration of key management personnel

Directors	Fixed Remuneration			Variable Remuneration	Total	Performance related	% Performance related
	Salary and fees	Super-annuation	Home office and private car usage	Share-based payments <sup>1</sup>			
	\$	\$	\$	\$	\$	\$	

#### 2020

Francis Harper	80,000	8,800	-	130,750	219,550	130,750	60%
Caigen Wang	287,708	-	8,400	489,024	785,132	489,024	62%
Mark Strizek	149,571	16,453	-	79,016	245,040	79,016	32%
Hanjing Xu	54,000	5,940	-	79,016	138,956	79,016	57%
Paul Kitto	79,500	-	-	672,633	752,133	672,633	89%
	650,779	31,193	8,400	1,450,439	2,140,811	1,450,439	

<sup>1</sup> relates to 8,125,000 Tranche B and Tranche C Performance Rights issued on 31 October 2017 to Messrs Harper, Wang, Strizek and Xu, and 4,000,000 Tranche B and Tranche C Performance Rights issued to Dr Kitto on 28 August 2019 (granted on 22 January 2019) under the Company's Long Term Incentive Plan.

Directors	Fixed Remuneration			Variable Remuneration	Total	Performance related	% Performance related
	Salary and fees	Super-annuation	Others	Share-based payments <sup>2</sup>			
	\$	\$	\$	\$	\$	\$	

#### 2019

Francis Harper	60,000	6,600	-	318,598	385,198	318,598	83%
Caigen Wang	277,500	-	-	1,162,122	1,439,622	1,162,122	81%
Mark Strizek	48,000	5,280	-	168,655	221,935	168,655	76%
Hanjing Xu	48,000	5,280	-	168,655	221,935	168,655	76%
Paul Kitto <sup>1</sup>	45,000	-	-	603,217	648,217	603,217	93%
	478,500	17,160	-	2,421,247	2,916,907	2,421,247	

<sup>1</sup> appointed on 22 January 2019

<sup>2</sup> relates to 17,875,000 performance rights issued on 31 October 2017 to Messrs Harper, Wang, Strizek and Xu, and 4,500,000 performance rights issued to Dr Kitto on 28 August 2019 (granted on 22 January 2019) under the Company's Long Term Incentive Plan.





# TIETTO MINERALS LIMITED

Australian Company Number 143 493 118

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

### REMUNERATION REPORT (AUDITED) (CONTINUED)

#### Remuneration of key management personnel (Continued)

##### *Terms and conditions of share-based payment arrangements - Performance Rights ("PR")*

The terms and conditions for each grant of performance rights affecting remuneration in the current or a future reporting period are as follows:

Number	Grant date	Expiry date	Exercise price	Value per PR at grant date	Total value at grant date	% vested
8,125,000	31 Oct 2017 with various vesting conditions as below	18/01/2022	-	\$0.15	\$1,218,750	38.00%
4,000,000	13 Aug 2019 with various vesting conditions as below	18/01/2022	-	\$0.24	\$960,000	37.50%

On 31 October 2017, the Company approved the issue of 8,125,000 Tranche B and Tranche C Performance Rights to directors under the Company's Long Term Incentive Plan. Each performance right issued under the plan converts into one ordinary share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the performance right. Performance rights neither carry rights to dividends nor voting rights.

The 8,125,000 performance rights are subject to the following vesting conditions:

- 3,087,500 Tranche B Performance Rights, upon achieving in respect of the Projects, an aggregate of at least 2.0M oz with cut-off grade of at least 0.4g/t within pit shell and at least 0.8g/t beyond pit shell;
- 5,037,500 Tranche C Performance Rights, upon achieving in respect of the Projects, an aggregate of at least 3.0M oz with cut-off grade of at least 0.4g/t within pit shell and at least 0.8g/t beyond pit shell.

On 13 August 2019, the Company's shareholders approved the issue of 4,000,000 Tranche B and Tranche C performance rights to Dr Paul Kitto under the Company's Long Term Incentive Plan. Each performance right issued under the plan converts into one ordinary share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the performance right. Performance rights neither carry rights to dividends nor voting rights.

The 4,000,000 Tranche B and Tranche C Performance Rights are subject to the following vesting conditions:

- 1,500,000 Tranche B Performance Rights, upon achieving in respect of the Projects, an aggregate of at least 2.0M oz with cut-off grade of at least 0.4g/t within pit shell and at least 0.8g/t beyond pit shell;
- 2,500,000 Tranche C Performance Rights, upon achieving in respect of the Projects, an aggregate of at least 3.0M oz with cut-off grade of at least 0.4g/t within pit shell and at least 0.8g/t beyond pit shell.

The milestone for Tranche B was achieved during the year and hence the value attributable to Tranche B performance rights which vested has been expensed during the year and included the Directors' share-based payment received during the year ended 30 June 2020 (as disclosed in the "Remuneration of key management personnel" table).

In addition, as at reporting date, the achievement for Tranche C has been assessed as probable, hence a value has been attributed to the performance rights related to Tranche C. The probability is assessed again at each reporting date. The performance rights lapse if the directors leave the Company (subject to good leaver/bad leaver provisions).

The vesting date for Dr Kitto's performance rights has been calculated by reference to his appointment as director of the Company on 22 January 2019 as the starting point and hence the value of Tranche A and Tranche B performance rights has been included in Dr Kitto's share-based payment received during the year ended 30 June 2019 (as disclosed in the "Remuneration of key management personnel" table).

#### ***Voting and comments made at the Company's 2019 Annual General Meeting***

At the 2019 Annual General Meeting the Company remuneration report was passed by the requisite majority of shareholders.





# TIETTO MINERALS LIMITED

Australian Company Number 143 493 118

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

### REMUNERATION REPORT (AUDITED) (CONTINUED)

#### Remuneration of key management personnel (Continued)

#### Key management personnel equity holdings

#### Fully paid ordinary shares of Tietto Minerals Limited

Directors	Balance at 1 July 2019 No.	Exercised of Performance Rights <sup>1</sup> No.	Granted on compensation No.	Purchased during the year <sup>2</sup> No.	Balance on resignation No.	Balance at 30 June 2020 No.
<b>2020</b>						
Francis Harper	7,182,546	2,275,000	-	1,000,000	-	10,457,546
Caigen Wang	11,040,377	8,125,000	-	-	-	19,165,377
Mark Strizek	325,000	1,218,750	-	115,385	-	1,659,135
Hanjing Xu	-	1,218,750	-	769,888	-	1,988,638
Paul Kitto	-	2,000,000	-	-	-	2,000,000
	<u>18,547,923</u>	<u>14,837,500</u>	<u>-</u>	<u>1,885,273</u>	<u>-</u>	<u>35,270,696</u>

<sup>1</sup> Conversion of Tranche A and Tranche B Performance Rights into fully paid ordinary shares which vested and exercised during the year.

<sup>2</sup> Participation in Placement during the year.

#### Options of Tietto Minerals Limited

Directors	Balance at 1 July 2019 No.	Granted on compensation <sup>1</sup> No.	Exercised No.	Net other change No.	Balance at 30 June 2020 No.	Vested and exercisable at 30 June 2020 No.
<b>2020</b>						
Francis Harper	4,125,000	2,500,000	-	-	6,625,000	6,625,000
Caigen Wang	11,510,260	-	-	-	11,510,260	11,510,260
Mark Strizek	1,625,000	-	-	-	1,625,000	1,625,000
Hanjing Xu	1,625,000	-	-	-	1,625,000	1,625,000
Paul Kitto	2,000,000	-	-	-	2,000,000	2,000,000
	<u>20,885,260</u>	<u>2,500,000</u>	<u>-</u>	<u>-</u>	<u>23,385,260</u>	<u>23,385,260</u>

<sup>1</sup> On 28 August 2019, the Company issued 2,500,000 unlisted options to Francis Harper valued at \$435,241 as capital raising fee. The options which vest immediately, expire on 28 August 2022 and have an exercise price of 17c.



# TIETTO MINERALS LIMITED

Australian Company Number 143 493 118

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

### REMUNERATION REPORT (AUDITED) (CONTINUED)

#### Key management personnel equity holdings (Continued)

##### Performance rights of Tietto Minerals Limited

Directors	Balance at 1 July 2019 No.	Granted on compensation No.	Exercised <sup>1</sup> No.	Net other change No.	Balance at 30 June 2020 No.	Vested and exercisable at 30 June 2020 No.
<b>2020</b>						
Francis Harper	3,087,500	-	(2,275,000)	-	812,500	-
Caigen Wang	11,375,000	-	(8,125,000)	-	3,250,000	-
Mark Strizek	1,706,250	-	(1,218,750)	-	487,500	-
Hanjing Xu	1,706,250	-	(1,218,750)	-	487,500	-
Paul Kitto	4,500,000	-	(2,000,000)	-	2,500,000	-
	<u>22,375,000</u>	<u>-</u>	<u>(14,837,500)</u>	<u>-</u>	<u>7,537,500</u>	<u>-</u>

<sup>1</sup> Conversion of Tranche A and Tranche B Performance Rights into fully paid ordinary shares which vested and exercised during the year.

#### Transactions with related parties

During the year ended 30 June 2020, Blackwood Capital, a company associated with the Company's chairman, Mr Francis Harper received cash payment of \$235,840 (inclusive of GST) for capital raising fees.

On 28 August 2019, the Company issued 2,500,000 unlisted options to the Company's chairman, Francis Harper valued at \$435,241 as capital raising fee. The options expire on 28 August 2022 and have an exercise price of \$0.1725.

During the year ended 30 June 2020, Hopeview Investments Pty Ltd, a company associated with Mr Francis Harper received cash payment of \$31,000 (inclusive of GST) for capital raising fees.

All related party transactions are on arm's length terms. There were no other transactions with related parties during the 2019 and 2020 financial years.

#### Loans with related parties

There were no other loans with related parties during the 2019 and 2020 financial years.

#### (END OF AUDITED REMUNERATION REPORT)

The Directors' Report is signed in accordance with a resolution of directors made pursuant to section 298(2) of the *Corporations Act 2001*.

On behalf of the Directors

Caigen Wang  
Director

Dated at Perth this 29th day of September 2020

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF TIETTO MINERALS LIMITED

As lead auditor of Tietto Minerals Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Tietto Minerals Limited and the entities it controlled during the period.



Jarrad Prue  
Director

BDO Audit (WA) Pty Ltd  
Perth, 29 September 2020



# TIETTO MINERALS LIMITED

Australian Company Number 143 493 118

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$	2019 \$
Interest income		91,702	57,861
Other income	4	103,788	10,268
Exploration expenses	5	(7,848,010)	(5,452,200)
Depreciation	9	(131,861)	(11,692)
Amortisation	11	(24,181)	-
Directors' remuneration	18	(690,372)	(495,660)
Salaries and wages		(648,324)	(406,533)
Rental expenses		(20,205)	(35,028)
Travel, meals and accomodations		(173,162)	(100,482)
Business registration and compliance fees		(141,787)	(93,402)
Share-based payments	16(e)	(1,565,969)	(2,893,833)
Professional and consultants fees		(523,275)	(202,004)
Net foreign exchange losses		(115,821)	(8,820)
Loss on settlement of liability	14(h)	(189,621)	-
Interest expense	11	(6,693)	-
Other expenses		(624,529)	(248,234)
<b>Loss before income tax</b>		<b>(12,508,320)</b>	<b>(9,879,759)</b>
Income tax benefit	6	-	-
<b>Loss after income tax for the year</b>		<b>(12,508,320)</b>	<b>(9,879,759)</b>
<b>Other comprehensive income/(loss)</b>			
Items that may be reclassified to profit or loss:			
Revaluation gain/(loss) of financial assets at fair value through other comprehensive income/(loss)		13,000	(169,000)
Foreign currency translation reserve		555,218	(203,002)
Income tax relating to comprehensive income/(loss)		-	-
<b>Total other comprehensive income/(loss)</b>		<b>568,218</b>	<b>(372,002)</b>
<b>Total comprehensive loss for the year</b>		<b>(11,940,102)</b>	<b>(10,251,761)</b>
<b>Loss for the year is attributable to:</b>			
Owners of the parent		(12,495,098)	(9,899,430)
Non-controlling interest		(13,222)	19,671
		<b>(12,508,320)</b>	<b>(9,879,759)</b>
<b>Total comprehensive loss for the year is attributable to:</b>			
Owners of the parent		(11,927,744)	(10,271,826)
Non-controlling interest		(12,358)	20,065
		<b>(11,940,102)</b>	<b>(10,251,761)</b>
<b>Loss per share for the year attributable to the owners of Tietto Minerals Limited:</b>			
Basic loss per share (cents per share)	26	(4.02)	(4.32)

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





# TIETTO MINERALS LIMITED

Australian Company Number 143 493 118

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Notes	2020 \$	2019 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	11,419,259	4,872,768
Trade and other receivables	8	104,710	67,975
		<u>11,523,969</u>	<u>4,940,743</u>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	9	1,089,595	125,478
Financial assets at fair value through other comprehensive income	10	39,000	26,000
Right-of-use of asset	11	19,493	-
		<u>1,148,088</u>	<u>151,478</u>
<b>TOTAL ASSETS</b>		<u>12,672,057</u>	<u>5,092,221</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	591,643	433,573
Lease liability	11	19,582	-
		<u>611,225</u>	<u>433,573</u>
<b>TOTAL LIABILITIES</b>		<u>611,225</u>	<u>433,573</u>
<b>NET ASSETS</b>		<u>12,060,832</u>	<u>4,658,648</u>
<b>EQUITY</b>			
Issued capital	14	41,705,488	25,981,324
Reserves	15	7,368,569	3,183,093
Accumulated losses		(37,032,225)	(24,537,127)
<b>Total equity attributable to members of the company</b>		<u>12,041,832</u>	<u>4,627,290</u>
Non-controlling interests		19,000	31,358
<b>TOTAL EQUITY</b>		<u>12,060,832</u>	<u>4,658,648</u>

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	Issued capital \$	Reserves \$	Other equity \$	Accumulated losses \$	Owners of the parent \$	Non-controlling interest \$	Total \$
<b>At 1 July 2019</b>		25,981,324	3,183,093	-	(24,537,127)	4,627,290	31,358	4,658,648
Net loss for the year		-	-	-	(12,495,098)	(12,495,098)	(13,222)	(12,508,320)
Other comprehensive income/(loss) for the year		-	567,354	-	-	567,354	864	568,218
Total comprehensive income/(loss)		-	567,354	-	(12,495,098)	(11,927,744)	(12,358)	(11,940,102)
Transactions with owners in their capacity as owners:								
Issue of share capital (net of costs)	14	15,724,164	-	-	-	15,724,164	-	15,724,164
Issue of share options		-	-	-	-	-	-	-
Share-based payments	15	-	3,618,122	-	-	3,618,122	-	3,618,122
		15,724,164	3,618,122	-	-	19,342,286	-	19,342,286
<b>At 30 June 2020</b>		<b>41,705,488</b>	<b>7,368,569</b>	<b>-</b>	<b>(37,032,225)</b>	<b>12,041,832</b>	<b>19,000</b>	<b>12,060,832</b>
<b>At 1 July 2018</b>		19,958,624	869,781	258,000	(14,845,822)	6,240,583	11,293	6,251,876
Net loss for the year		-	-	-	(9,899,430)	(9,899,430)	19,671	(9,879,759)
Other comprehensive income for the year		-	(580,521)	-	208,125	(372,396)	394	(372,002)
Total comprehensive income/(loss)		-	(580,521)	-	(9,691,305)	(10,271,826)	20,065	(10,251,761)
Transactions with owners in their capacity as owners:								
Issue of share capital (net of costs)	14	6,022,700	-	(258,000)	-	5,764,700	-	5,764,700
Issue of share options		-	-	-	-	-	-	-
Share-based payments	15	-	2,893,833	-	-	2,893,833	-	2,893,833
		6,022,700	2,893,833	(258,000)	-	8,658,533	-	8,658,533
<b>At 30 June 2019</b>		<b>25,981,324</b>	<b>3,183,093</b>	<b>-</b>	<b>(24,537,127)</b>	<b>4,627,290</b>	<b>31,358</b>	<b>4,658,648</b>

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



# TIETTO MINERALS LIMITED

Australian Company Number 143 493 118

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$	2019 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(2,811,944)	(1,570,908)
Payments for exploration expenses		(6,299,140)	(3,809,064)
Interest received		86,733	57,861
COVID-19 cash flow boost received		50,000	-
Net cash used in operating activities	25	<u>(8,974,351)</u>	<u>(5,322,111)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for plant and equipment	9	(882,776)	(41,134)
Proceed from sale of investment in listed entity		-	44,045
Net cash (used in)/generated from investing activities		<u>(882,776)</u>	<u>2,911</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Issue of share capital (net of costs)		16,365,110	4,226,707
Exercise of options	27	65,500	-
Payment of lease liability		(25,435)	-
Net cash generated from financing activities		<u>16,405,175</u>	<u>4,226,707</u>
Net increase/(decrease) in cash and cash equivalents		6,548,048	(1,092,493)
Cash and cash equivalents at beginning of the year		4,872,768	5,962,611
Effect of foreign exchange		(1,557)	2,650
Cash and cash equivalents at end of the year	7	<u>11,419,259</u>	<u>4,872,768</u>

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



# TIETTO MINERALS LIMITED

Australian Company Number 143 493 118

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 1. GENERAL INFORMATION

The financial report covers Tietto Minerals Limited as a consolidated entity consisting of Tietto Minerals Limited and the entities it controlled during the year ("the Group"). The financial report consists of the financial statements, notes to the financial statements and the directors' declaration. Tietto Minerals Limited is a listed public company limited by shares, incorporated and domiciled in Australia. The Company was listed on the Australian Securities Exchange on 18 January 2018.

The Company's registered office and its principal place of business are as follows:

Australia	West Africa
C/- Nexia Perth Pty Ltd	11 BP 776 Abidjian 11
Level 3, 88 William Street	Cody Les II PLATEAUX 7ieme Tranche
Perth WA 6000	Republique De Cote D'Ivoire

The Group is principally engaged in the exploration for gold in West Africa, specifically in the Republic of Côte d'Ivoire and in the Republic of Liberia.

### 2. BASIS OF PREPARATION

The financial statements comprise the consolidated financial statements for the Group. For the purpose of preparing the consolidated financial statements, the Company is a for-profit entity.

#### (a) Statement of Compliance

The financial report is a general purpose financial report which has been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations, and complies with other requirements of the law. Accounting Standards include Australian equivalents to International Financial Reporting Standards ("AIFRS"). Compliance with AIFRS ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

The financial statements were authorised for issue by the Directors on 25 September 2020.

#### (b) Basis of Measurement

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair value of the consideration given in exchange for assets.

#### (c) Functional and Presentation Currency

The functional currency of the Company is Australian dollars (AUD). The functional currency of the subsidiaries are:

Tietto Minerals (Liberia) Limited	US Dollars (USD)
Tietto Minerals (Côte d'Ivoire) Limited	West African CFA Franc (XOF)
Bamba & Fred Minerals SARL	West African CFA Franc (XOF)
Tietto Minerals Austar Pty Ltd	Australian Dollars (AUD)
Tiebaya Gold SARL	West African CFA Franc (XOF)

The presentation currency of the Group is Australian dollars (AUD).





# TIETTO MINERALS LIMITED

Australian Company Number 143 493 118

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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### 2. BASIS OF PREPARATION (CONTINUED)

#### (d) Significant Accounting Judgments and Key Estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected.

Information about estimates and judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are:

- (i) The fair value of share-based payments as discussed in Note 16 (Share-Based Payments). The fair values of options are determined using the Black Scholes Option Pricing Model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at valuation date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option;
- (ii) The probability and timing of achieving milestones related to the performance rights as discussed in Note 15 (Reserves) and Note 16 (Share-Based Payments); and
- (iii) The disclosure of the loan from LGL Australian Holdings Pty Ltd as a contingent liability as discussed in Note 13 (Borrowings) and Note 20 (Contingent Liabilities).
- (iv) The disclosure of the payment to shareholders of Bamba & Fred Minerals Sarl (other than Tietto Minerals) as a contingent liability as discussed in Note 20 (Contingent Liabilities).
- (v) 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. This consideration extends to staffing and geographic regions in which the consolidated entity operates. There does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

#### (e) Going concern

The financial statements have been approved by the Directors on a going concern basis. In determining the appropriateness of the basis of preparation, the Directors have considered the impact of the COVID19 pandemic on the position of the Group at 30 June 2020 and its operations in future periods.

### 3. 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.

#### (a) Principles of Consolidation and Equity Accounting

##### (i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has the 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 or obtained by the Group. They are deconsolidated from the date on which the Group ceases or loses control.



# TIETTO MINERALS LIMITED

Australian Company Number 143 493 118

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (a) Principles of Consolidation and Equity Accounting (Continued)

##### (i) Subsidiaries (continued)

The acquisition method of accounting is used to account for business combinations by the Group. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are expensed as incurred and included in administrative expenses.

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

Non-controlling interest in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

##### (b) Financial Instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

##### (i) Financial assets

Except for certain trade receivables the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Financial assets are subsequently measured at fair value through profit or loss ("FVPL"), amortised cost, or fair value through other comprehensive income ("FVOCI"). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the "SPPI criterion").

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows meet the SPPI criterion.

##### *Debt and other instruments at amortised cost*

This category of financial assets are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. It includes the Group's trade and other receivables and cash and cash equivalents. Subsequent to initial recognition, trade and other receivables are measured at amortised cost using the effective interest method, less any impairment losses based on lifetime expected credit losses.

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any outstanding bank overdrafts.

Other receivables are held in order to collect the contractual cash flows and accordingly are measured at initial recognition at fair value, which ordinarily equates to cost and are subsequently measured at cost less impairment due to their short term nature. A provision for impairment is established based on 12-month expected credit losses unless there has been a significant increase in credit risk when lifetime expected credit losses are recognised. The amount of any provision is recognised in profit or loss.



# TIETTO MINERALS LIMITED

Australian Company Number 143 493 118

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (b) Financial Instruments (Continued)

##### (i) Financial assets (continued)

###### *Equity instruments at FVOCI*

This category of financial assets has no recycling of gains or losses to profit or loss on derecognition, and only includes equity instruments which are not held-for-trading and which the Group has irrevocably elected to so classify upon initial recognition or transition. Equity instruments at FVOCI are not subject to an impairment assessment under AASB 9. For this category there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established. The Group has irrevocably elected to classify some of its quoted equity instruments as equity instruments at FVOCI.

##### (ii) Financial liabilities

Financial liabilities and equity instruments issued by the Group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial liabilities comprise loans and borrowings and trade and other payables. Loans that are repayable in the equity of the Company where the number of shares to be issued is variable is classified as liability.

All loans and borrowings are initially recorded at fair value, which is ordinarily equal to the proceeds received net of transaction costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the loans or borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Loans and borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Trade and other payables represent liabilities for goods and services provided to the entity prior to the end of the financial year and which are unpaid. Trade and other payables are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, trade and other payables are measured at amortised cost using the effective interest rate method.

All loans, borrowings and payables are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.



# TIETTO MINERALS LIMITED

Australian Company Number 143 493 118

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (b) Financial Instruments (Continued)

##### (iii) Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

The Group's equity includes ordinary shares, for which incremental costs directly attributable to their issue are recognised as a deduction from equity, net of any tax effects. Dividends are recognised as a liability in the year in which they are declared.

##### (iv) Effective interest rate method

The effective interest rate method is a method of calculating the amortised cost of a financial asset or liability and allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

##### (v) Impairment of Financial Instruments

The Group assesses on a forward looking basis the expected credit losses ("ECLs") associated with its debt instruments carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For trade receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECL is based on either the 12-month or lifetime ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. When there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. In all cases, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payment are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

#### (c) Impairment of Other Financial Assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Financial assets are tested for impairment on an individual basis.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available for sale financial asset is calculated by reference to its fair value.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available for sale financial asset recognised previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available for sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available for sale financial assets that are equity securities, the reversal is recognised directly in equity.





# TIETTO MINERALS LIMITED

Australian Company Number 143 493 118

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (d) Foreign Currency

##### (i) Foreign Currency Transactions

Transactions in foreign currencies are translated at foreign exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments or qualifying cash flow hedges, which are recognised directly in equity.

##### (ii) Foreign Operations

The assets and liabilities of foreign operations are translated to the presentation currency at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at the average exchange rates for the year.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the translation reserve in equity.

#### (e) Project Development and Exploration Expenditure

Project development and exploration expenditure, including the costs of acquiring licences, are expensed as exploration and evaluation expenditure as incurred.

#### (f) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end. Depreciation is calculated on a diminishing value basis over the estimated useful life of the assets as follows:

Plant and equipment - 2 years

Motor vehicles - 4 years

#### (g) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.



# TIETTO MINERALS LIMITED

Australian Company Number 143 493 118

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (h) Goods and Service Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the statements of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

#### (i) Income Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### (j) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current year.

#### (k) Share-Based Payments

Equity-settled share-based payments to directors, employees, consultants and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed immediately where they vest immediately or on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. For options with non-market based vesting conditions, at each reporting date, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to the option reserve.



# TIETTO MINERALS LIMITED

Australian Company Number 143 493 118

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (l) Earnings per Share

##### *Basic Earnings per share*

Basic earnings per share is determined by dividing the net profit after income tax attributable to members of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

##### *Diluted earnings per share*

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

#### (m) Segment Reporting

AASB 8 requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes.

Operating segments are now reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker has been identified as the Board of Directors of Tietto Minerals Limited.

#### (n) Income recognition

Interest income is recognised using the effective interest method.

COVID-19 income is recognised when it is received or when the right to receive payment is established.

#### (n) New and Revised Accounting Standards and Interpretations Adopted

From 1 July 2019 the following standard and amendments are effective in the Group's financial statements:

- AASB 16 *Leases*

AASB 16 replaces the provisions of AASB 117 *Leases* that relate to the recognition, classification and measurement of leases. This note explains the impact of the adoption of AASB 16 *Leases* on the Company's financial statements and discloses the new accounting policies that have been applied from 1 July 2019.

On 1 July 2019, the Company held the office lease based in Cote d'Ivoire. The Company assessed which business model applied to the lease and classified its lease into the appropriate AASB 16 category.

The Company has elected to apply AASB 16 utilising the modified retrospective approach from 1 July 2019, and therefore has not restated comparatives for the 2019 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 July 2019.

##### *Reclassification from administration expense to a lease liability and right-of-use ("ROU") asset*

The office lease was reclassified from an operating lease which was recorded as an administrative expense in the consolidated statement of profit or loss, as payments were made each month under the previous AASB 117, to recognising a lease liability and a ROU asset in its balance sheet under the new AASB 16. The lease payments are discounted using the Company's incremental borrowing rate of 4.5%. See Note 11 for further details.

#### (o) New and Revised Accounting Standards and Interpretations on Issue but not yet Adopted

There are no standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.



# TIETTO MINERALS LIMITED

Australian Company Number 143 493 118

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

4. OTHER INCOME	2020	2019
	\$	\$
COVID-19 cash flow boost income	100,000	-
Sale of investment in a listed entity	-	10,268
Insurance claim payout	3,768	-
Other income	20	-
	<u>103,788</u>	<u>10,268</u>
5. EXPLORATION EXPENSES	2020	2019
	\$	\$
Exploration expenses - Liberia	515,486	369,163
Exploration expenses - Côte d'Ivoire	7,312,039	4,932,508
Exploration expenses - Others	20,485	150,529
	<u>7,848,010</u>	<u>5,452,200</u>
6. INCOME TAX EXPENSE	2020	2019
	\$	\$
<b>Tax expense comprises:</b>		
Current tax expense	-	-
Deferred tax expense/(income)	-	-
Total tax expense	<u>-</u>	<u>-</u>
<b>Numerical reconciliation of income tax expense and tax at the statutory rate:</b>		
Loss before income tax expense	(12,508,320)	(9,879,759)
Tax at the statutory tax rate of 27.5% (2019: 27.5%)	(3,439,788)	(2,716,934)
Effect of tax rates in foreign jurisdiction*	133,246	145,840
Effect of net expenses that are not deductible in determining taxable profit	430,641	795,804
Effect of changes in unrecognised temporary differences	(9,777)	138,793
Effect of unused tax losses not recognised as deferred	2,885,678	1,636,497
Income tax expense	<u>-</u>	<u>-</u>

The tax rate used in the above reconciliation is the corporate tax rate of 27.5% (2019: 27.5%) payable by Australian corporate entities on taxable profits under Australian tax law.

\*The income tax rate applicable to profit income of the subsidiaries in Côte d'Ivoire and Liberia is 25% (2019: 25%).

### Unrecognised deferred tax assets and liabilities

The following deferred tax assets and (liabilities) have not been brought to account:

Tax losses - revenue	12,955,562	11,318,335
Other temporary differences	400,093	435,644
	<u>13,355,655</u>	<u>11,753,979</u>
At tax rate of 25% (2019: 27.5%)	<u>3,338,914</u>	<u>3,232,344</u>

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.





# TIETTO MINERALS LIMITED

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

7. CASH AND CASH EQUIVALENTS	2020	2019
	\$	\$
Cash at bank	11,419,259	4,872,768
	<u>11,419,259</u>	<u>4,872,768</u>

The Group's exposure to interest rate risk and the effective weighted average interest rate for bank balances is disclosed in Note 17.

8. TRADE AND OTHER RECEIVABLES	2020	2019
	\$	\$
Deposits	5,452	5,414
Prepayments	13,897	10,280
GST paid	24,697	49,032
Interest receivable	4,969	-
COVID-19 cash flow boost receivable	50,000	-
Other debtors and advances	5,695	3,249
	<u>104,710</u>	<u>67,975</u>

There are no trade and other receivables that are past due but not impaired.

9. PLANT AND EQUIPMENT	2020	2019
	\$	\$
Construction of camp	65,424	64,972
Less: Accumulated depreciation of camp	(7,905)	(7,851)
Motor vehicles (at cost)	323,720	-
Less: Accumulated depreciation of motor vehicles	(37,930)	-
Plant and equipment (at cost)	882,205	109,616
Less: Accumulated depreciation of plant and equipment	(135,919)	(41,259)
Leasehold improvements (at cost)	30,010	30,010
Less: Accumulated depreciation of leasehold improvements	(30,010)	(30,010)
Carrying amount	<u>1,089,595</u>	<u>125,478</u>

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Total
	\$
Balance at 1 July 2018	97,224
Acquired through acquisition of a subsidiary	41,134
Depreciation expense	(11,692)
Foreign exchange movement	(1,188)
Balance at 30 June 2019	<u>125,478</u>
Balance at 1 July 2019	125,478
Additions*	1,096,761
Depreciation expense	(131,861)
Foreign exchange movement	(783)
Balance at 30 June 2020	<u>1,089,595</u>
*Additions during the year:	
Cash payment per Consolidated Statement of Cash Flows	882,776
Accrued at year end	213,985
	<u>1,096,761</u>



# TIETTO MINERALS LIMITED

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	2020 \$	2019 \$
Shares in Taruga Gold Limited (at cost)	125,000	125,000
Revaluation loss	(86,000)	(99,000)
Less: Impairment loss	-	-
	39,000	26,000

As at 30 June 2019 and 30 June 2020, the shares in Taruga Gold Limited were classified as financial assets at fair value through other comprehensive income in accordance with AASB 9 *Financial Instruments*.

11. LEASES	2020 \$	2019 \$
<b>(a) Amounts recognised in the balance sheet</b>		
<b>Rights-of-use asset</b>		
Right-of-use assets recognised as at 1 July	43,674	-
Less: Accumulated amortisation	(24,181)	-
Closing balance	19,493	-
<b>Lease liabilities</b>		
Lease liabilities recognised as at 1 July	43,674	-
Add: Interest	1,343	-
Less: Payments	(25,435)	-
Closing balance	19,582	-
<b>(b) Amounts recognised in the consolidated statement of profit or loss</b>		
Amortisation of right-of-use asset	24,181	-
Interest expense on lease liabilities	1,343	-

### (c) Leasing Activities

The Company leases the office property in Cote d'Ivoire. The lease of the property commenced on 10 May 2019 and remains in force until 10 April 2021.

The lease is recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is amortised over the shorter of the asset's useful life and the lease term on a straight-line basis.

#### Initial measurement

Assets and liabilities from a lease are initially measured on a present value basis. The lease liability includes the present value of the fixed payments and variable lease payments that depend on an index, initially measured using the index as at the commencement date (reconciled and adjusted for actual index each year). The lease payments are discounted using the Company's incremental borrowing rate of 4.50%.

The right-of-use asset is measured at cost comprising of the initial measurement of the lease liability.

#### Subsequent measurement

The right-of-use asset is subsequently measured at cost less any accumulated amortisation and any accumulated impairment losses and adjusted for any re-measurement of the lease liability.

The lease liability is subsequently measured to reflect the interest on the lease liability, the lease payments made and any reassessment of the variable payments.



# TIETTO MINERALS LIMITED

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 12. TRADE AND OTHER PAYABLES

	2020	2019
	\$	\$
Trade payables	108,867	84,161
Other payables	77,832	12,768
Accrued expenses	314,093	79,243
Accrued drilling expenses	90,851	257,401
	<u>591,643</u>	<u>433,573</u>

### 13. BORROWINGS

#### (a) Interest-free loan facility agreement with Hongkong Ausino Investment Limited ("Ausino")

On 8 June 2018, the Group entered into an interest-free loan facility agreement with Ausino, for Ausino to pay the Group's expenses for a total of up to RMB 7,300,000 (or AUD 1,500,000 based on an exchange rate of AUD 1 to RMB 4.8667), within 12 months of 8 June 2018. Under the agreement, for each of Ausino's payments in RMB, the amount paid in RMB will be converted into fully paid ordinary shares in the Company, based on the Company's volume-weighted share price over 20 days and capped at AUD 0.21 per share.

On 4 June 2019, the above agreement ("old agreement") was terminated and the Group entered into a new subscription agreement ("new agreement") with Ausino. Under the new agreement, Ausino agreed to pay the Group's expenses for a total of up to AUD 2,000,000, within 18 months of 4 June 2019. For each of Ausino's payments, the amount paid will be converted into fully paid ordinary shares in the Company, based on a deemed subscription price of AUD 0.15 per share.

During the financial year 30 June 2019, Ausino paid AUD 912,847 of expenses on behalf of the Group under the old agreement and AUD 605,585 under the new agreement. These amounts were converted into 15,859,685 fully paid ordinary shares in the Company (see Notes 14(b) and 14(d) for more details). A further AUD 784,086 was paid by Ausino on behalf of the Group for drilling related costs during the year 30 June 2020 which were converted into 5,227,240 shares and 5,000,000 unlisted options on 17 January 2020. Refer Note 16(b)(iii) for further details.

The subscription agreement was terminated on 5 December 2019.

#### (b) Amount payable to LGL Australian Holdings Pty Ltd ("LGL")

The loan payable amount above does not include the amount payable from the Company to LGL of USD 1,500,000 (AUD 2,180,955), as the repayment of the loan to LGL is contingent upon the Group commencing commercial production of areas specifically under the licence area. The amount payable to LGL has instead been recognised as a contingent liability. See Note 20 for further details.

### 14. ISSUED CAPITAL

	2020	2019	2020	2019
	Number	Number	\$	\$
Ordinary shares - fully paid	<u>356,664,454</u>	<u>264,038,358</u>	46,850,113	27,773,419
Less: Capital raising costs			<u>(5,144,625)</u>	<u>(1,792,095)</u>
			<u>41,705,488</u>	<u>25,981,324</u>

Ordinary shares carry one vote per share and participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.



# TIETTO MINERALS LIMITED

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 200

### 14. ISSUED CAPITAL (CONTINUED)

Movements in fully paid ordinary shares:	Number	\$
<b>On issue at 30 June 2018</b>	216,424,928	19,958,624
Issue of shares in consideration for retention of interest in subsidiary (a)	1,290,000	258,000
Issue of shares at \$0.077 for payment of loan on 26 September 2018 (b)	1,505,511	115,716
Issue of shares at \$0.078 for payment of loan on 2 November 2018 (b)	2,965,418	231,247
Issue of shares at \$0.071 for payment of loan on 2 January 2019 (b)	4,313,763	307,877
Issue of shares at \$0.080 for payment of loan on 22 February 2019 (b)	2,741,327	218,785
Issue of shares under Tranche 1 Capital Raising Placement on 30 April 2019	30,333,337	4,550,001
Issue of shares for payment of loan on 30 April 2019 (c)	130,408	19,561
Issue of shares at \$0.132 for payment of loan on 13 June 2019 (b)	296,436	39,222
Issue of shares at \$0.150 for payment of loan on 13 June 2019 (d)	4,037,230	605,585
<b>On issue at 30 June 2019</b>	<u>264,038,358</u>	<u>26,304,618</u>
Less: Capital raising costs	-	(323,294)
<b>Issued capital at 30 June 2019</b>	<u>264,038,358</u>	<u>25,981,324</u>
Tranche 2 Capital Raising Placement on 28 Aug 2019 (e)	4,000,002	600,000
Conversion of Tranche A Performance Rights into Ordinary Shares on 28 Aug 2019 (Note 16(c)(iv))	3,750,000	-
Issue of employee incentive shares on 28 Aug 2019 (Note 16(a)(i))	500,000	80,000
Tranche 2 Capital Raising Placement on 2 Sep 2019	133,333	20,000
Exercise of Options during the year	262,000	65,500
Tranche 1 Capital Raising Placement on 26 Nov 2019 (f)	29,000,000	7,540,000
Tranche 2 Capital Raising Placement on 17 Jan 2020 (g)	28,973,026	7,532,987
Issue of shares for payment of loan on 17 Jan 2020 (Note 16(b)(iii))	5,227,240	784,086
Conversion of Tranche B Performance Rights into Ordinary Shares on 31 Jan 2020 (Note 16(c)(iv))	3,962,500	-
Completion of Tranche 2 Placement Shares on 19 Feb 2020 (g)	7,307,693	1,900,000
Conversion of Tranche A and Tranche B Performance Rights into Ordinary Shares on 11 Mar 2020 (Note 16(c)(iv))	8,125,000	-
Issued to non-controlling interests in lieu of a JV milestone payment (h)	1,385,302	554,121
<b>On issue at 30 June 2020</b>	<u>356,664,454</u>	<u>45,058,018</u>
Less: Capital raising costs	-	(3,352,530)
<b>Issued capital at 30 June 2020</b>	<u>356,664,454</u>	<u>41,705,488</u>

- (a) These shares were issued on 2 July 2018 in consideration for the Company to retain its 50% interest in Bamba & Fred Minerals SARL. The shares were issued at a share price of \$0.20. A reduction in Other Equity of \$258,000 was recognised as at 2 July 2018 as a result of this share issue.
- (b) These shares were issued in consideration for the loan payable to Ausino under the "old agreement". A reduction in loan payable of \$912,847 was recognised as a result these shares issued. See Note 13(a) for further details on the loan agreement between the Group and Ausino.



# TIETTO MINERALS LIMITED

Australian Company Number 143 493 118

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 14. ISSUED CAPITAL (CONTINUED)

#### Movements in fully paid ordinary shares (continued)

- (c) These shares were issued in consideration for the loan payable to Inner Mongolia Geological & Minerals Exploration Pty Ltd. A reduction in amount payable of \$19,561 was recognised as a result of these shares issued.
- (d) These shares were issued in consideration for the loan payable to Ausino under the "new agreement". A reduction in loan payable of \$605,585 was recognised as a result of these shares issued. See Note 13(a) for further details on the loan agreement between the Group and Ausino.
- (e) Completion of Tranche 2 of the \$7 million capital raising announced on 1 May 2019. The Tranche 2 placement comprised the issue of 4,000,002 shares at an issue price of 15c per share to raise \$600,000 before costs. This placement has been made following a general meeting of shareholders held on 13 August 2019 where the \$7 million placement was approved.
- (f) Completion of Tranche 1 of the \$17 million capital raising announced on 18 November 2019. The Tranche 1 placement comprised the issue of 29,000,000 shares at an issue price of 26c per share raising \$7,540,000 before costs as approved by shareholders on 9 January 2020.
- (g) Completion of Tranche 2 of the \$17 million capital raising announced on 18 November 2019. The Tranche 2 placement comprised the issue of 36,280,719 shares at an issue price of 26c per share raising \$9,432,987 before costs as approved by shareholders on 9 January 2020.
- (h) On 12 June 2020, the Company issued 1,385,302 ordinary shares at an issue price of 26c per share to joint venture partner, being the shareholders of B&F Minerals Sarl (other than Tietto Minerals), in satisfaction of a US\$250,000 milestone cash payment made pursuant to the joint venture agreement over the Abujar Middle Tenement. The fair value of the ordinary shares was \$554,121 based on the share price of 40c per share on 12 June 2020. The loss on settlement of the liability of \$189,621 was taken to the profit or loss.

### 15. RESERVES

	2020	2019
	\$	\$
Revaluation reserve for financial assets at fair value through other comprehensive income (a)	(86,000)	(99,000)
Foreign exchange reserve (b)	548,664	(5,690)
Share-based payment reserve (d) (e)	7,836,007	4,217,885
Other reserve (c)	(930,102)	(930,102)
	<u>7,368,569</u>	<u>3,183,093</u>

#### (a) Revaluation reserve for financial assets at fair value through other comprehensive income

The revaluation reserve comprises the cumulative net change in the fair value of financial assets at fair value through other comprehensive income (in accordance with AASB 9 *Financial Instruments*), until the investments are derecognised or impaired.

#### (b) Foreign exchange reserve

The foreign exchange reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

#### (c) Other reserve

The other reserve relates to transactions with non-controlling interests.

#### (d) Share-based payment reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.





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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 15. RESERVES (CONTINUED)

(e) Movement in share-based payment reserve	Number of Unlisted Options	Number of Performance Rights	\$
<b>On issue at 30 June 2018</b>	51,828,830	17,875,000	1,324,052
Recognition of share-based payment vesting expenses for performance rights issued on 31 Oct 2017 (Note 16(c)(i))	-	-	1,818,030
Recognition of share-based payment vesting expenses for options to be issued to Ausino under IP services agreement (Note 16(b)(i))	-	-	404,338
Recognition of share-based payment vesting expenses for options and performance rights granted on 18 Oct 2018 (Note 16(c)(ii))	-	-	68,248
Recognition of share-based payment vesting expenses for options and performance rights granted on 13 Aug 2019 (Note 16(c)(iii))	-	-	603,217
<b>On issue at 30 June 2019</b>	<b>51,828,830</b>	<b>17,875,000</b>	<b>4,217,885</b>
Issue of unlisted options on 28 Aug 2019 (Note 16(b)(i))	7,000,000	-	-
Issue of unlisted options on 28 Aug 2019 (Note 16(b)(ii))	14,000,000	-	2,132,153
Recognition of share-based payment vesting expenses for performance rights issued on 31 Oct 2017 (Note 16(c)(i))	-	-	777,807
Conversion of performance rights on 28 Aug 2019 (Note 16(c)(iv))	-	(3,750,000)	-
Recognition of share-based payment vesting expenses for unlisted options and performance rights granted on 18 Oct 2018 but issued on 28 Aug 2019 (Note 16(c)(ii))	2,000,000	2,500,000	54,778
Recognition of share-based payment vesting expenses for options and performance rights granted on 13 Aug 2019 (Note 16(c)(iii)), issued on 28 Aug 2019	-	4,500,000	672,633
Issue of unlisted options granted on 22 Jan 2019 but issued on 28 Aug 2019 (Note 16(c)(iii))	2,000,000	-	-
Exercise of unlisted options at \$0.25 per share during the year	(262,000)	-	-
Issue of unlisted options on 17 Jan 2020 (Note 16(b)(iii))	5,000,000	-	-
Conversion of performance rights on 31 January 2020 (Note 16(c)(iv))	-	(3,962,500)	-
Conversion of performance rights on 11 March 2020 (Note 16(c)(iv))	-	(8,125,000)	-
Cancellation of options and performance rights on 9 April 2020 (Note 16(c)(ii))	(1,000,000)	(1,500,000)	(19,249)
<b>On issue at 30 June 2020</b>	<b>80,566,830</b>	<b>7,537,500</b>	<b>7,836,007</b>



# TIETTO MINERALS LIMITED

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 16. SHARE-BASED PAYMENTS

#### (a) Ordinary shares

##### (i) 500,000 fully paid ordinary shares to employees based in Cote d'Ivoire

On 28 August 2019, the Company issued 500,000 fully paid ordinary shares to employees based in Cote d'Ivoire. The fair value of the shares issued was determined to be \$0.16 per share, based on the Company's share price at 1 July 2019 (the date the shares were originally granted). The value of the shares issued of \$80,000 was recognised as share-based payment expense in the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2020.

#### (b) Unlisted options not under Long Term Incentive Plan

##### (i) Unlisted options issued to Ausino

On 27 July 2018, the Company entered into an IP services agreement with Ausino, where Ausino is to provide two sets of IP survey equipment, and six IP surveyors, to conduct the IP survey on the Group's project sites in Côte d'Ivoire. In addition to the monthly and other payment terms for the Group to cover the IP survey costs, the Company agreed to issue Ausino 7 million options in two tranches comprising:

- 3.5 million options at the end of the first 6 months; and
- 3.5 million options at the end of the second 6 months of the 12 month IP survey period.

The options will have an exercise price of AUD 0.30 each and a time of expiry of four years from the date of issue. Vesting expenses on these options have been calculated and recognised during the year ended 30 June 2019, by reference to the grant date of 27 July 2018. The options were issued on 28 August 2019.

The fair value of the options issued was calculated at \$0.058 as at 27 July 2018 and was determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at valuation date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. The options vest over the term of the agreement (as detailed above) and the value of the options to be issued of \$404,338 was recognised as share-based payment expense in the statement of profit or loss and comprehensive income for the year ended 30 June 2019.

##### (ii) 14,000,000 unlisted options issued to the lead manager and co-lead manager

On 28 August 2019, the Company issued 14,000,000 unlisted options (2,500,000 to Francis Harper, 2,500,000 to a director of Blackwood Capital and 9,000,000 to the co-lead manager) as capital raising fee. The options hold no voting rights and are not transferable.

The fair value of the options issued was determined using the Black-Scholes option pricing model as the fair value of the services received can't be reliably measured using another method. The Black-Scholes option pricing model takes into account the exercise price, the term of the option, the share price at valuation date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option (refer Note 16(d)). The options vested immediately and the value of the options of \$2,132,153 was recognised as capital raising costs in equity during the year ended 30 June 2020.

##### (iii) Shares and unlisted options issued to Ausino

On 4 June 2019, the Company entered into a share subscription agreement with Ausino to place up to \$2 million of Tietto Shares (Subscription Agreement) in consideration for Ausino in satisfaction of operational costs incurred by Ausino on the Company's projects.

On 17 January 2020, the Tietto securities issued to Ausino under the Subscription Agreement include:

- 5,227,240 of Tietto Shares at a deemed issue price of \$0.15 per Tietto Share; and
- 5,000,000 of Tietto Unlisted Options exercisable at \$0.20 on or before 16 January 2023 equal to outstanding drilling related payments made by Ausino on the Company's behalf, in full satisfaction of those payments of \$784,086.

At initial recognition, the accrual of the \$784,086 payment was recorded in a convertible note reserve as the conversion features meet the fixed for fixed criteria under AASB 132 *Financial Instruments: Presentation*. The convertible note was subsequently converted into shares and options on 17 January 2020 as detailed above. On conversion, the 5,227,240 shares were issued at a deemed value of \$784,086 with the 5,000,000 free-attaching options deemed at nil value. No gain or loss was recognised on conversion of the payment.



# TIETTO MINERALS LIMITED

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 16. SHARE-BASED PAYMENTS (CONTINUED)

#### (c) Long Term Incentive Plan

##### (i) Options and performance rights issued to directors and company secretary

On 31 October 2017, the Company approved the issue of 6,750,000 options and 17,875,000 performance rights to directors and the company secretary under the Company's Long Term Incentive Plan. Further details can be found in the Annual Reports of the Group for the years ended 30 June 2019 and 30 June 2018.

The 17,875,000 performance rights were issued in three tranches and subject to the following vesting conditions:

- 9,750,000 Tranche A Performance Rights, upon achieving in respect of the Projects, an aggregate of at least 1.5M oz with cut-off grade of at least 0.4g/t within pit shell and at least 0.8g/t beyond pit shell;
- 3,087,500 Tranche B Performance Rights, upon achieving in respect of the Projects, an aggregate of at least 2.0M oz with cut-off grade of at least 0.4g/t within pit shell and at least 0.8g/t beyond pit shell; and
- 5,037,500 Tranche C Performance Rights, upon achieving in respect of the Projects, an aggregate of at least 3.0M oz with cut-off grade of at least 0.4g/t within pit shell and at least 0.8g/t beyond pit shell.

The fair value per performance right is \$0.15 which is the fair value of shares at grant date. The milestone for Tranche A was achieved in the year ended 30 June 2019. The milestone for Tranche B was achieved during the year. As at reporting date, the values attributable to Tranche A and Tranche B Performance Rights which vested have been expensed in the statement of profit or loss and comprehensive income as follows:

	<b>Vested</b>	<b>Value Attributed</b>	<b>Value Expensed at 30 June 2019</b>	<b>Value Expensed at 30 June 2020</b>
Tranche A Performance Rights	100.00%	\$ 1,462,500	\$ 1,462,500	\$ -
Tranche B Performance Rights	100.00%	\$ 463,124	\$ 355,530	\$ 107,594
		<u>\$ 1,925,624</u>	<u>\$ 1,818,030</u>	<u>\$ 107,594</u>

As at reporting date, the probability of the achievement of the milestone and the value attributed for Tranche C as a result has been assessed as follows:

	<b>Probability</b>	<b>Estimated Achievement Date</b>	<b>Value Attributed</b>	<b>Value Expensed at 30 June 2020</b>
Tranche C Performance Rights	100.00%	1 Nov 2020	\$ 755,625	\$ 670,213
			<u>\$ 755,625</u>	<u>\$ 670,213</u>

The probability of achievement of the milestones is reassessed at each reporting date. The performance rights lapse if the directors leave the Company (subject to good leaver/bad leaver provisions).

See Note 16(c)(iv) for the conversion of Tranche A and Tranche B Performance Rights into fully paid ordinary shares during the year.



# TIETTO MINERALS LIMITED

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 16. SHARE-BASED PAYMENTS (CONTINUED)

#### (c) Long Term Incentive Plan (continued)

##### (ii) Options and performance rights granted on 18 October 2018

On 18 October 2018, the Company also granted 2,000,000 options and 2,500,000 performance rights to one of its employees under the Company's Long Term Incentive Plan. Each option and performance right issued under the plan converts into one ordinary share of the Company on exercise. No amounts were paid or payable by the recipient on receipt of the options and performance rights. The options and performance rights neither carry rights to dividends nor voting rights. The options may be exercised at any time from the date of vesting to the date of their expiry. The performance rights are subject to various vesting conditions.

The fair value of the 2,000,000 options issued was determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at valuation date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. Half of these options vest after one year of continuous employment and the other half vest after two years of continuous employment. \$27,587 was recognised as share-based payment expense in the statement of profit or loss and comprehensive income during the year ended 30 June 2019. The other 1,000,000 options were cancelled on 9 April 2020 on termination of the employee's employment.

The 2,500,000 performance rights were issued in two tranches and subject to the following vesting conditions:

- 1,000,000 Tranche B Performance Rights, upon achieving in respect of the Projects, an aggregate of at least 2.0M oz with cut-off grade of at least 0.4g/t within pit shell and at least 0.8g/t beyond pit shell; and
- 1,500,000 Tranche C Performance Rights, upon achieving in respect of the Projects, an aggregate of at least 3.0M oz with cut-off grade of at least 0.4g/t within pit shell and at least 0.8g/t beyond pit shell.

The fair value per performance right is \$0.07 which is the fair value of the underlying shares at grant date. The milestone for Tranche B was achieved during the year and the values attributable to the options and Tranche B Performance Rights which vested have been expensed in the statement of profit or loss and other comprehensive income as follows:

	Vested		Value Attributed	Value Expensed at 30 June 2019	Value Expensed at 30 June 2020
2,000,000 options	50.00%	\$	33,778	\$ 27,587	\$ 6,190
Tranche B Performance Rights	100.00%	\$	70,000	\$ 40,661	\$ 29,339
				<u>\$ 68,248</u>	<u>\$ 35,529</u>

The 1,500,000 Tranche C Performance Rights were cancelled on 9 April 2020 following the termination of the employee's employment and accordingly \$19,249 was reversed from the statement of profit or loss and other comprehensive income.

##### (iii) Options and performance rights granted on 13 August 2019

On 13 August 2019, the shareholders of the Company approved the issue of 2,000,000 options and 4,500,000 performance rights for Paul Kitto under the Company's Long Term Incentive Plan. Each option and performance right issued under the plan converts into one ordinary share of the Company on exercise. No amounts were paid or payable by the recipient on receipt of the options and performance rights. The options and performance rights neither carry rights to dividends nor voting rights. The options may be exercised at any time from the date of vesting to the date of their expiry. The performance rights are subject to various vesting conditions.

Although the options and performance rights issued to Paul Kitto were granted on 13 August 2019, they relate to Dr Kitto's services provided as a director from the time of his appointment on 22 January 2019 and hence the value expensed for his options and performance rights have been calculated by reference to Dr Kitto's appointment date.



# TIETTO MINERALS LIMITED

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 16. SHARE-BASED PAYMENTS (CONTINUED)

#### (c) Long Term Incentive Plan (continued)

##### (iii) Options and performance rights granted on 13 August 2019 (continued)

The fair value of the 2,000,000 options issued was determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at valuation date (being the grant date at 13 August 2019) and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. These options vested immediately and the value of the options of \$307,730 was recognised as share-based payment expense in the statement of profit or loss and comprehensive income during the year ended 30 June 2019.

The 4,500,000 performance rights were issued in three tranches and subject to the following vesting conditions:

- 500,000 Tranche A Performance Rights, upon achieving in respect of the Projects, an aggregate of at least 1.5M oz with cut-off grade of at least 0.4g/t within pit shell and at least 0.8g/t beyond pit shell;
- 1,500,000 Tranche B Performance Rights, upon achieving in respect of the Projects, an aggregate of at least 2.0M oz with cut-off grade of at least 0.4g/t within pit shell and at least 0.8g/t beyond pit shell; and
- 2,500,000 Tranche C Performance Rights, upon achieving in respect of the Projects, an aggregate of at least 3.0M oz with cut-off grade of at least 0.4g/t within pit shell and at least 0.8g/t beyond pit shell.

The fair value per performance right is \$0.24 which is the fair value of shares at grant date on 13 August 2019. The milestone for Tranche A was achieved in the year ended 30 June 2019. The milestone for Tranche B was achieved during the year. As at reporting date, the values attributable to the options, the Tranche A and Tranche B Performance Rights which vested have been expensed in the statement of profit or loss and comprehensive income as follows:

	Vested	Value Attributed	Value Expensed at 30 June 2019	Value Expensed at 30 June 2020
2,000,000 options	100.00%	\$ 307,730	\$ 307,730	\$ -
Tranche A Performance Rights	100.00%	\$ 120,000	\$ 120,000	\$ -
Tranche B Performance Rights	100.00%	\$ 360,000	\$ 175,487	\$ 184,513
			<u>\$ 603,217</u>	<u>\$ 184,513</u>

As at reporting date, the probability of the achievement of the milestone and the value attributed for Tranche C as a result has been assessed as follows:

	Probability	Estimate Achievement Date	Value Attributed	Value Expensed at 30 June 2020
Tranche C Performance Rights	100.00%	1 Nov 2020	\$ 600,000	\$ 488,120
			<u>\$ 600,000</u>	<u>\$ 488,120</u>

The probability of achievement of the milestones is reassessed at each reporting date. The performance rights lapse if the director leaves the Company (subject to good leaver/bad leaver provisions).

See Note 16(c)(iv) for the conversion of Tranche A and Tranche B Performance Rights into fully paid ordinary shares during the year.





# TIETTO MINERALS LIMITED

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 16. SHARE-BASED PAYMENTS (CONTINUED)

#### (c) Long Term Incentive Plan (continued)

##### (iv) Exercised of options and performance rights

There were no options issued as share based payments, exercised for the years ended 30 June 2020 and 30 June 2019.

There were no performance rights exercised for the year ended 30 June 2019.

The following performance rights were exercised and converted into fully paid ordinary shares to the following directors and employee during the year ended 30 June 2020:

#### Performance Rights issued to directors and employees on:

	31-Oct-17 Note 16(c)(i) No.	18-Oct-18 Note 16(c)(ii) No.	13-Aug-19 Note 16(c)(ii) No.	Total No.
<b>Tranche A Performance Rights converted on 28 August 2019:</b>				
Francis Harper	1,625,000	-	-	1,625,000
Hanjing Xu	812,500	-	-	812,500
Mark Strizek	812,500	-	-	812,500
Paul Kitto	-	-	500,000	500,000
Total converted on 28 August 2019	<u>3,250,000</u>	<u>-</u>	<u>500,000</u>	<u>3,750,000</u>
<b>Tranche B Performance Rights converted on 31 January 2020:</b>				
Francis Harper	650,000	-	-	650,000
Hanjing Xu	406,250	-	-	406,250
Mark Strizek	406,250	-	-	406,250
Paul Kitto	-	-	1,500,000	1,500,000
Employee	-	1,000,000	-	1,000,000
Total converted on 31 January 2020	<u>1,462,500</u>	<u>1,000,000</u>	<u>1,500,000</u>	<u>3,962,500</u>
<b>Tranche A and B Performance Rights converted on 11 March 2020:</b>				
Caigen Wang				
Tranche A	6,500,000	-	-	6,500,000
Tranche B	1,625,000	-	-	1,625,000
Total converted on 11 March 2020	<u>8,125,000</u>	<u>-</u>	<u>-</u>	<u>8,125,000</u>
<b>Total conversion</b>	<u>12,837,500</u>	<u>1,000,000</u>	<u>2,000,000</u>	<u>15,837,500</u>



# TIETTO MINERALS LIMITED

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 16. SHARE-BASED PAYMENTS (CONTINUED)

#### (d) Share-based payment arrangements in existence

The following share-based payment arrangements were granted during the year ended 30 June 2020:

Number	Type	Grant date	Expiry date	Exercise \$	Fair value at grant date \$
500,000	Shares	1-Jul-19	N/A	-	0.160
11,500,000	Options	28-Aug-19	28-Aug-22	0.1725	0.148
2,500,000	Options	13-Aug-19	28-Aug-22	0.1725	0.174
5,000,000	Options	4-Jun-19	16-Jan-23	0.20	Nil*

\*Free-attaching options deemed at nil value. Refer Note 16(b)(iii) for more details.

The table below summarises the model inputs for the shares granted and the options granted during the period. The options were valued using the Black-Scholes option pricing model.

Inputs into the model	500,000 shares	11,500,000 options	2,500,000 options
Grant date	1-Jul-19	28-Aug-19	13-Aug-19
Grant date share price	\$0.16	\$0.21	\$0.24
Exercise price	-	\$0.1725	\$0.1725
Expected volatility	N/A	111.84%	111.84%
Life of options / performance rights	N/A	3 years	3 years
Dividend yield	N/A	-	-
Risk-free interest rate	N/A	0.69%	0.69%
Remaining number at reporting date	N/A	11,500,000	2,500,000

#### (e) Summary of expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the year were as follows:

	2020 \$	2019 \$
Shares issued to employees	80,000	-
Unlisted options issued to brokers as capital raising costs*	-	-
Performance rights issued to directors on 31 Oct 2017	777,807	1,818,030
Unlisted options granted to Ausino	-	404,338
Options granted to employee on 18 Oct 2018 (issued on 28 Aug 2019)	25,439	27,587
Performance rights granted to employee on 18 Oct 2018 (issued on 28 Aug 2019)	29,339	40,661
Options granted to director on 22 Jan 2019 (issued on 28 Aug 2019)	-	307,730
Performance rights granted to director on 22 Jan 2019 (issued on 28 Aug 2019)	672,633	295,487
Options and performance rights cancelled on termination of an employee	(19,249)	-
	<u>1,565,969</u>	<u>2,893,833</u>

\* \$2,132,153 was recognised as part of capital raising costs (recognised in equity) during the year ended 30 June 2020.



# TIETTO MINERALS LIMITED

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 16. SHARE-BASED PAYMENTS (CONTINUED)

#### (f) Reconciliation of movements of share-based payments in existence

##### Options

Grant Date	Issue Date	Expiry Date	Exercise Price \$	Balance at 1 July 2019 No	Granted No	Exercised No	Expired / Forfeited No	Balance at 30 June 2020 No	Vested and Exercisable at 30 June 2020 No	Vested and unexercisable at 30 June 2020 No
31 Oct 2017	31 Oct 2017	31 Dec 2021	0.20	6,750,000	-	-	-	6,750,000	6,750,000	-
29 Dec 2017	29 Dec 2017	31 Dec 2021	0.20	5,000,000	-	-	-	5,000,000	5,000,000	-
27 Jul 2018	28 Aug 2019	22 Jan 2023	0.30	7,000,000	-	-	-	7,000,000	7,000,000	-
18 Oct 2018	28 Aug 2019	22 Jan 2022	0.25	1,000,000	-	-	-	1,000,000	1,000,000	-
18 Oct 2018	28 Aug 2019	22 Jan 2023	0.30	1,000,000	-	-	(1,000,000)	-	-	-
22 Jan 2019	28 Aug 2019	22 Jan 2022	0.25	1,000,000	-	-	-	1,000,000	1,000,000	-
22 Jan 2019	28 Aug 2019	22 Jan 2023	0.30	1,000,000	-	-	-	1,000,000	1,000,000	-
28 Aug 2019	28 Aug 2019	28 Aug 2022	0.1725	-	11,500,000	-	-	11,500,000	11,500,000	-
13 Aug 2019	28 Aug 2019	28 Aug 2022	0.1725	-	2,500,000	-	-	2,500,000	2,500,000	-
17 Jun 2020	17 Jun 2020	16 Jan 2023	0.20	-	5,000,000	-	-	5,000,000	5,000,000	-
				<b>22,750,000</b>	<b>19,000,000</b>	<b>-</b>	<b>(1,000,000)</b>	<b>40,750,000</b>	<b>40,750,000</b>	<b>-</b>
Weighted average exercise price				\$0.24	\$0.18	\$	\$	\$0.30	\$0.21	\$0.21

Weighted average remaining contractual life is 2 years

Grant Date	Issue Date	Expiry Date	Exercise Price \$	Balance at 1 July 2018 No	Granted No	Exercised No	Expired / Forfeited No	Balance at 30 June 2019 No	Vested and Exercisable at 30 June 2019 No	Vested and unexercisable at 30 June 2019 No
31 Oct 2017	31 Oct 2017	31 Dec 2021	0.20	6,750,000	-	-	-	6,750,000	6,750,000	-
29 Dec 2017	29 Dec 2017	31 Dec 2021	0.20	5,000,000	-	-	-	5,000,000	5,000,000	-
27 Jul 2018	28 Aug 2019	22 Jan 2023	0.30	-	7,000,000	-	-	7,000,000	7,000,000	-
18 Oct 2018	28 Aug 2019	22 Jan 2022	0.25	-	1,000,000	-	-	1,000,000	-	-
18 Oct 2018	28 Aug 2019	22 Jan 2023	0.30	-	1,000,000	-	-	1,000,000	-	-
22 Jan 2019	28 Aug 2019	22 Jan 2022	0.25	-	1,000,000	-	-	1,000,000	-	1,000,000
22 Jan 2019	28 Aug 2019	22 Jan 2023	0.30	-	1,000,000	-	-	1,000,000	-	1,000,000
				<b>11,750,000</b>	<b>11,000,000</b>	<b>-</b>	<b>-</b>	<b>22,750,000</b>	<b>18,750,000</b>	<b>2,000,000</b>
Weighted average exercise price				\$0.20	\$0.29	\$	\$	\$0.24	\$0.24	\$0.28

Weighted average remaining contractual life is 2.9 years

1,070



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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 16. SHARE-BASED PAYMENTS (CONTINUED)

#### (f) Reconciliation of movements of share-based payments in existence (continued)

##### Performance Rights

Grant Date	Issue Date	Expiry Date	Balance at 1 July 2019 No	Granted No	Exercised No	Expired / Forfeited No	Balance at 30 June 2020 No	Vested and Exercisable at 30 June 2020 No	Vested and unexercisable at 30 June 2020 No
31 Oct 2017	31 Oct 2017	18 Jan 2022	17,875,000	-	(12,837,500)	-	5,037,500	-	-
18 Oct 2018	28 Aug 2019	18 Jan 2022	2,500,000	-	(1,000,000)	(1,500,000)	-	-	-
22 Jan 2019	28 Aug 2019	18 Jan 2022	4,500,000	-	(2,000,000)	-	2,500,000	-	-
			<u>24,875,000</u>	<u>-</u>	<u>(15,837,500)</u>	<u>(1,500,000)</u>	<u>7,537,500</u>	<u>-</u>	<u>-</u>

Weighted average remaining contractual life is 1.5 years

Grant Date	Issue Date	Expiry Date	Balance at 1 July 2018 No	Granted No	Exercised No	Expired / Forfeited No	Balance at 30 June 2019 No	Vested and Exercisable at 30 June 2019 No	Vested and unexercisable at 30 June 2019 No
31 Oct 2017	31 Oct 2017	18 Jan 2022	17,875,000	-	-	-	17,875,000	9,750,000	-
18 Oct 2018	28 Aug 2019	18 Jan 2022	-	2,500,000	-	-	2,500,000	-	-
22 Jan 2019	28 Aug 2019	18 Jan 2022	-	4,500,000	-	-	4,500,000	-	500,000
			<u>17,875,000</u>	<u>7,000,000</u>	<u>-</u>	<u>-</u>	<u>24,875,000</u>	<u>9,750,000</u>	<u>500,000</u>

Weighted average remaining contractual life is 2.5 years



# TIETTO MINERALS LIMITED

Australian Company Number 143 493 118

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 17. FINANCIAL INSTRUMENTS

#### *Financial risk management objectives*

The Group has exposure to the following risks from its use of financial instruments:

- Foreign currency risk
- Liquidity risk
- Interest rate risk
- Capital management

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this note and the financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

#### *Foreign currency risk*

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

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

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date, expressed in Australian dollars, was as follows:

	Assets		Liabilities	
	2020	2019	2020	2019
	\$	\$	\$	\$
UK pound sterling	4,504	9,212	-	-
Euro	83,114	-	-	-
US dollars	160,744	6,142	-	(257,401)
Chinese Yuan Renminbi	-	-	(219,335)	-
West African CFA franc	29,274	89,131	-	-
	<u>277,636</u>	<u>104,485</u>	<u>(219,335)</u>	<u>(257,401)</u>

#### Foreign currency sensitivity analysis

The sensitivity analyses of the Group's exposure to foreign currency risk at the reporting date has been determined based on a change of 10% in the value of the Australian dollar against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

At reporting date, if the Australian dollar was 10% stronger and all other variables were constant, the Group's net loss would have increased by \$5,142 (2019: net loss would have decreased by \$36,189) with a corresponding decrease in equity. Where the Australian dollar weakened, there would be an equal and opposite impact on the loss after tax and equity.





# TIETTO MINERALS LIMITED

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 17. FINANCIAL INSTRUMENTS (CONTINUED)

#### **Price risk**

The Group is not exposed to any significant price risk.

#### **Interest rate risk**

The Group is exposed to movements in market interest rates on bank balances.

The Group's exposure to interest rate risk and the effective weighted average interest rate for bank balances is set out in the following table:

	Weighted Average Effective Interest Rate		Variable Interest Rate	
	2020 %	2019 %	2020 \$	2019 \$
<b>Financial assets</b>				
Cash at bank	0.77	1.41	1,349,772	1,363,462
			<u>1,349,772</u>	<u>1,363,462</u>

#### Interest rate sensitivity analysis

The sensitivity analyses of the Group's exposure to interest rate risk at the reporting date has been determined based on a change of 100 basis points in interest rates.

At reporting date, if interest rates had been 100 basis points higher and all other variables were constant, the Group's net loss after tax would have decreased by \$13,498 (2019: \$13,635) with a corresponding increase in equity. Where interest rates decreased, there would be an equal and opposite impact on the loss after tax and equity.

#### **Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Liquidity risk management is the responsibility of the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements.

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities, identifying when further capital raising initiatives are required.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial assets and liabilities and have been prepared on the following basis:

- Financial assets - based on the undiscounted contractual maturities including interest that will be earned on those assets except where the Group anticipates that the cash flow will occur in a different period; and
- Financial liabilities - based on undiscounted cash flows on the earliest date on which the Group can be required to pay, including both interest and principal cash flows.

2020	Carrying amount \$	Less than 1 month \$	1 month to 1 year \$	> 1 year \$	Total \$
<b>Financial assets</b>					
Non-interest bearing	129,813	90,813	-	39,000	129,813
Variable interest rate	1,349,772	1,349,772	-	-	1,349,772
Fixed interest rate	10,069,487	-	10,069,487	-	10,069,487
	<u>11,549,072</u>	<u>1,440,585</u>	<u>10,069,487</u>	<u>39,000</u>	<u>11,549,072</u>
<b>Financial liabilities</b>					
Non-interest bearing	(206,281)	(186,699)	(19,582)	-	(206,281)
Fixed interest rate	-	-	-	-	-
	<u>(206,281)</u>	<u>(186,699)</u>	<u>(19,582)</u>	<u>-</u>	<u>(206,281)</u>



# TIETTO MINERALS LIMITED

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 17. FINANCIAL INSTRUMENTS (CONTINUED)

#### *Liquidity risk (continued)*

2019	Carrying amount \$	Less than 1 month \$	1 month to 1 year \$	> 1 year \$	Total \$
<b>Financial assets</b>					
Non-interest bearing	83,695	57,695	-	26,000	83,695
Variable interest rate	1,363,462	1,363,462	-	-	1,363,462
Fixed interest rate	3,509,306	-	3,509,306	-	3,509,306
	<u>4,956,463</u>	<u>1,421,157</u>	<u>3,509,306</u>	<u>26,000</u>	<u>4,956,463</u>
<b>Financial liabilities</b>					
Non-interest bearing	(96,929)	(96,929)	-	-	(96,929)
Fixed interest rate	-	-	-	-	-
	<u>(96,929)</u>	<u>(96,929)</u>	<u>-</u>	<u>-</u>	<u>(96,929)</u>

#### **Fair value of financial assets and liabilities**

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 3. The directors consider that the carrying amount of financial assets and other financial liabilities recorded in the financial statements approximate their net fair values.

#### Fair value hierarchy

The table below analyses financial instruments carried at fair value by the levels in the fair value hierarchy. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included with Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derives from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
<b>2020</b>				
Financial assets at fair value through other comprehensive income	<u>39,000</u>	<u>-</u>	<u>-</u>	<u>39,000</u>
<b>2019</b>				
Financial assets at fair value through other comprehensive income	<u>26,000</u>	<u>-</u>	<u>-</u>	<u>26,000</u>

#### **Capital management**

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The capital structure of the Group consists of equity only, comprising issued capital and reserves, net of accumulated losses. The Group's policy is to use capital market issues to meet the funding requirements of the Group.

There were no changes in the Group's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.



# TIETTO MINERALS LIMITED

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 18. KEY MANAGEMENT PERSONNEL DISCLOSURES

Details of key management personnel compensation are disclosed in the Remuneration Report which forms part of the Directors' Report and has been audited. The aggregate compensation of the key management personnel is summarised below:

	2020 \$	2019 \$
Short term employee benefits	650,779	478,500
Post employment benefits	31,193	17,160
Other benefits	8,400	-
Directors' remuneration	<u>690,372</u>	<u>495,660</u>
Share-based payments - performance rights	1,450,439	2,113,517
Share-based payments - unlisted options	-	307,730
Total remuneration	<u>2,140,811</u>	<u>2,916,907</u>

### 19. REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by the auditor of the Company:

	2020 \$	2019 \$
Audit and review of the financial statements	<u>48,763</u>	<u>42,520</u>

### 20. CONTINGENT LIABILITIES

The Group had contingent liability of USD 1,500,000 as at 30 June 2020 and as at 30 June 2019 (AUD as at 30 June 2020 and AUD 2,180,955 as at 30 June 2019). This amount resulted from the termination a loan agreement between LGL Australian Holdings Pty Ltd and the Group, due to the farm-in agreement for the Abujar project not being executed.

Under the termination agreement, the Group will only be required to settle the USD 1,500,000 within 12 months from the commencement of commercial production from any part of the area underlying the relevant licence under the agreement.

Further details of the original loan agreement with LGL Australian Holdings Pty Ltd, and details of the gain on derecognition of the loan from LGL Australian Holdings Pty Ltd, are in the Company's Annual Report for the year ended 30 June 2018.

In accordance with the Partnership Agreement between the Group and Bamba & Fred Minerals Sarl ("B&F"), the Group has obligation to pay the shareholders of B&F (other than Tietto Minerals) USD\$250,000 upon each discovery of 500,000 ounces of gold to a maximum USD\$1,500,000 upon the discovery of total 3,000,000 ounces of gold, as defined by the standard "indicated" category of the JORC code. USD\$250,000 has been paid via issue of shares during the year (refer to Note 14(h)). The remaining contingent obligation at 30 June 2020 is USD\$1,250,000.



# TIETTO MINERALS LIMITED

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 21. SEGMENT INFORMATION

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker has been identified as the Board of Directors of Tietto Minerals Limited.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics. The Group operates as three segments which is mineral exploration within Australia, Liberia and Côte d'Ivoire. The Group is domiciled in Australia.

The following table presents the revenue and results information regarding the segment information provided to the Board of Directors for the year ended 30 June 2020.

#### Continuing Operations

	Administration Australia \$	Exploration Liberia \$	Exploration Côte D'Ivoire \$	Intersegment Eliminations \$	Total \$
<b>2020</b>					
Segment income	195,490	-	-	-	195,490
Segment expenditure	(8,471,093)	(766,155)	(8,100,910)	4,634,348	(12,703,810)
Net loss after tax	<u>(8,275,603)</u>	<u>(766,155)</u>	<u>(8,100,910)</u>	<u>4,634,348</u>	<u>(12,508,320)</u>
Depreciation	(122,448)	-	(9,413)	-	(131,861)
Exploration expenditure	(20,485)	(515,486)	(7,312,039)	-	(7,848,010)
Non-current assets	1,045,003	-	151,049	(47,964)	1,148,088
Segment assets	16,013,383	9,723	185,775	(3,536,824)	12,672,057
Segment liabilities	(419,542)	(4,053,899)	(19,102,177)	22,964,393	(611,225)
<b>2019</b>					
Segment income	68,129	-	-	-	68,129
Segment expenditure	(8,279,877)	(447,609)	(5,386,004)	4,165,602	(9,947,888)
Net loss after tax	<u>(8,211,748)</u>	<u>(447,609)</u>	<u>(5,386,004)</u>	<u>4,165,602</u>	<u>(9,879,759)</u>
Depreciation	(1,189)	-	(10,503)	-	(11,692)
Exploration expenditure	(150,529)	(369,163)	(4,932,508)	-	(5,452,200)
Non-current assets	77,911	-	121,531	(47,964)	151,478
Segment assets	6,800,455	2,647	213,630	(1,924,511)	5,092,221
Segment liabilities	(361,099)	(3,232,891)	(13,646,242)	16,806,659	(433,573)



# TIETTO MINERALS LIMITED

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
<b>22. COMMITMENTS</b>		
<i>Committed at reporting date but not recognised as liabilities, payable:</i>		
Within one year	-	-
After one year but not more than five years	-	-
	<u>-</u>	<u>-</u>
<i>Lease commitments - operating</i>		
Committed at reporting date but not recognised as liabilities, payable:		
Within one year	-	32,536
After one year but not more than five years	-	-
	<u>-</u>	<u>32,536</u>

## 23. RELATED PARTIES

### Transactions with related parties

During the year ended 30 June 2020, Blackwood Capital, a company associated with the Company's chairman, Mr Francis Harper received cash payment of \$235,840 (inclusive of GST) for capital raising fees.

On 28 August 2019, the Company issued 2,500,000 unlisted options to the Company's chairman, Francis Harper valued at \$435,241 as capital raising fee. The options expire on 28 August 2022 and have an exercise price of

During the year ended 30 June 2020, Hopeview Investments Pty Ltd, a company associated with Mr Francis Harper received cash payment of \$31,000 (inclusive of GST) for capital raising fees.

All related party transactions are on arm's length terms. There were no other transactions with related parties during the 2019 and 2020 financial years.

### Loans with related parties

There were no loans with related parties during the 2019 and 2020 financial years.





# TIETTO MINERALS LIMITED

Australian Company Number 143 493 118

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 24. PARENT ENTITY INFORMATION

#### Investment in controlled entities

Name	Principal Activities	Country of incorporation	Ownership of interest	
			2020 %	2019 %
Tietto Minerals (Liberia) Limited	Exploration	Liberia	100	100
Tietto Minerals (Côte d'Ivoire) Limited	Exploration	Ivory Coast	100	100
Tietto Minerals Austar Pty Ltd	Exploration	Australia	100	100
Bamba & Fred Minerals SARL	Exploration	Ivory Coast	50	50
Tiebaya Gold SARL	Exploration	Ivory Coast	90	90

As at, and throughout the financial years ending 30 June 2020 and 30 June 2019, the parent entity of the Group was Tietto Minerals Limited.

	2020 \$	2019 \$
<b>Result of parent entity</b>		
Loss for the year	(11,812,848)	(10,136,947)
Other comprehensive gain/(loss)	13,000	(169,000)
Total comprehensive loss for the year	<u>(11,799,848)</u>	<u>(10,305,947)</u>
<b>Financial position of parent entity at year end</b>		
Total current assets	11,480,050	4,846,260
Total non-current assets	997,139	30,047
Total assets	<u>12,477,189</u>	<u>4,876,307</u>
Total current liabilities	419,542	361,099
Total non-current liabilities	-	-
Total liabilities	<u>419,542</u>	<u>361,099</u>
Net assets	<u>12,057,647</u>	<u>4,515,208</u>
Share capital	41,705,488	25,981,324
Revaluation reserve	(86,000)	(99,000)
Options reserve	7,836,007	4,217,885
Other reserve	(644,910)	(644,910)
Accumulated losses	<u>(36,752,938)</u>	<u>(24,940,091)</u>
Total equity	<u>12,057,647</u>	<u>4,515,208</u>

#### Parent entity capital commitments for acquisition for property, plant and equipment

There are no contracted capital commitments of the parent entity at year end.

#### Parent entity guarantees in respect of the debts of its subsidiaries

There are no parent entity guarantees in respect of the debts of its subsidiaries at year end.



# TIETTO MINERALS LIMITED

Australian Company Number 143 493 118

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

<b>25. CASH FLOW INFORMATION</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Reconciliation of cash flows used in operating activities with loss after tax is as follows:		
Loss after tax	(12,508,320)	(9,879,759)
Adjustment for:		
Foreign currency exchange differences	572,059	(204,464)
Depreciation	131,861	11,692
Amortisation	24,181	-
Share-based payments	1,565,969	2,893,833
Exploration expenditure not paid via cash	1,149,086	1,537,993
Loss on settlement of liability	189,621	-
Interest expense in investing and financing activities	6,693	-
Gain on sale of investment in a listed entity	-	(10,268)
Operating loss before working capital changes	<u>(8,868,850)</u>	<u>(5,650,973)</u>
(Increase)/Decrease in receivables	(36,735)	14,612
(Decrease)/Increase in trade and other payables	<u>(68,766)</u>	<u>314,250</u>
Net cash used in operating activities	<u><u>(8,974,351)</u></u>	<u><u>(5,322,111)</u></u>

Non-cash investing activities during the current or prior financial years are as disclosed in the above. Non-cash financing transactions during the current and prior financial years are detailed in Note 14 and Notes 16(a) 16(b).

## 26. LOSS PER SHARE

	<b>2020</b>	<b>2019</b>
Basic loss per share (cents per share)	<u>(4.02)</u>	<u>(4.32)</u>
	<b>\$</b>	<b>\$</b>
Loss after income tax attributable to the owners of Tietto Minerals Limited	<u>(12,495,098)</u>	<u>(9,899,430)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares	<u>310,561,902</u>	<u>229,170,163</u>

Diluted loss per share has not been calculated as the result does not increase loss per share.

## 27. EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to year end, the Company issued 91 million shares pursuant to a Share Placement and Share Purchase Plan at an issue price of \$0.62 per share raising approximately \$56.6 million total gross proceeds.

On 10 September 2020, the shareholders approved the issue of 500,000 Class D Performance Rights to Mark Strizek.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while there has been no negative impact for the consolidated entity up to 30 June 2020, 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 Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

There has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.



# TIETTO MINERALS LIMITED

Australian Company Number 143 493 118

## DIRECTORS' DECLARATION

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The directors of the Company declare that:

1. the attached financial statements notes thereto comply with the Corporations Act 2001, the Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - a) comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Notes 2 and 3 to the financial statements;
  - b) give a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
2. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
3. The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors

Caigen Wang  
Managing Director

Dated at Perth this 29th day of September 2020

## INDEPENDENT AUDITOR'S REPORT

To the members of Tietto Minerals Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Tietto Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, 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 30 June 2020 and of its financial performance for the year ended on that date; 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 Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We 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 report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Accounting for share-based payments

Key audit matter	How the matter was addressed in our audit
<p>As disclosed in Note 16 to the financial report, the Group has granted a number of equity instruments which have been accounted for as share-based payments in accordance with AASB 2 Share-based Payment.</p> <p>Refer to Note 2(d) of the financial report for a description on the significant estimates and judgements applied to these arrangements.</p> <p>Share-based payments are a complex accounting area and due to the complex and judgemental estimates used in determining the fair value of financial instruments and how the share-based payments should be recognised, therefore we consider the accounting of the share-based payments to be a key audit matter.</p>	<p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Holding discussions with management to understand the share-based payment arrangements in place;</li> <li>• Reviewing relevant supporting documentation to obtain an understanding of the contractual nature and terms and conditions of the share-based payment arrangements;</li> <li>• Reviewing management’s determination of the fair value of the share-based payments granted, considering the appropriateness of the valuation models used and assessing the valuation inputs;</li> <li>• Assessing the reasonableness of the valuation assumptions and inputs using our valuation specialists where deemed necessary;</li> <li>• Evaluating management’s assessment of the probability and timing of achieving non-market performance conditions relating to performance rights;</li> <li>• Assessing the allocation of the share-based payment expense over the expected vesting periods; and</li> <li>• Assessing the adequacy and completeness of the related disclosures in Note 2(d) and Note 16 to the financial report.</li> </ul>



## Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and the auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the directors for the Financial Report

The directors of the Company 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf)

This description forms part of our auditor's report.



## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 32 to 37 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Tietto Minerals Limited, for the year ended 30 June 2020, complies with section 300A of the Corporations Act 2001.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'J Prue'.

Jarrad Prue  
Director

Perth, 29 September 2020



## ASX ADDITIONAL INFORMATION

Information as at 25 September 2020

### (a) Distribution of Shareholders

Category (size of holding)	Holders	Number of Shares
1 – 1,000	74	31,647
1,001 – 5,000	252	760,845
5,001 – 10,000	209	1,766,706
10,001 – 100,000	708	28,690,382
100,001 – and over	313	418,620,876
<b>Total</b>	<b>1,556</b>	<b>449,870,456</b>

The number of shareholdings held in less than marketable parcels is 64.

### (b) Voting rights

The voting rights attached to each class of equity security are as follows:

#### *Ordinary Shares*

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

#### *Options*

There are no voting rights attached to any class of options that are on issue.

#### *Performance Rights*

There are no voting rights attached to any class of Performance Rights that are on issue.



## ASX ADDITIONAL INFORMATION (CONTINUED)

### (c) 20 Largest Shareholders — Ordinary Shares as at 25 September 2020

Rank	Name	Ordinary Shares Held	% of Issued Capital
1	HONGKONG AUSINO INVESTMENT LTD	44,418,059	9.87%
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	39,162,653	8.71%
3	5013423 ONTARIO CORP	26,269,690	5.84%
4	INNER MONGOLIA GEOLOGICAL & MINERALS EXPLORATION PTY LTD	23,448,312	5.21%
5	HONG KONG GONDWANA RESOURCES HOLDINGS LIMITED	21,247,501	4.72%
6	Phillip Perry	18,105,802	4.02%
7	MR QIXIAN WU	16,871,269	3.75%
8	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	14,939,963	3.32%
9	Dr Caigen Wang	10,408,557	2.31%
10	CITICORP NOMINEES PTY LIMITED	10,218,593	2.27%
11	Francis Harper	9,457,546	2.10%
12	GOLDLAND MINERALS (AUSTRALIA) PTY LTD	8,022,983	1.78%
13	CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	6,940,251	1.54%
14	JSR NOMINEES PTY LTD <RICHARDSON SUPER FUND A/C>	6,548,245	1.46%
15	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	6,137,767	1.36%
16	HAYES INVESTMENTS CO PTY LTD	5,641,934	1.25%
17	MS JIAN ZHAO	5,381,820	1.20%
18	MANDEL PTY LTD <MANDEL SUPER FUND A/C>	3,700,000	0.82%
19	BAMBA TAHI HENRI	3,420,986	0.76%
19	YAO N'KANZA	3,420,986	0.76%
20	WESTBURY HOLDINGS (NSW) PTY LTD <BEISSEL FAMILY A/C>	3,405,090	0.76%
<b>Total</b>		<b>287,168,007</b>	<b>63.83%</b>
<b>Balance of register</b>		<b>162,702,449</b>	<b>36.17%</b>
<b>Grand total</b>		<b>449,870,456</b>	<b>100.00%</b>



## ASX ADDITIONAL INFORMATION (CONTINUED)

### (d) Securities Subject to Escrow

No securities are currently subject to any escrow provisions

### (e) On-market Buy-Back

Currently there is no on-market buy-back of the Company's securities.

### (f) Substantial Shareholders

Shareholders who hold 5% or more of the issued capital of the Company as per substantial shareholder notices lodged with ASX are listed below.

Name	Number of Shares Held	Percentage Held
HONGKONG AUSINO INVESTMENT LTD	44,418,059	9.87%
1832 ASSET MANAGEMENT LP	32,258,065	7.17%
5013423 ONTARIO CORP	26,269,690	5.84%
INNER MONGOLIA GEOLOGICAL & MINERALS EXPLORATION PTY LTD	23,448,312	5.21%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	21,549,305	5.47%

### (g) Unquoted Equity Security Holders with Greater than 20% of an Individual Class

As at 25 September 2020 the following classes of unquoted securities had holders with greater than 20% of the class on issue.

	% Interest
<b>Options exercisable at 17.25¢ on or before 28 August 2022</b>	
Zenix Nominees Pty Ltd	64.29%
<b>Options exercisable at 20¢ on or before 31 December 2021</b>	
Francis Harper Pty Ltd <Francis Harper S/Fund A/C>	40.74%
JSR Nominees Pty Ltd <Richardson Super Fund A/C>	24.69%
<b>Options exercisable at 25¢ on or before 31 December 2021</b>	
Caigen Wang	21.38%
<b>Options exercisable at 25¢ on or before 22 January 2022</b>	
Precambrian Pty Ltd <Kitto and Shepherd S/F A/C>	50.00%
Mathieu Ageneau	50.00%
<b>Options exercisable at 30¢ on or before 22 January 2023</b>	
Hongkong Ausino Investment Ltd	87.50%
<b>Options exercisable at 20¢ on or before 16 January 2023</b>	
Hongkong Ausino Investment Ltd	100.00%
<b>Class C Performance Rights</b>	
Caigen Wang	43.12%
Paul Kitto	33.17%



**ASX ADDITIONAL INFORMATION (CONTINUED)****Corporate Governance**

Pursuant to the ASX Listing Rules, the Company's Corporate Governance Statement will be released in conjunction with this report. The Company's Corporate Governance Statement is available on the Company's website at: <http://tietto.com/corporate-governance/>

**Appendix A – Schedule of Tenements as at 25 September 2020**

Tenement ID	Status	Interest at beginning of quarter	Interest acquired or disposed	Interest at end of quarter
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**Côte d'Ivoire**

Abujar North <sup>1</sup> (Zahibo License)	Granted	15%	0%	15%
Abujar Middle <sup>2</sup> (Zoukougbeu License)	Granted	90%	0%	90%
Abujar South (Issia License)	Granted	100%	0%	100%
Bongouanou North in Cote D'Ivoire	Granted	50%	0%	50%
Bongouanou South in Cote D'Ivoire	Granted	50%	0%	50%
Two Boundiali tenements	In application			

1. Tietto has the right to acquire up to a 80% interest in the Abujar North Exploration License.
2. Tietto has 90% share capital of Tiebaya Gold which holds 100% interest of the Abujar Middle Exploration License

**Liberia**

Dude South	Granted	100%	0%	100%
Cestos Project	Granted	100%	0%	100%