



TIETTO MINERALS LIMITED

Australian Company Number 143 493 118

FINANCIAL REPORT

FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2022

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Corporate Directory

Board of Directors

Francis Harper	Non-Executive Chairman
Caigen Wang	Managing Director
Matthew Wilcox	Executive Director
Hanjing Xu	Non-Executive Director
Paul Kitto	Non-Executive Director
Shadrack Sowah Adjetey	Non-Executive Director

Company Secretary

Matthew Foy

Registered Office

Unit 22, 123B Collin Street
West Perth WA 6005

Telephone: +61 8 9420 8270
Website: www.tietto.com

Stock Exchange Listing

Listed on the Australian Securities Exchange (ASX Code: TIE)

Auditors

BDO Audit (WA) Pty Ltd
Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000

Solicitors

Allion Partners Pty Limited
Level 9, 863 Hay Street
Perth WA 6000

Share Registry

Automic Pty Ltd
Level 5, 126 Phillip Street
Sydney NSW 2000

Chairmans Message

Dear Fellow Shareholders,

Welcome to this six-month, transitional Annual Report for Tietto Minerals Limited (ASX: TIE). It has been a transformational time for our Company during which we became West Africa's newest gold producer, with first gold achieved at our Abujar project in Côte d'Ivoire in January 2023, and it gives me great pleasure to reflect on our milestones.

We can be incredibly proud of what Tietto has accomplished over the past six months. Led by our Chief Operating Officer Matt Wilcox, our construction team achieved first gold at Abujar within 12 months of breaking first ground for the project, which is a phenomenal result. We delivered Abujar fully funded with negligible amount of debt, besides shareholders' loan, following capital raising supported by our Shareholders, and we move into production with zero gold hedging, enabling Tietto to take advantage of a strong gold price environment.

Our goal now is to ramp up to commercial gold production at Abujar, and we will work towards this progressively over the coming months, building up our run-of-mine stockpiles and mill throughput rates to those envisaged in our project studies.

While achieving gold production at Abujar has been our focus over the past year, we believe this is just the beginning of our operations. We identified an opportunity to grow our production profile with a second standalone mine at the Abujar-Pischon-Golikro (APG) deposit and completed a Scoping Study, which found a heap leach gold processing operation at APG could deliver an additional 85,000oz gold per year for 10 years. The study demonstrated a project post-tax NPV_{5%} of US\$247M and post-tax IRR of 63% and forecast life of mine (LOM) revenue of US\$1,491M and EBITDA of US\$620M with average annual free operating cashflow of US\$52M per year for the first five years of mining operations¹. We are completing further metallurgical studies and engineering design activities to progress our feasibility evaluation of this opportunity.

We executed our "Drill and Build" strategy in 2022, and this meant our drill rigs maintained a solid pace, with nearly 130,000m of drilling completed by our fleet in calendar year 2022. Drilling mainly focused on extensional drilling for gold resource growth as well as infill drilling at the AG deposit, and this will lead to an updated Mineral Resource Estimate (MRE) for the project very soon. We have another 120,000m of drilling planned in CY2023 as we look to further increase our gold inventory for a larger scale, longer life project. With our fleet of drill rigs now increased to eight rigs, we continue complete our drilling at some of the lowest costs in the sector, and we still have plenty of ground to explore along the Abujar gold corridor, which extends for about 70km across three tenements. Less than 10% has been explored to date.

I take this opportunity to thank all those involved in our build at Abujar, including our contactors, suppliers and stakeholders who contributed so well to make our goal possible. We set a tight timeframe, particularly given ongoing impacts to logistics and labour availability, so the fact that we were able to meet this goal is even more impressive.

I also thank our Board, management team and staff, led by Tietto's founder and Managing Director Dr Caigen Wang, who have all contributed towards achieving this goal. Our Shareholders, who believed in our ability to deliver on our goals and supported our vision to build Abujar without debt, also deserve thanks and we look forward to rewarding you for this.

Backed by our strong cash position, we will continue to work hard over the next 12 months to position Tietto Minerals and our Abujar operations for long-term gold production, delivering value to our Shareholders. Having set and exceeded ambitious goals to date, we have a clear vision of what we are aiming to achieve over the year to come, and I look forward to sharing the journey with you.



Francis Harper

Chairman

¹ Gold price of US\$1750/oz as a base case in scoping study

Review of Operations

Tietto Minerals Ltd (ASX:TIE) reports on its activities for the six-month period from 1 July 2022 to 31 December 2022 as part of its transition to a calendar year reporting schedule.

ABUJAR GOLD MINE DEVELOPMENT

During the six months of reported operations, Tietto made excellent progress finalising construction of its 3.45Moz Abujar Gold Project in Côte d'Ivoire, West Africa, with first gold poured on 14 January 2023 for 12.89kg (414 troy oz). Tietto's inaugural smelt at the Abujar Project was achieved within 12 months of breaking ground.



Figure 1: Tietto Team celebrated Abujar first gold pour on 14th January 2023

1. Construction

Tietto's construction at Abujar remained on track of its budget and timing schedule.

- Abujar processing plant and tailings storage facility (TSF) fully operational.
- 4.5Mtpa SAG Mill and CIL processing system in wet commissioning.
- All critical spares and reagents on site.
- 90kV transmission line from Daloa completed in February.
- Mining activities commenced and ramping up over coming months.

In January 2023, Tietto announced the Project's **first gold** and the milestone of Abujar becoming West Africa's newest producing gold mine.

Tietto will continue ramping up to commercial production during the second quarter. Tietto will also progress the feasibility study on its APG Heap Leach Project to grow the Abujar Project even further to realise its full potential.

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A link to the most recent video of construction at Abujar can be viewed [here](#).



Figure 2: Abujar Plant at night



Figure 3: Mining at AG start pit AG Main 2 (AGM2)

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Figure 4: Abujar Plant



Figure 5: ROM, Crusher, CV-01 and Reclaim

Review of Operations



Figure 6: Tailings Storage Facility (TSF) at the beginning of January 2023

Review of Operations



Figure 7: Water storage dam and diversion channel



Figure 8: Abujar 90kV substation

In January 2023, Tietto announced the Project's **first gold** and the milestone of Abujar becoming West Africa's newest producing gold mine.

Review of Operations



Figure 9: Abujar first gold pour

Review of Operations

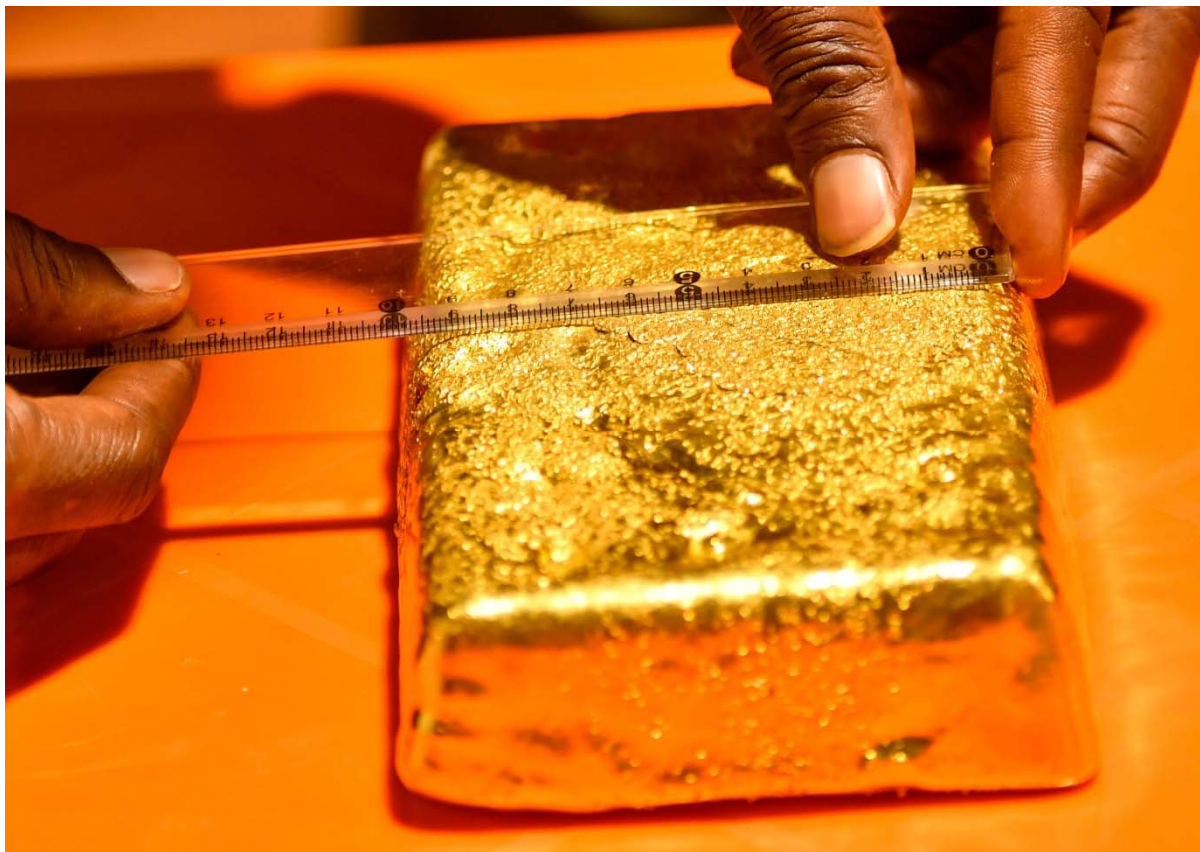


Figure 10: Abujar first gold bar

Tietto has been ramping up commercial production during the March 2023 Quarter with arrival of more mining fleet.

2. Exploration

During the 6-month reporting period, Tietto's own diamond drilling fleet of eight rigs drilled 67,504m holes for infilling the AG deposit and defining resources in new prospects within a 10km radius of the Abujar CIL processing plant. All assay results from these drill programs will be used in the March 2023 Abujar MRE update.

AG Core and AG South

Tietto completed infill drilling inside the DFS design of the AG Main Pit for the purpose of increasing Measured Resources and bringing all Inferred Resources into the Indicated category. The exercise added more high-grade gold intercepts from infill drilling at AG Core on the Main Abujar Shear. Results reported included:

- **12m @ 20.96 g/t Au** from 298m incl. **5m @ 48.57 g/t Au** (incl. **2m @ 120.21 g/t Au**).
- **6m @ 6.36 g/t Au** from 329m incl. **4m @ 9.4 g/t Au** (ZDD1229 – Section 22).
- **9m @ 8.1 g/t Au** from 258m incl. **2m @ 28.64 g/t Au** (ZDD1225 – Section 25).

These results came from a batch of 10 holes (seven DD holes for 2,780.5m at AG Core and three DD holes for 274.0m at AG South) from infill diamond drilling. The seven DD holes drilled at AG Core were designed to fill several drilling gaps at depth and allow conversion of Inferred Resources into Indicated Resources. The three DD

Review of Operations

holes at AG South were part of the program designed to convert Indicated Resources into Measured Resources at AG South.

Tietto also announced assay results (16 DD holes for 4,832m) from additional infill and depth extensional diamond drilling at AG Core and AG South. Better intersections received from diamond drill samples are summarised in Table 1 below.

Table 1: Significant Intersections from AG Core infill drilling

Hole id	Depth from	Depth to	Length	g/t Au	includes
ZDD1045	84.00	86.00	2.00	6.43	1m @ 12.3 g/t Au
ZDD1045	84.00	86.00	2.00	6.43	1m @ 12.3 g/t Au
ZDD1323	222.00	227.00	5.00	2.49	2m @ 5.56 g/t Au
ZDD1323	251.00	267.00	16.00	1.26	5m @ 2.55 g/t Au
ZDD1349A	642.00	646.00	4.00	2.67	2m @ 4.73 g/t Au
ZDD1354	208.00	221.00	13.00	0.98	2m @ 2.55 g/t Au
ZDD1354	266.00	278.00	12.00	2.71	4m @ 6.9 g/t Au
ZDD1371	171.00	172.50	1.50	8.05	0.50m @ 23.31 g/t Au
ZDD1371	176.00	188.00	12.00	1.57	4m @ 2.44 g/t Au
ZDD1371	212.00	223.00	11.00	1.75	3m @ 4.11 g/t Au
ZDD1371	255.00	268.00	13.00	1.72	3m @ 5.41 g/t Au
ZDD1388	270.00	289.00	19.00	21.94	6m @ 46.62 g/t Au

Tietto has planned and is carrying out further drilling at AG Core to assess the potential below the planned DFS open pit and test the limits of gold mineralisation, which is still open at depth.

Drilling results from both areas will be incorporated into the next MRE update, expected in Q1 CY23.

South Gamina (SG)

During the period, Tietto added more high-grade gold intercepts from step-out drilling with results from the South Gamina Prospect (SG)(2.5km to Abujar CIL plant):

- Assays released on 7/12/2022 included:
- **2.70m @ 37.88 g/t Au** from 61.8m incl. **0.55m @ 184.55 g/t Au** (ZDD1440 – Section 56B)
- **3.00m @ 18.02 g/t Au** from 120m (ZDD1415 – Section 61B)
- **2.50m @ 8.90 g/t Au** from 113.5m (ZDD1414 – Section 60B)
- **1.00m @ 21.75 g/t Au** from 68m (ZDD1399 – Section 32B)

Visible gold intersected in ZDD1440 is shown in **Figure 12**.

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Figure 11: Visible gold in diamond core from ZDD1440 – reported 184.55 g/t Au over 0.55m from 61.8m.

Assays released on 20/09/22 included:

- 4m @ 24.73 g/t Au from 85m incl. 0.50m @ 195.53 g/t Au (ZDD1319 – SG prospect)
- 0.50m @ 48.81 g/t Au from 104.9m (ZDD1311 – SG)
- 5.50m @ 3.81 g/t Au from 81m incl. 3m @ 6.48 g/t Au (ZDD1320 – SG).

High grade gold mineralisation visible in ZDD1319 is shown in **Figure 11**

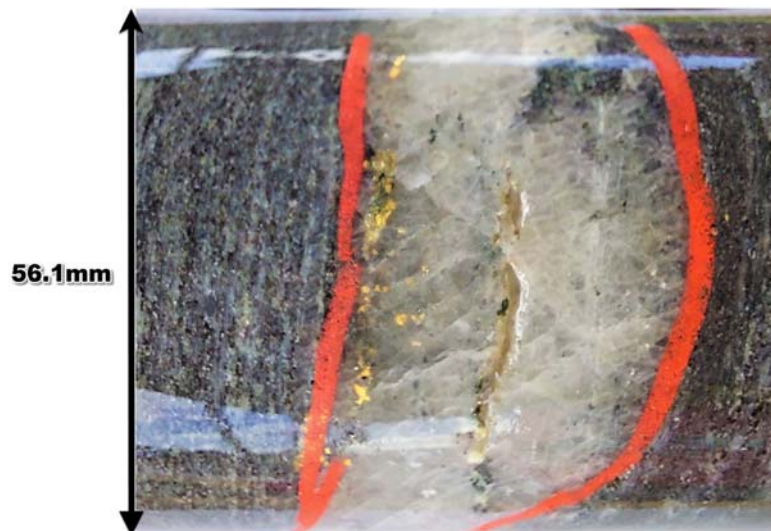


Figure 12: Visible gold in diamond core from ZDD1319 interval from 85m to 85.5m which reported 195.53 g/t gold.

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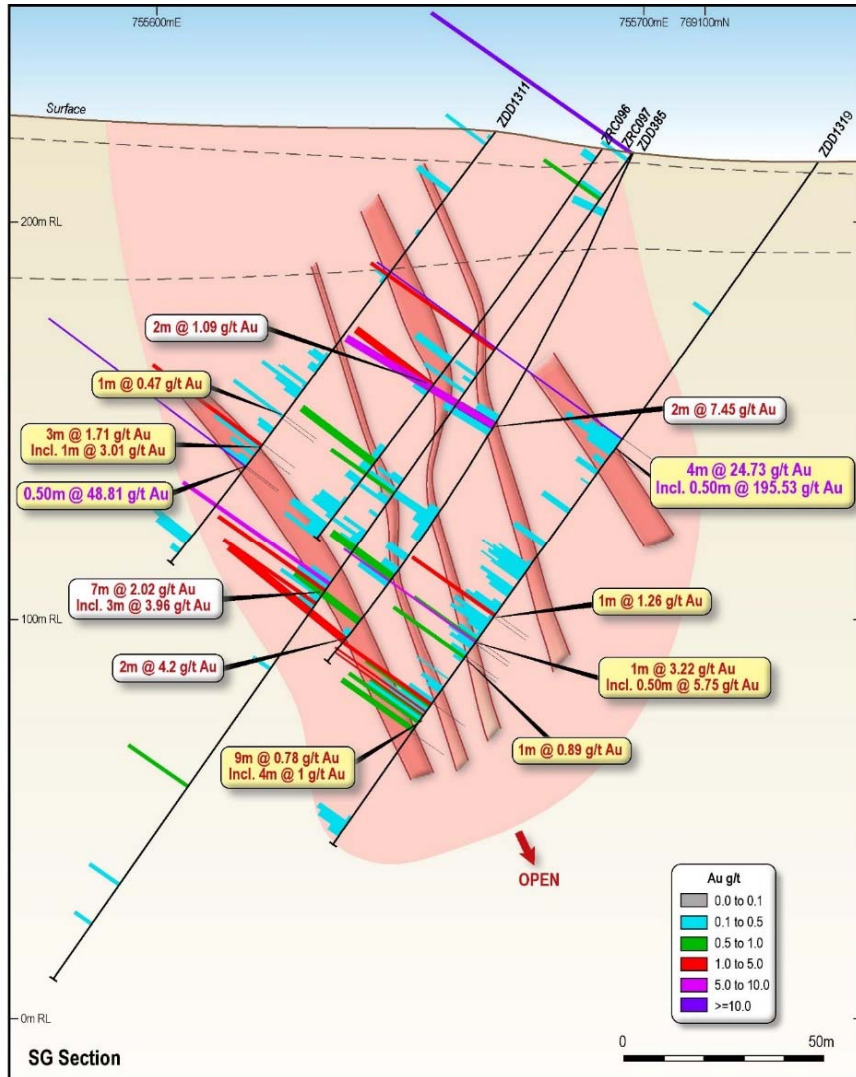


Figure 13: Oblique cross section view showing latest drill results at SG – ZDD1319 (+/-50m).

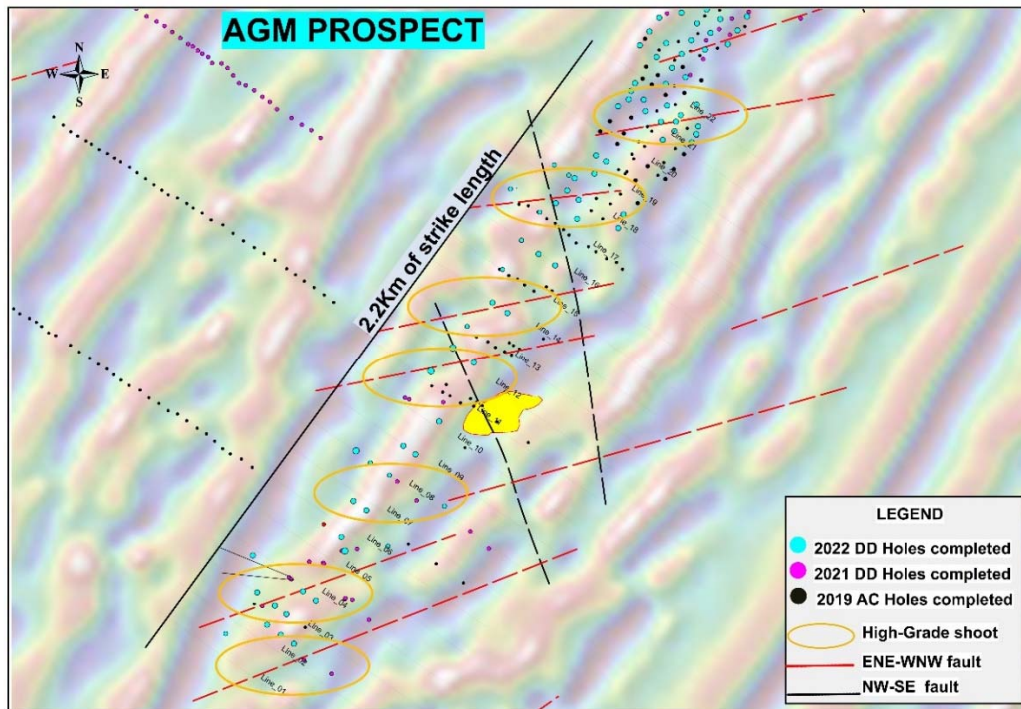
AGM – Mandanou Prospect (south of AG)

The AGM Prospect with a 2.2km strike length is a southern extension of the AG Deposit. Limited drilling was carried out at the AGM Prospect prior to the April 2022 resources update. Since then, Tietto has been carrying out 3600m of extensional diamond drilling. Resource growth is expected in the next Abuja resource update.

High-grade drilling intersections reported recently at AGM include:

- **1m @ 47.35 g/t Au** from 258m (ZDD919, ASX 29/06/2022)
- **6m @ 2.66 g/t Au** from 190m incl. **5m @ 3.02 g/t Au** (ZDD921, ASX 29/06/2022)
- **1m @ 27.91 g/t Au** from 151m (ZDD1256, ASX 20/09/2022).

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➤ **Figure 14: Madanou (AGM) Prospect airmag interpretation and drill hole layout**

PGL West Prospect - 3.4km zone of mineralisation immediate west of PGL

The PGL West Prospect is interpreted to occur within a pressure shadow adjacent to a late felsic granite. Gold-in-soil geochemical anomalies (>75ppb), are suggestive of PGL West representing a bending linkage structure from PGL towards the West Corridor of the Abujar gold system.

Tietto designed a maiden drilling program to test PGL West consisting of **4,985m** of diamond holes. Initial drilling results received recently for the first three sections lines 800m apart included:

- ZDD1372: **13.5m @ 2.49 g/t Au** from 78m including **7.5m @ 3.75g/t Au** from 78m
- ZDD1384: 15m @ 1.24g/t Au from 21m and
5m @ 1.75 g/t Au from 50m

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Vingt-Deux (22) Prospect

The 2.7km long Vingt-Deux Prospect is part of the Western Corridor of the Abujar gold mineralisation system.

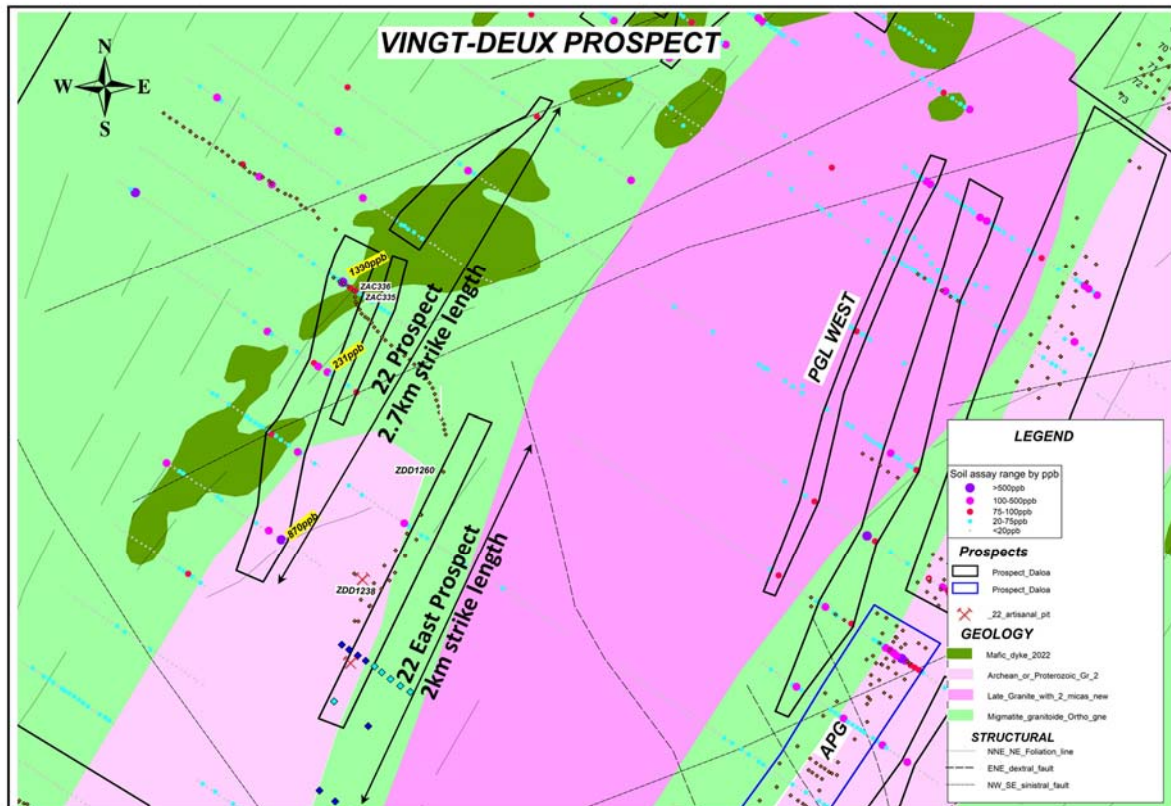


Figure 15: Geological interpretation of Vingt-Deux (22) within the West Corridor of the Abujar gold mineralisation system

The Vingt-Deux Prospect contains significant artisanal workings, highlighting the potential in this underexplored area.

At Vingt-Deux, gold mineralisation occurs along a pressure-shadow related structure created at the contact between a diorite and a late granite. Tietto is targeting a high-grade shoot related to a cross-cutting NE-ENE fault which can be identified in magnetic data from analytic signal filtering.

Drilling results at South Gamina, AGM, PGL West, Vingt-Deux will be incorporated into the next MRE update, expected in Q1 CY23.

3. APG Scoping Study

A Scoping Study² confirmed the potential for Tietto to develop a second standalone mine at Abujar’s APG Deposit via a heap leach gold processing operation.

The study forecasts the APG gold production to average more than 100koz per year for the first three years with 85koz annual gold production forecast over 10 years for 850koz gold recovered from 68Mt at 0.48g/t Au.

The study shows the APG operation could deliver strong financial returns over a 10-year mine life at an average production rate of 7.5Mtpa. Gold recovered from an APG heap leach could potentially lift Abujar’s annual

² Based on April 2022 Resource model

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production profile to between 260koz to 300koz per year based on the DFS forecast³, adding to gold ores produced via Abujar’s 4.5Mtpa carbon-in-leach plant.

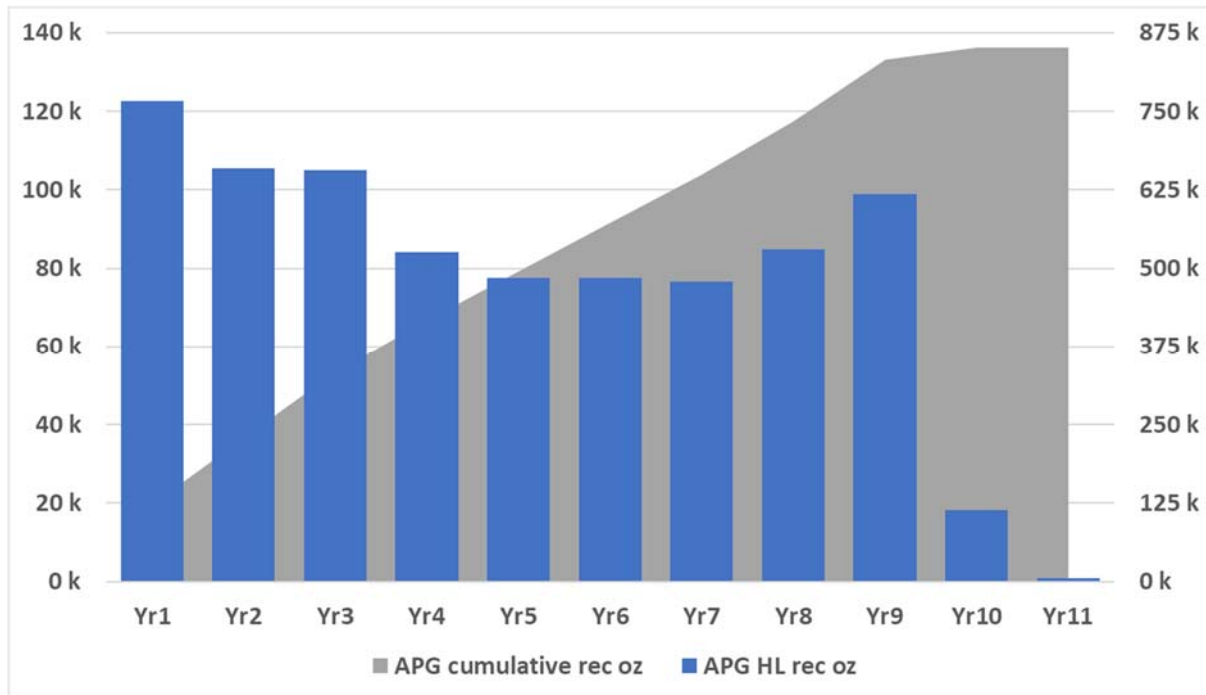


Figure 16: APG HL Scoping Study gold recovered shown by year and cumulatively

The APG study is based on conventional open pit mining with a low strip ratio of 2.4:1 waste to ore. The APG heap leach project has an estimated pre-production CAPEX of US\$98M (accuracy level of ±35%) with a payback period of 1.3 years at the study gold price of US\$1750/oz.

The Scoping Study demonstrated a project⁴ post-tax NPV_{5%} of US\$247M and post-tax IRR of 63% at the study gold price. It forecasts life of mine (LOM) revenue of US\$1,491M and EBITDA of US\$620M with average annual free operating cashflow of US\$52M pa for the first 5 years of mining operations.

Tietto plans further metallurgical studies and associated engineering design activities to support preparation for a detailed feasibility evaluation along with baseline studies to support permitting and the environmental approval pathway.

³ Refer ASX Announcement dated 5th October 2021

⁴ Gold price of US\$1750/oz as a base case in scoping study

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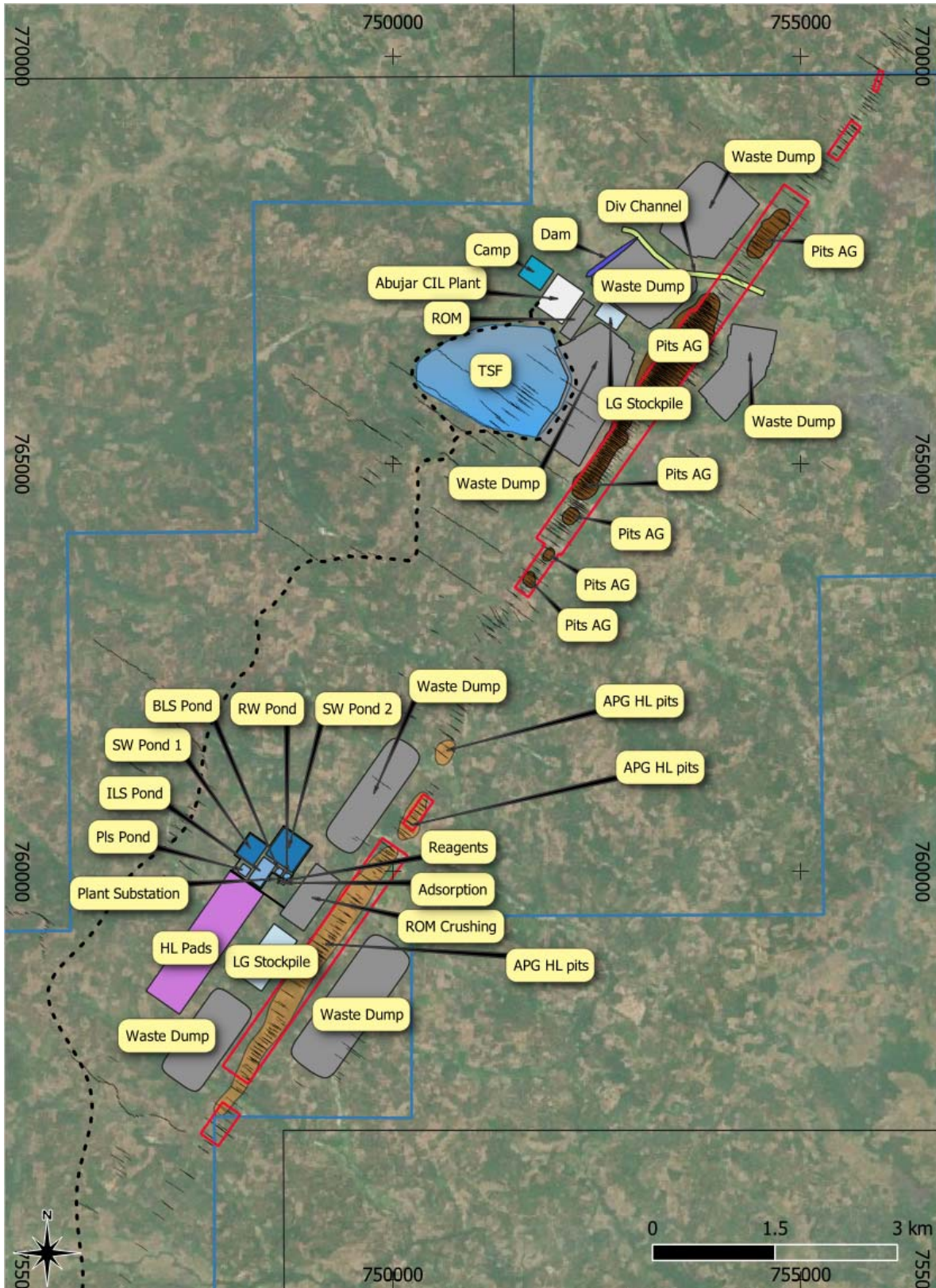


Figure 17: APG HL Scoping Study conceptual layout

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4. Next Steps

Tietto has zero gold hedging and delivered its first gold pour at Abujar. The Abujar DFS forecast 260,000oz gold in its first full year of production². Tietto is positioned to continue building its resource inventory at Abujar while ramping up gold production in 2023 as it:

- **Continues to drive rapid resource growth at the 3.45Moz Abujar Gold Project;** and
- **Increases the gold production profile of the Abujar Gold Project.**

The Company is on track to deliver a resource update in April 2023.

CORPORATE

Change of Financial Year End

Tietto resolved to change its financial year end from 30 June to 31 December to align with the reporting obligations of the Company's subsidiary, Societe Miniere De La Lobo (SML) SA and all other subsidiaries which have a financial year end of 31 December.

Following this report, the Company's annual financial reports will be prepared for a 12-month period from 1 January to 31 December each year.

The Company will hold an Annual General Meeting (**AGM**) in respect of the transitional financial year from 1 July 2022 to 31 December 2022, during May 2023.

\$49.3 million Placement Agreement with Chijin International (HK) Limited

In September, Tietto entered into a binding placement agreement with Chijin International (HK) Limited, a subsidiary of Shanghai Stock Exchange listed Chifeng Jilong Gold Mining Co Ltd (**Chifeng Gold**) for the issue of 85,000,000 new shares at a price of \$0.58 per ordinary share to raise \$49.3 million.

The Placement price represented an approximate 15% premium to the 20-day VWAP of the Company's shares as at 7 September 2022. Upon completion of the Placement Chifeng Gold, together with its associates, held 7.87% interest in the Company.

As reported to the ASX on 10 October 2022, this interest increased to 10.71% following on market purchases after the Placement. These funds will be used to accelerate studies of the potential heap leach project and expanded exploration drilling with our growing fleet of eight diamond rigs.

Tietto also granted Chifeng Gold the right to appoint a Non-Executive Director to the Board within 90 days of completion of the Placement. Subsequently, Tietto advised that Mr Shadrack Adjetey Sowah had been appointed Non-Executive Director of the Company.

Annual General Meeting

Tietto held its Annual General Meeting of shareholders in November 2022, where all resolutions put to the meeting were carried out on a poll. Details of the resolutions are contained in the announcement dated 22 November 2022.

Cash position

Tietto had \$47.0 million cash at bank at 31 December 2022. This cash position includes a short-term unsecured loan of US\$8M entered into during the Quarter to support the APG Heap Leach Study (**Loan**). The Loan has a six-

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month term and accrues interest at a rate of 8% per annum. In addition, the Company will issue 4,000,000 options exercisable at \$0.80 expiring 31 December 2025 to the lenders in connection with the Loan.

Competent Persons' Statements

The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Mr Mark Strizek (resigned on 20 March 2023), 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 presentation that relates to Mineral Resources was prepared by RPM Global and released on the ASX platform on 11 April 2022. The Company confirms that it is not aware of any new information or data that materially affects the Minerals Resources in this publication. The Company confirms that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The Company confirms that the form and context in which the RPM Global's findings are presented have not been materially modified.

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 (MAAusIMM) 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 associate of RPM 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.

The information in this report that relates to Ore Reserves was prepared by RPM and released on the ASX platform on 5 October 2021. The Company confirms that it is not aware of any new information or data that materially affects the Ore Reserves in this publication. The Company confirms that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The Company confirms that the form and context in which the RPM findings are presented have not been materially modified.

The information in the report that relates to Ore Reserves for the Abujar Gold Project is based on information compiled and reviewed by Mr. Igor Bojanic, who is a Fellow of the Australasian Institute of Mining and Metallurgy, and is an employee of RPM. Mr. Igor Bojanic has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he has undertaken to qualify as a Competent Person, as defined in the 2012 Edition of the Australasian Code for the Reporting of Mineral Resources and Ore Reserves. Mr. Igor Bojanic is not aware of any potential for a conflict of interest in relation to this work for the Client. The estimates of Ore Reserves presented in this Statement have been carried out in accordance with the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (30 September, 2021).

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. 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, 19 March 2019, 9 April 2019, 9 May 2019, 30 May 2019, 9 July 2019, 26 July 2019, 2 October 2019, 24 October 2019, 12 December 2019, 23 January 2020, 20 February 2020, 10 March 2020, 24 March 2020, 2 April 2020, 9 April 2020, 23 April 2020, 3 June 2020, 9 June 2020, 25 June 2020, 2 July 2020, 21 July 2020, 20 July 2020, 29 July 2020, 19 August 2020, 9 September 2020, 24 September 2020, 26 October 2020, 11 December 2020, 18 January 2021, 12 February 2021, 23 February 2021, 23 March 2021, 6 April 2021, 8 April 2021, 20 April 2021, 3 May 2021, 6 May 2021, 11 May 2021, 21 May 2021, 27 May 2021, 11 June 2021, 16 June 2021, 12 July 2021, 10 September 2021, 22 September 2021, 5 October 2021, 13 October 2021, 21 October 2021, 8 November 2021, 12 November 2021, 16 November 2021, 22 November 2021, 30 November 2021, 10 December 2021, 22 December 2021, 18 January 2022, 20 January 2022, 24 January 2022, 7 February 2022, 14 February 2022, 18 February 2022, 25 February 2022, 15 March 2022, 29 March 2022, 11 April 2022, 29 April 2022, 4 May 2022, 16 May 2022, 24 May 2022, 8 June 2022, 10 June 2022, 14 June 2022, 29 June 2022, 4 July 2022, 12 July 2022, 14 July 2022, 21 July 2022, 28 July 2022, 1 August 2022, 17 August 2022, 1 September 2022, 12 September 2022, 14 September 2022, 20 September 2022, 29 September 2022, 4 October 2022, 11 October 2022, 26 October 2022, 10 November 2022, 11 November 2022, 22 November 2022, 24 November 2022, 7 December 2022, 12 December 2022, 16 December 2022, 3 January 2023 and 20 March 2023. The Company confirms that all material assumptions and technical parameters underpinning the Mineral Resources and Ore Reserves continue to apply and have not materially changed. The Company confirms that it is not aware of any new information or data that materially affects the information included in the previous announcements.

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Forward Looking Statements

Some statements in this document may be forward-looking statements. Such statements include, but are not limited to, statements with regard to capacity, future production and grades, projections for sales growth, estimated revenues and reserves, targets for cost savings, the construction cost of new projects, projected capital expenditures, the timing of new projects, future cash flow and debt levels, the outlook for minerals and metals prices, the outlook for economic recovery and trends in the trading environment and may be (but are not necessarily) identified by the use of phrases such as “will”, “expect”, “anticipate”, “believe” and “envisage”. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and may be outside Tietto Minerals’ control. Actual results and developments may differ materially from those expressed or implied in such statements because of a number of factors, including levels of demand and market prices, the ability to produce and transport products profitably, the impact of foreign currency exchange rates on market prices and operating costs, operational problems, political uncertainty and economic conditions in relevant areas of the world, the actions of competitors, activities by governmental authorities such as changes in taxation or regulation.

Schedule of Tenements as at 31 December 2022

Tenement ID	Status	Interest at beginning of quarter	Interest acquired or disposed	Interest at 31 December 2022
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Côte d’Ivoire

Mining				
Abujar Middle ³ – Mining	Granted	88%	-	88%
Exploration				
Abujar North ¹ (Zahibo License)	Granted	15%	-	15%
Abujar Middle ² (Zoukougbeu License)	Granted	90%	-	90%
Abujar South (Issia License)	Granted	100%	-	100%
Bongouanou North	Granted	50%	-	50%
Bongouanou South	Granted	50%	-	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
3. Tietto has 88% interest in the newly granted mining licence according to its JV agreement with local partners.

Liberia

Dube South	Granted	100%	-	100%
Cestos Project	Granted	100%	-	100%
Compound 4 Gold Project	Granted	100%	-	100%
Fish Town Lithium Project	Granted	100%	-	100%

Directors' Report

The Directors of Tietto Minerals Limited herewith submit the financial report of the Company consisting of Tietto Minerals Limited ("Tietto or the Company") and its controlled entities ("the Group") for the 6 months period ended 31 December 2022. In order to comply with the provisions of the Corporations Act 2001, the Directors' Report follows:

DIRECTORS

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

Francis Harper	Non-Executive Chairman
Caigen Wang	Managing Director
Mark Strizek	Executive Director (resigned on 20 March 2023)
Matthew Wilcox	Executive Director (appointed on 20 March 2023)
Hanjing Xu	Non-Executive Director
Paul Kitto	Non-Executive Director
Shadrack Sowah Adjete	Non-Executive Director (appointed on 24 October 2022)

INFORMATION ON DIRECTORS AND COMPANY SECRETARY

The names and particulars of the Company's Directors in office during the financial period and at the date of this report are as follows. Directors held office for this entire period unless otherwise stated.

Name	Mr Francis Harper
Title	Non-Executive Chairman (appointed on 19 July 2017)
Experience and expertise	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.
	Directorships held in the last three financial years: Predictive Discovery Limited.
Name	Dr Caigen Wang
Title	Managing Director (appointed on 5 May 2010)
Experience and expertise	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.

Directors' Report**INFORMATION ON DIRECTORS AND COMPANY SECRETARY (CONT.)**

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

Listed Directorships held in the last three years: N/A

Name	Mark Strizek
Title	Non-Executive Director (appointed on 19 July 2017), Executive Director (appointed 1 January 2020 – resigned on 20 March 2023)
Experience and expertise	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.

Listed Directorships held in the last three years: N/A

Name	Hanjing Xu
Title	Non-Executive Director (appointed on 4 August 2017)
Experience and expertise	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.

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.

Listed Directorships held in the last three years: N/A

Directors' Report

Name	Dr Paul Kitto
Title	Non-Executive Director (appointed on 22 January 2019)
Experience and expertise	<p>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.</p> <p>Dr Kitto was Exploration Manager, West Africa for Newcrest Mining Ltd from 2015 – 2019, 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.</p> <p>Listed Directorships held in the last three years: Meteoric Resources NL, Peako Limited, Resolution Minerals Ltd.</p> <p>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 metals.</p>
Name	Shadrack Sowah Adjetey
Title	Non-Executive Director (appointed on 24 October 2022)
Experience and expertise	<p>Mr Adjetey Sowah is currently Vice President and Manager Director of Golden Star Resources, a subsidiary of Chifeng Gold Group which operates the Wassa Gold Mine in Ghana, West Africa.</p> <p>Mr Adjetey Sowah is a chartered accountant and has over thirty years' experience primarily in the mining industry. Mr Adjetey Sowah has in-depth knowledge and experience in both surface and underground mining, metallurgical processes, geology – both resource and grade control and engineering.</p> <p>Listed Directorships held in the last three years: N/A</p>
Name	Matthew Wilcox
Title	Executive Director (appointed on 20 March 2023)
Experience and expertise	<p>Mr Wilcox directly managed the construction of West African's (ASX: WAF) 300,000ozpa Sanbrado Gold Mine, which was completed in March 2020, ahead of schedule and under budget. He is highly experienced in the gold mining construction industry in West Africa, having spent the prior eight years working for Nord Gold, which operates nine gold mines globally, including three mines in Burkina Faso and one mine in Guinea.</p> <p>Prior to his role at West African, Mr Wilcox was Project Director for the construction of Nord Gold's 4Mtpa Bissa Gold Project and 8Mtpa Bouly Gold Project, both located in Burkina Faso. He was General Manager of the 6Mtpa LEFA Gold Project in Guinea, and prior to joining West African was Project Director for the construction of the 12Mtpa Gross Gold Project in Siberia, Russia.</p> <p>Listed Directorships held in the last three years: N/A</p>

Directors' Report

COMPANY SECRETARY

Matthew Foy

Mr Foy is a chartered secretary and Fellow of Governance Institute Australia (GIA). Mr Foy is a professional company secretary and director with over 15 years' experience facilitating public company compliance with core strengths in the ASX Listing Rules, transactional and governance disciplines.

PRINCIPAL ACTIVITIES

The principal activities of the group are gold exploration in West Africa, specifically Cote d'Ivoire and Liberia. During the 6 months ended 31 December 2022 the Group continued gold exploration drilling on its exploration licences and completed development of the Abujar Gold Mine in Cote d'Ivoire.

REVIEW OF OPERATIONS

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

The loss of the Group after income tax for the 6 months ended 31 December 2022 was \$17,630,160 (year ended 30 June 2022: \$46,594,459).

DIVIDENDS

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

DIRECTORS' SHAREHOLDINGS

The shareholding of each Director as at the date of this report are as below

	Ordinary Shares No.	Options No.	Performance Rights No.
Directors			
Francis Harper	15,330,530	-	600,000
Caigen Wang	25,925,637	-	2,500,000
Hanjing Xu	6,047,789	-	500,000
Paul Kitto	5,500,000	-	500,000
Shadrack Sowah Adjetejey	-	-	-
Matthew Wilcox	256,411	2,000,000	2,500,000
	53,060,367	2,000,000	6,600,000

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 period.

CHANGES IN STATE OF AFFAIRS

During the 6 months ended 31 December 2022, the Company raised \$49.3 million through the placement of 85,000,000 fully paid ordinary shares at A\$0.58 per share to strengthen Abujar project working capital reserve, accelerate studies of the APG potential heap leach project and expanded exploration drilling with our growing fleet of eight diamond rigs.

Directors' Report

During the period the Group continued gold exploration drilling on its exploration licences and completed development of the Abujar Gold Mine in Cote d'Ivoire .

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

EVENTS SUBSEQUENT TO REPORTING DATE

On 13 January 2023, 7,000,000 shares were issued on conversion of options expiring 22 January 2023 with an exercise price of \$0.30.

On 23 January 2023, 1,000,000 shares were issued on conversion of options expiring 22 January 2023 with an exercise price of \$0.30.

On 20 February 2023, 4,000,000 options were issued, which are exercisable at \$0.80 and expire on 31 December 2024.

On 20 March 2023 Mark Strizek resigned as a director of the Company. On the same date, Chief Operating Officer Matthew Wilcox was appointed as Executive Director.

On 28 March 2023, the maturity of the loans from Kongwell Management Limited and Dr. Minlu Fu (as disclosed in note 21 to the financial statements) was extended from 6 months to 9 months.

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 periods.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Disclosure of information regarding the likely developments in the operations of the Group in future financial period 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

Tietto is committed to sound environmental management through the incorporation of environmental considerations into business decisions at all stages. A comprehensive environmental and social impact assessment ('ESIA') is completed on all projects during the permitting process. This enables Tietto to apply the impact mitigation hierarchy to avoid, minimise and mitigate negative environmental impacts, and improve environmental outcomes. Environmental management and monitoring continue throughout the life of the project, guided by the Environmental and Social Management System, aligned with ISO 140001 and Tietto's Environmental and Social Management and Monitoring Plan (ESMMP) developed in accordance with international industry practices and standards. Revegetation and rehabilitation take place on a continuous basis to reduce prolonged disturbance to the natural environment and to ensure that planned post closure outcomes for the environment and the community are achieved.

Tietto recognises that tailings storage facilities (**TSFs**) are important infrastructure that must be considered high risk. The TSF at Abujar was constructed supervised by Tietto to comply with Global Industry Standard on Tailings Management (GISTM; 2020). The 2022 construction report by our designer of record identified no major issues. The Company utilises a geotechnical engineering consultant to fulfill the Standard's requirement for a Responsible Tailings Facility Engineer. This position focuses on supervising the progressive development of the TSF, including material management and wall and liner integrity.

Safety

Tietto has worked hard to implement a world class safety system at the Abujar mine. Tietto recorded a single LTI for over 2.5M manhours worked during 2022, when a contract truck driver slipped when exiting a truck and

Directors' Report

fractured his femur. There were no other significant health or safety incidents during the year, and Tietto's 2022 annual LTIFR (Lost time injury Frequency Rate) was 0.4 per million manhours.

Health

Tietto has a fully staffed and functional clinic on site to look after the health and wellbeing of its workforce.

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.

SHARE OPTIONS

Share options outstanding at the date of this report:

Type	Number	Grant date	Expiry date	Exercise price \$	Fair value at grant date \$
Unlisted	2,000,000	22/03/2021	21/05/2024	0.39	0.23
Unlisted	300,000	14/01/2021	01/08/2024	0.62	0.37
Unlisted	3,200,000	17/01/2022	17/01/2025	0.41	0.209
Unlisted	5,000,000	4/02/2022	4/02/2025	0.62	0.218
Unlisted	3,500,000	1/07/2022	17/01/2025	0.53	0.120
Unlisted	4,000,000	14/12/2022	31/12/2024	0.80	0.280

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 6 month period, 4,200,000 ordinary shares were issued on the exercise of 4,200,000 options at \$0.1725. Refer to Note 14 (iii) (a) for the detailed movement of options.

Share options that expired/lapsed

No share options expired or lapsed during or since the end of the financial period.

PERFORMANCE RIGHTS

Performance rights outstanding at the date of this report:

Class	Number	Grant date	Expiry date	Exercise price \$	Fair value at grant date (cents)
Class B Tranche 1	6,600,000	22/10/2020	22/12/2023	Nil	20.65
Class B Tranche 2	150,000	22/10/2020	22/12/2023	Nil	25.96
Class E	1,500,000	14/1/2021	21/5/2024	Nil	41.00
Class F	1,000,000	14/1/2021	21/5/2024	Nil	41.00
Class G	100,000	22/3/2021	1/8/2024	Nil	37.00
Class H	1,500,000	30/11/2021	30/11/2024	Nil	45.00
Class I	1,600,000	17/1/2022	17/1/2025	Nil	46.50
Class J	1,600,000	17/1/2022	17/1/2025	Nil	46.50

Directors' Report

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

100,000 shares were issued during the period upon the vesting of performance rights. Refer to Note 13 of the Notes to the Consolidated Financial Statements for further details on the shares issued.

Performance rights that expired/lapsed

During the 6 month period, 5,400,000 performance rights expired. Refer to Note 14 (iii) (a) for the detailed movement of options.

DIRECTORS' MEETINGS

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the relevant financial period (1 July 2022 – 31 December 2022) and the number of meetings attended by each director (while they were a director or committee member).

Directors	Directors' Meetings		Audit Committee Meetings	
	Eligible to attend	Attended	Eligible to attend	Attended
Francis Harper	2	2	1	1
Caigen Wang	2	2	N/A	N/A
Mark Strizek	2	2	N/A	N/A
Hanjing Xu	2	2	N/A	N/A
Paul Kitto	2	2	1	1
Shadrack Sowah Adjetey	2	2	1	1

INDEMNIFICATION OF DIRECTORS AND AUDITORS

During or since the end of the financial period 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 6 month period, the Company has paid insurance premiums of \$32,000 (2022: \$43,000) in respect of Directors and Officers liability and corporate reimbursement, for Directors and Officers in the Company. The insurance premiums relate to:

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

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

During the 6 month period, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Directors' Report

NON-AUDIT SERVICES

During the 6 months period ended 31 December 2022 and year ended 30 June 2022 there were no non-audit services provided by the Company's external auditor BDO Audit (WA) Pty Ltd as disclosed in Note 17.

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 34.

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 6 month period ended 31 December 2022.

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:

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

Key management personnel details

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

Francis Harper (appointed 19 July 2017)	Non-Executive Chairman
Caigen Wang (appointed on 5 May 2010)	Managing Director
Mark Strizek (appointed 1 January 2020, resigned 20 March 2023)	Executive Director, previously Non-Executive Director (resigned 31 December 2019)
Hanjing Xu (appointed 4 August 2017)	Non-Executive Director
Paul Kitto (appointed 22 January 2019)	Non-Executive Director
Shaddrack Sowah Adjetej (appointed 24 October 2022)	Non-Executive Director
Ting Xu (joined 1 April 2022)	Chief Financial Officer (CFO)
Matthew Wilcox (appointed 1 February 2021)	Chief Operating Officer (COO) Executive Director (appointed 20 March 2023)

Directors' Report

REMUNERATION REPORT (AUDITED) (CONT.)

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 periods to review the Company's existing remuneration policies.

In this regard the Company has put in place additional long term incentives for senior management that relate to the safe and successful construction of Abujar Gold Mine as well as achieving name plate capacity of the mill. At the Board level, shareholders most recently approved long term incentives at the 2020 Annual General Meeting for Directors that relate to specific share price milestones that are a proxy for Company performance.

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 (presently comprised of the full Board) 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 as bonuses or termination benefits, see 'Remuneration of Key Management Personnel' table for details.

Short-term incentives

There were no bonuses which were awarded to Key Management Personnel that were paid for the 6 months period ended 31 December 2022.

Non-Executive Directors' fee pool limit is \$400,000 per annum as approved by Shareholders at the Annual General Meeting held on 22 November 2022.

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.

The primary purpose of the issue of long-term incentives is to provide a performance linked incentive component in the remuneration package for the Eligible Participants to motivate and reward the performance of the Eligible Participants in their respective roles.

The value of performance rights are 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. No performance rights was granted to the KMPs during the six month period.

Directors' Report**REMUNERATION REPORT (AUDITED) (CONT.)***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 periods 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 financial periods

	Dec 2022 (6 months)	June 2022 (12 months)	June 2021 (12 months)	June 2020 (12 months)	June 2019 (12 months)
Loss for the year attributable to the owners of Tietto Minerals Limited	(16,743,802)	(46,149,579)	(19,590,381)	(12,495,098)	(9,899,430)
Loss per share (cents)	(1.62)	(7.14)	(4.51)	(4.02)	(4.32)
Share price at the beginning of the period (\$)	0.31	0.30	0.49	0.17	0.12
Share price at the end of the period (\$)	0.71	0.31	0.30	0.49	0.17

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:

- 0 Monthly consultancy fee of \$33,333 (excluding GST) for the provision of at least 230 days per year. Multiple Resources Pty Ltd and Dr Wang are not entitled payment by the Company of salary, holiday pay, sick pay, or severance pay which an employee has in respect of his employment.
- 0 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.
- 0 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 by giving 6 months' written notice.

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

- 0 Base salary of \$300,000 from 1 April 2021.
- 0 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.
- 0 The Agreement may be terminated by the employee by giving the Company three months written notice. The Company may also terminate at any time by giving the employee three month's written notice.

Directors' Report**REMUNERATION REPORT (AUDITED) (CONT.)**

Remuneration and other terms of employment for the Chief Operating officer, Matthew Wilcox are set out below:

- 0 Base salary of \$525,000 per year effective 1 February 2021
- 0 The Agreement may be terminated by giving the Company 3 months' notice.
- 0 The following share based payment form part of the remuneration package
 - (i) 2,000,000 options each exercisable at \$0.41, subject to 3 year continuous employment
 - (ii) 2,500,000 performance rights subject to vesting conditions associated with performance of the Abujar Project.

Remuneration and other terms of employment for the Chief Financial officer, Ting Xu are set out below:

- 0 Base salary of \$180,000 per year effective 1 April 2022
- 0 The Agreement may be terminated by giving the Company 2 months' notice.
- 0 The following share based payment form part of the remuneration package
 - (i) 300,000 options each exercisable at \$0.62 on or before the date that is three years from the date of the Probation Period.
 - (ii) 1,000,000 options each exercisable at \$0.53
 - (iii) 200,000 performance rights that vest up to maximum of 100,000 shares per year, subject to continuous employment with the Company and KPIs. KPIs include implementation of the ERP accounting system, on time lodgment of the annual and half year report, successful management of Chinese drilling staff and logistic supply related payments and accounting and successful coordination of accounting management of subsidiary company's accounting practice.

Key terms of Non-Executive Directors contracts:

- 0 Francis Harper : fee of \$100,000 per year plus 11% superannuation.
- 0 Hanjing Xu: fee of \$60,000 per year plus 11% superannuation.
- 0 Paul Kitto: fee of \$1,500 per day plus GST.
- 0 Shadrack Sowah Adjetey: fee of \$60,000 per year.

Remuneration of key management Personnel

01 Jul 22 to 31 Dec 22	Fixed Remuneration			Variable Remuneration	Total \$	Performance related \$	% Performance related
	Salary and fees \$	Super- annuation \$	Other \$	Share-based payments ¹ \$			
Directors							
Francis Harper	50,000	5,500	-	42,021	97,521	42,021	43%
Caigen Wang	200,000	-	-	171,368	371,368	171,368	46%
Mark Strizek	150,000	16,500	-	38,606	205,106	38,606	19%
Hanjing Xu	30,000	3,300	-	34,274	67,574	34,274	51%
Paul Kitto	36,000	-	-	34,274	70,274	34,274	49%
Shadrack Sowah Adjetey	11,667	-	-	-	11,667	-	0%
Executive KMP							
Matthew Wilcox	262,500	12,500	-	440,539	715,539	440,539	62%
Ting Xu	90,000	9,450	-	138,678	238,128	138,678	58%
	830,167	47,250	-	899,759	1,777,176	899,759	

Directors' Report**REMUNERATION REPORT (AUDITED) (CONT.)**

1. Relates to 11,900,000 Class A and B Performance Rights issued on 24 November 2020 to Messrs. Harper, Wang, Strizek, Xu and Kitto, 1,500,000 Class H Performance Rights issued on 30 November 2021 to Mr. Strizek, 2,500,000 Tranche E and F Performance Rights issued on 14 January 2021 to Matthew Wilcox, 300,000 unlisted options issued to Ting Xu on 22 March 2021 and 3,500,000 unlisted options issued on Ting Xu on 1 July 2022. In the current year 1,000,000 options were issued on 1 July 2022 to Ting Xu.

01 Jul 21 To 30 Jun 22	Fixed Remuneration			Variable Remuneration	Total \$	Performance related \$	% Performance related
	Salary and fees \$	Super- annuation \$	Other \$	Share-based payments ² \$			
Directors							
Francis Harper	100,000	11,000	-	85,361	196,361	85,361	43%
Caigen Wang	400,000	-	-	349,204	749,204	349,204	47%
Mark Strizek	300,000	33,000	-	510,201	843,201	510,201	61%
Hanjing Xu	60,000	6,600	-	69,841	136,441	69,841	51%
Paul Kitto	72,000	-	-	69,841	141,841	69,841	49%
Executive KMP							
Matthew Wilcox	525,000	25,000		573,667	1,123,667	573,667	51%
Ting Xu	161,253	16,125		37,000	214,378	37,000	17%
	<u>1,618,253</u>	<u>91,725</u>	<u>-</u>	<u>1,695,115</u>	<u>3,405,093</u>	<u>1,695,115</u>	

2. Relates to 11,900,000 Class A and B Performance Rights were issued on 24 November 2020 to Messrs. Harper, Wang, Strizek and Xu, 2,500,000 Tranche E and F Performance Rights issued on 14 January 2021 to Matthew Wilcox, 200,000 Tranche G Performance Rights issued to Ting Xu; 2,000,000 unlisted options issued to Matthew Wilcox on 14 January 2021 and 300,000 unlisted options issued to Ting Xu on 22 March 2021. 1,500,000 Class H Performance Rights were issued on 30 November 2021 to Mark Strizek.

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

There were no Performance Rights issued during the 6 month period.

Terms and conditions of share-based payment arrangements – Options

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

	Number	Grant date	Expiry date	Share price at grant date	Value	Vested	Fair value at grant date
1	1,000,000	1-Jul-22	1-Jul-25	\$0.34	\$120,000	100%	\$0.12

On 1 July 2022, the Company granted 1,000,000 options to Chief Finance Officer, exercisable at \$0.53 pursuant to the Company's Long Term Incentive Plan.

Directors' Report**REMUNERATION REPORT (AUDITED) (CONT.)****Voting and comments made at the Company's 2022 Annual General Meeting**

At the 2022 Annual General Meeting the Company remuneration report was passed by a 87.75% requisite majority of shareholders.

Key management personnel equity holdingsFully paid ordinary shares of Tietto Minerals Limited

Dec 2022	Balance at 1 July 2022 No.	Exercise of Performance Rights/ Options No.	Granted on compensation No.	Purchased/ (Sold) during the year¹ No.	Balance on resignation No.	Balance at 31 Dec 2022 No.
Directors						
Francis Harper	15,330,530	-	-	-	-	15,330,530
Caigen Wang	25,925,637	-	-	-	-	25,925,637
Mark Strizek	3,271,635	-	-	-	-	3,271,635
Hanjing Xu	6,047,789	-	-	-	-	6,047,789
Paul Kitto	4,500,000	-	-	-	-	4,500,000
Shadrack Sowah Adjetey	-	-	-	-	-	-
Executive KMP						
Matthew Wilcox	256,411	-	-	-	-	256,411
Ting Xu ¹	-	100,000	-	-	-	100,000
	<u>55,332,002</u>	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,432,002</u>

Note:

- On 2 September 2022 Ms Xu converted 100,000 vested performance rights into ordinary shares.

Options of Tietto Minerals Limited

Dec 2022	Balance at 1 July 2022 No.	Granted on compensation No.	Exercised No.	Balance at 31 Dec 2022 No.	Balance on resignation No.	Vested and exercisable at 31 Dec 2022 No.
Directors						
Francis Harper	-	-	-	-	-	-
Caigen Wang	-	-	-	-	-	-
Mark Strizek	-	-	-	-	-	-
Hanjing Xu	-	-	-	-	-	-
Paul Kitto	1,000,000	-	-	1,000,000	-	1,000,000
Shadrack Sowah Adjetey	-	-	-	-	-	-
Executive KMP						
Matthew Wilcox	2,000,000	-	-	2,000,000	-	-
Ting Xu ¹	300,000	1,000,000	-	1,300,000	-	1,300,000
	<u>3,300,000</u>	<u>1,000,000</u>	<u>-</u>	<u>4,300,000</u>	<u>-</u>	<u>2,300,000</u>

Note:

- On 1 July 2022 Ms Xu was issued 1 million options exercisable at \$0.53 expiring 17 January 2025.

Directors' Report**REMUNERATION REPORT (AUDITED) (CONT.)**Performance rights of Tietto Minerals Limited

2022	Balance at 1 July 2022 No.	Granted on compensation No.	Exercised ¹ No.	Net other change No.	Balance at 31 Dec 2022 No.	Vested and exercisable at 31 Dec 2022 No.
Directors						
Francis Harper	1,100,000	-	-	(500,000)	600,000	-
Caigen Wang	4,500,000	-	-	(2,000,000)	2,500,000	-
Mark Strizek	6,000,000	-	-	(2,000,000)	4,000,000	-
Hanjing Xu	900,000	-	-	(400,000)	500,000	-
Paul Kitto	900,000	-	-	(400,000)	500,000	-
Shaddrack Sowah Adjetey	-	-	-	-	-	-
Executive KMP						
Matthew Wilcox	2,500,000	-	-	-	2,500,000	-
Ting Xu	200,000	-	(100,000)	-	100,000	-
	<u>16,100,000</u>	<u>-</u>	<u>(100,000)</u>	<u>(5,300,000)</u>	<u>10,700,000</u>	<u>-</u>

- 2 September 2022 Ting Xu converted 100,000 Class G Performance Rights into shares

Transactions with related parties

During the 6-month period ending 31st December 2022, there were no related party transactions.

The related party transactions during the financial year ending 30 June 2022 were as follows:

The Company made cash payment of \$495,000 to Resource Strategy Consultants a company associated with the Company's Non-executive Director, Mr Hanxing Xu, in relation to capital raising.

All related party transactions are on arm's length terms.

(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 31st day of March 2023

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

As lead auditor of Tietto Minerals Limited for the period ended 31 December 2022, 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
31 March 2023

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	01 Jul 22 to 31 Dec 22 \$	01 Jul 21 to 30 Jun 22 \$
Interest income		349,441	71,666
Exploration expenses	4	(7,008,208)	(23,483,341)
Depreciation		(1,057,148)	(1,991,130)
Directors' remuneration		(491,300)	(984,683)
Salaries and wages		(5,464,356)	(6,864,807)
Rental expenses		(333,606)	(187,305)
Consumables		(54,649)	(2,404,485)
Travel, meals and accommodation		(194,877)	(166,263)
Business registration and compliance fees		(176,969)	(239,523)
Share-based payments	14	(2,001,443)	(2,823,225)
Professional and consultants fees		(3,017,314)	(2,530,949)
Net foreign exchange gains (losses)		3,579,522	290,610
Finance Costs		(105,193)	-
Interest expense		(44,737)	(2,949)
Other expenses		(1,609,323)	(5,278,075)
Loss before income tax		(17,630,160)	(46,594,459)
Income tax benefit	5	-	-
Loss after income tax for the period		(17,630,160)	(46,594,459)
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss:			
Revaluation gain/(loss) of financial assets at fair value through other comprehensive income/(loss)		5,000	(7,000)
Other Reserve		(7,653)	-
Foreign currency translation reserve		(3,483,145)	1,172,259
Total other comprehensive income/(loss)		(3,485,798)	1,165,259
Total comprehensive loss for the period		(21,115,958)	(45,429,200)
Loss for the period is attributable to:			
Owners of the parent		(16,743,802)	(46,149,579)
Non-controlling interest		(886,358)	(444,880)
		(17,630,160)	(46,594,459)
Total comprehensive loss for the period is attributable to:			
Owners of the parent		(20,209,435)	(45,002,911)
Non-controlling interest		(906,523)	(426,289)
		(21,115,958)	(45,429,200)
Loss per share for the period attributable to the owners of Tietto Minerals Limited:			
Basic loss per share (cents per share)	24	(1.62)	(7.14)

The accompanying notes form part of the financial statements.

Consolidated Statement of Financial Position

	Notes	31 Dec 22 \$	30 Jun 22 \$
CURRENT ASSETS			
Cash and cash equivalents	6	47,007,779	41,884,362
Trade and other receivables	7	3,792,056	42,746,288
Inventories	8	6,260,252	-
Total current assets		57,060,087	84,630,650
NON-CURRENT ASSETS			
Property, plant and equipment	9	247,684,459	135,269,505
Financial assets at fair value through other comprehensive income		24,000	19,000
Right-of-use of asset		38,932	56,895
Total non current liabilities		247,747,391	135,345,400
TOTAL ASSETS		304,807,478	219,976,050
CURRENT LIABILITIES			
Trade and other payables	10	46,433,682	19,532,123
Borrowings	11	11,812,045	-
Employee benefit obligations		166,507	122,853
Lease liability		19,431	44,940
Total current liabilities		58,431,665	19,699,916
NON CURRENT LIABILITIES			
Lease liability		-	-
Total non current liabilities		-	-
TOTAL LIABILITIES		58,431,665	19,699,916
NET ASSETS		246,375,813	200,276,134
EQUITY			
Issued capital	12	362,516,344	295,756,000
Reserves	13	(2,695,148)	6,642,633
Accumulated losses		(112,163,261)	(101,746,899)
Total equity attributable to members of the company		247,657,936	200,651,734
Non-controlling interests		(1,282,123)	(375,600)
TOTAL EQUITY		246,375,813	200,276,134

The accompanying notes form part of the financial statements.

Consolidated Statement of Changes in Equity

	Issued Capital \$	Reserves \$	Accumulated losses \$	Owners of the parent \$	Non- controlling interest \$	Total \$
At 1 July 2022	295,756,000	6,642,633	(101,746,899)	200,651,734	(375,600)	200,276,134
Net loss for the period	-	-	(16,743,802)	(16,743,802)	(886,358)	(17,630,160)
Other comprehensive income/(loss) for the period	-	(3,465,633)	-	(3,465,633)	(20,165)	(3,485,798)
Total comprehensive income/(loss)	-	(3,465,633)	(16,743,802)	(20,209,435)	(906,523)	(21,115,958)
Transactions with owners in their capacity as owners:						
Issue of shares (net of costs)	66,760,344	(1,651,344)	-	65,109,000	-	65,109,000
Share based payments	-	(4,220,804)	6,327,441	2,106,637	-	2,106,637
Transactions with non-controlling interests	-	-	-	-	-	-
	66,760,344	(5,872,148)	6,327,441	67,215,637	-	67,215,637
At 31 December 2022	362,516,344	(2,695,148)	(112,163,261)	247,657,936	(1,282,123)	246,375,813
At 1 July 2021	96,497,786	7,864,888	(55,597,320)	48,765,354	50,689	48,816,043
Net loss for the year	-	-	(46,149,579)	(46,149,579)	(444,880)	(46,594,459)
Other comprehensive income/(loss) for the year	-	1,165,259	-	1,165,259	18,591	1,183,850
Total comprehensive income/(loss)	-	1,165,259	(46,149,579)	(44,984,320)	(426,289)	(45,410,609)
Transactions with owners in their capacity as owners:						
Issue of shares (net of costs)	199,258,214	-	-	199,258,214	-	199,258,214
Share based payments	-	3,913,225	-	3,913,225	-	3,913,225
Transactions with non-controlling interests	-	(6,300,739.0)	-	(6,300,739)	-	(6,300,739)
	199,258,214	(2,387,514)	-	196,870,700	-	196,870,700
At 30 June 2022	295,756,000	6,642,633	(101,746,899)	200,651,734	(375,600)	200,276,134

The accompanying notes form part of the financial statements.

Notes to the Consolidated Financial Statements

	Notes	01 Jul 22 to 31 Dec 22 \$	01 Jul 21 to 30 Jun 22 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(24,051,159)	(4,399,978)
Payments for exploration expenses		(5,333,262)	(16,117,658)
Interest received		400,263	98,275
Net cash used in operating activities	23	<u>(28,984,158)</u>	<u>(20,419,361)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(82,800,282)	(134,184,905)
Withdraw of (payment for) term deposits		39,917,458	(6,232,110)
Net cash used in investing activities		<u>(42,882,824)</u>	<u>(140,417,015)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Issue of share capital (net of costs)		65,109,000	194,608,214
Payment of lease liability		(26,551)	(74,130)
Transaction with non-controlling interests		-	(560,739)
Proceeds from related party loan		11,812,045	-
Net cash generated from financing activities		<u>76,894,494</u>	<u>193,973,345</u>
Net increase in cash and cash equivalents		5,027,512	33,136,969
Cash and cash equivalents at beginning of the period		41,884,362	8,721,198
Effect of foreign exchange		95,905	26,195
Cash and cash equivalents at end of the period	6	<u>47,007,779</u>	<u>41,884,362</u>

The accompanying notes form part of the financial statements.

Notes to the Consolidated Financial Statements

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 period ("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:
Unit 22, 123B Collin Street
West Perth 6005

Republic of Côte d'Ivoire:
Cocody Attoban derrière le 30 ieme
arrondissement en face de l'ANSUT
Abidjan

The Group is principally engaged in gold exploration and development 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.

(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) Reporting Period and Comparative Information

The Company has changed its financial year end from 30 June to 31 December. This financial report therefore relates to the six month period ending 31 December 2022. The change of financial year end will align Tietto with the reporting obligations its subsidiary, Societe Miniere De La Lobo (SML) SA which has a financial year end of 31 December. The comparative information relates to the 12 month period ended 30 June 2022 and therefore the comparative amounts presented are not entirely comparable.

(d) Functional and Presentation Currency

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

Tietto Minerals (Liberia) Limited	US Dollars (USD)
Tietto Minerals (Cote d'Ivoire) Limited	West African Franc (XOF)
Bamba & Fred Minerals SARL	West African Franc (XOF)
Tietto Minerals Austar Pty Ltd	Australian Dollar (AUD)
Tiebaya Gold SARL	West African Franc (XOF)
Societe Miniere de la Lobo	West African Franc (XOF)

Notes to the Consolidated Financial Statements

2. BASIS OF PREPARATION (CONT.)

(e) 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 14 (Share-Based Payments). The fair values of options is calculated using Black Scholes pricing model and the fair value of performance rights is determined using the Trinomial Option Pricing Model that takes into account the term of the performance rights, 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 and the probability and timing of achieving milestones related to the performance rights;
- ii) The Probability and timing of achieving milestones related to the performance rights as discussed in Note 13 (Reserves) and Note 14 (Share-Based Payments);
- iii) The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.
- iv) Development represents expenditure necessarily incurred during establishments and construction of a mining project that is in progress but yet to be complete. This expenditure includes the cost associated with studies and evaluation through to early construction cost of assets or infrastructure yet to be fully formed or ready for use. As tangible assets are completed, they will be transferred to the relevant classification and depreciated over their useful life. Other expenditure on project development that is not capitalised as plant or equipment will be capitalised as mine properties and amortised on a units of production bases over the expected life of the project. Judgement is applied in relation cost allocation and timing of asset completion.
- v) Impairment is indicated when the carrying amount, and the present value of the estimated future cash flows, discounted at the original effective interest rate, differ.
- vi) At 31 December 2022 no rehabilitation provision has been recognised. Judgement around rehabilitation based on outcome/ response from in country expert.
- vii) The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax and the availability of carried forward tax losses. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the deferred tax provisions in the period in which such determination is made.

Notes to the Consolidated Financial Statements**2. BASIS OF PREPARATION (CONT.)****(f) Going concern**

These financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a loss of \$17,630,160 and had net cash outflows from operating activities of \$28,984,158 for the period ended 31 December 2022. Cash and cash equivalents totalled \$47,007,779 and net current liability was \$1,371,578 as at 31 December 2022. Noting the above and the commitments detailed in Note 20 the Group require additional funding in the coming 12 months.

The ability of the group to continue as a going concern is dependent upon achievement of the status of commercial production (which has been defined by the Board as the point at which positive net cash has been generated by production operations for a period of three consecutive months. These conditions indicate a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern, and therefore its ability to realise its assets and discharge its liabilities in the normal course of business.

The Directors have reviewed the Group's financial position and are of the opinion that there are sufficient funds to meet the entity's working capital requirements as at the date of this report.

The Directors believe that it is reasonably foreseeable that the consolidated entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- 0 The Company had the first gold pour in January 2023 and the first sale proceeds took place in early March;
- 0 The Company has a negligible amount of debt relative to the value of its operations; and
- 0 The Company has the ability to issue additional equity securities under the Corporations Act 2001 to raise further working capital.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern.

(g) Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 22.

Notes to the Consolidated Financial Statements

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

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.

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.

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity attributable to owners of the Company.

(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.

Notes to the Consolidated Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(b) Financial Instruments (continued)

(i) Financial assets (continued)

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.

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.

Financial assets at FVPL

These comprise derivative instruments, hybrid financial instruments and quoted and unquoted equity instruments which the Group had not irrevocably elected, at initial recognition or transition, to classify at FVOCI. This category would also include debt instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

(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.

Notes to the Consolidated Financial Statements**3. SIGNIFICANT ACCOUNTING POLICIES (CONT.)****(b) Financial Instruments (continued)****(ii) Financial liabilities (Cont.)**

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.

(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) 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.

Notes to the Consolidated Financial Statements**3. SIGNIFICANT ACCOUNTING POLICIES (CONT.)****(b) Financial Instruments (continued)****(v) Impairment of Other Financial Asset**

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.

(vi) Fair Value Measurement

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(vii) Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Notes to the Consolidated Financial Statements**3. SIGNIFICANT ACCOUNTING POLICIES (CONT.)****(c) 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.

(d) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and on hand and short-term deposits with an original maturity period of three months or less.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts, if any.

(e) Project Exploration Expenditure

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

Notes to the Consolidated Financial Statements**3. SIGNIFICANT ACCOUNTING POLICIES (CONT.)****(f) Property, plant and equipment**

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end. Once assets are available for use, depreciation is calculated using the straight-line method to allocate asset costs over their estimated useful lives, as follows:

Plant and equipment – 2-5 years

Motor vehicles – 3-5 years

Land is not depreciated

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

(g) Inventories

Inventories comprises mainly spare parts and consumables and they are stated at cost.

(h) 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.

(i) Goods and Service Tax and Value Added 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 relevant tax authority 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, or payable are classified as operating cash flows.

Notes to the Consolidated Financial Statements**3. SIGNIFICANT ACCOUNTING POLICIES (CONT.)****(j) 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.

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.

(k) Comparative Figures

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

Notes to the Consolidated Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(l) 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.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value of performance rights is determined based on the underlying share price on grant date. Fair value of options is independently determined using either the Trinomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

(m) 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 period, 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.

(n) 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.

(o) Income recognition

Interest income is recognised using the effective interest method.

Notes to the Consolidated Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(p) Leases

The Group as lessee:

The Group leases mining equipment, housing for the key staff on site as well as various warehouse space.

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for the short-term leases (defined as leases with lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

(i) Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

(ii) Right of use assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The Group applied AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in 'Plant and Equipment' policy.

(q) Borrowings

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

(r) Development assets

(i) Development expenditure

All expenditure for the Mine Development is included Asset in construction heading in Property, plant and equipment. Development expenditure is recorded at historical cost.

Once a mining project has been established as commercially viable and technically feasible, expenditure is capitalised under development expenditure. Development expenditure costs include, pre-production development costs, development excavation, development studies, land compensation and other subsurface expenditure pertaining to that area of interest. Costs related to surface plant and equipment and any associated land and buildings are accounted for as property, plant and equipment.

Notes to the Consolidated Financial Statements

3. SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(r) Development assets (cont.)

(i) Development expenditure (cont.)

Development costs are accumulated in respect of each separate area of interest. Revenue and costs associated with commissioning new assets in the period before they are capable of operating in the manner intended by management, are capitalised. Development costs incurred after the commencement of production are capitalised to the extent they are expected to give rise to a future economic benefit.

When an area of interest is abandoned or the Directors decide that it is not commercial or technically feasible, any accumulated cost in respect of that area is written off in the financial period the decision is made. Each area of interest is reviewed at the end of each accounting period and accumulated cost written off to the profit or loss to the extent that they will not be recoverable in the future.

Development assets are assessed for impairment if facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, development assets are allocated to cash-generating units to which the development activity relates. The cash generating unit shall not be larger than the area of interest.

(ii) Development stripping

Overburden and other mine waste materials are often removed during the initial development of a mine in order to access the mineral deposit. This activity is referred to as development stripping.

The directly attributable costs (inclusive of an allocation of relevant operational overhead expenditure) are capitalised as development costs. Capitalisation of development stripping costs ceases and amortisation of those capitalised costs commences upon extraction of ore. Amortisation of capitalised development stripping costs is determined on a unit of production basis for each separate area of interest.

Capitalised development and production stripping costs are classified as ‘Development Expenditure’.

Development stripping costs are considered in combination with other assets of an operation for the purpose of undertaking impairment assessments.

Removal of waste material normally continues throughout the life of a mine. This activity is referred to as production stripping and commences upon extraction of ore.

(iii) Amortisation

Once commercial levels of production are achieved, and the mine asset is classified as available for use, amortisation will commence based a units of production method.

(s) Employee benefits

(i) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Notes to the Consolidated Financial Statements**3. SIGNIFICANT ACCOUNTING POLICIES (CONT.)****(s) Employee benefits****(iii) Defined contribution superannuation expense**

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

(t) Current and non-current classification

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

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

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

(u) Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 31 December 2022. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

4. EXPENSES**(i) Exploration expenses**

	01 Jul 22 to 31 Dec 22 \$	01 Jul 21 to 30 Jun 22 \$
Exploration expenses - Liberia	264,788	2,175,284
Exploration expenses - Côte d'Ivoire	6,743,420	21,308,057
	7,008,208	23,483,341

Notes to the Consolidated Financial Statements**5. INCOME TAX EXPENSES**

	01 Jul 22 to 31 Dec 22 \$	01 Jul 21 to 30 Jun 22 \$
Numerical reconciliation of income tax expense and tax at the statutory rate:		
Loss before income tax expense	(17,630,160)	(46,594,459)
Tax at the statutory tax rate of 25% (2021: 26%)	(4,407,540)	(11,648,615)
Effect of temporary differences that would be recognised directly in equity	291,532	(2,247,758)
Non-deductable expenses	6,350	705,806
Non-assessable income	500,361	-
Effect of changes in unrecognised temporary differences	4,063,598	16,199,762
Adjustments recognised in the current year in relation to the current tax of previous years	(454,301)	(3,009,195)
Income tax expense	<u>-</u>	<u>-</u>

The tax rate used in the above reconciliation is the corporate tax rate of 25% (2022: 25%) payable by Australian corporate entities on taxable profits under Australian tax law.

Unrecognised deferred tax assets and liabilities

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

	01 Jul 22 to 31 Dec 22 \$	01 Jul 21 to 30 Jun 22 \$
Tax losses - revenue	30,156,083	25,815,728
Other temporary differences	(3,211,098)	(2,934,342)
	<u>26,944,985</u>	<u>22,881,386</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.

Notes to the Consolidated Financial Statements**6. CASH AND CASH EQUIVALENTS**

	31 Dec 22	30 Jun 22
	\$	\$
Cash at bank	47,007,779	41,884,362
	<u>47,007,779</u>	<u>41,884,362</u>

The Group's exposure to interest rate risk and the effective weighted average interest rate for bank balances is disclosed in Note 15.

7. TRADE AND OTHER RECEIVABLES

	31 Dec 22	30 Jun 22
	\$	\$
Deposits	1,314,652	41,232,110
Prepayments	2,022,814	1,092,258
GST paid	255,928	75,963
Interest receivable	19,523	70,345
Other debtors and advances	179,139	275,612
	<u>3,792,056</u>	<u>42,746,288</u>

8. INVENTORIES

	31 Dec 22	30 Jun 22
	\$	\$
Spare parts and consumables	6,260,252	-
	<u>6,260,252</u>	<u>-</u>

Notes to the Consolidated Financial Statements**9. PLANT AND EQUIPMENT**

	31 Dec 22	30 Jun 22
	\$	\$
Assets under construction	241,245,825	129,082,866
Motor vehicles	704,767	806,395
Plant and Equipment	5,733,867	5,380,244
Carrying amount	<u>247,684,459</u>	<u>135,269,505</u>

Movement in carrying amounts of plant and equipment:

	Plant and equipment	Motor vehicles	Assets under construction	Total
	\$	\$	\$	\$
Balance at 1 July 2022	5,380,244	806,395	129,082,866	135,269,505
Additions	1,333,998	-	111,701,157	113,035,155
Depreciation	(996,176)	(101,628)	-	(1,097,804)
Exchange difference	15,801	-	461,802	477,604
Balance at 31 Dec 2022	<u>5,733,867</u>	<u>704,767</u>	<u>241,245,825</u>	<u>247,684,459</u>
Balance at 1 July 2021	1,816,522	1,075,194	63,706	2,955,422
Additions	5,134,944	30,801	129,019,160	134,184,905
Depreciation	(1,635,837)	(305,614)	-	(1,941,451)
Exchange difference	64,615	6,014	-	70,629
Balance at 30 June 2022	<u>5,380,244</u>	<u>806,395</u>	<u>129,082,866</u>	<u>135,269,505</u>

10. TRADE AND OTHER PAYABLES

	31 Dec 22	30 Jun 22
	\$	\$
Trade payables	29,349,444	11,125,022
Other payables	17,029,338	5,816,919
Accrued expenses	54,900	2,590,182
	<u>46,433,682</u>	<u>19,532,123</u>

Notes to the Consolidated Financial Statements**11. BORROWINGS**

	31 Dec 22	30 Jun 22
	\$	\$
Unsecured Loans	11,812,045	-
	<u>11,812,045</u>	<u>-</u>

Loan from Kongwell Management Limited

	31 Dec 22	30 Jun 22
	\$	\$
Loan balance	8,856,089	-
Interest charged @ 8% interest per annum	33,042	-
Interest paid	-	-
Options granted for loan facility (note 14)	3,000,000	-

The loan has a maturity of 6 months from the issuance date - 14/12/22

Loan from Dr. Minlu FU

	31 Dec 22	30 Jun 22
	\$	\$
Loan balance	2,955,956	-
Interest charged @ 8% interest per annum	11,014	-
Interest paid	-	-
Options granted for loan facility (note 14)	1,000,000	-

The loan has a maturity of 6 months from the issuance - 14/12/22

Notes to the Consolidated Financial Statements

12. ISSUED CAPITAL

	31 Dec 22	30 Jun 22	31 Dec 22	30 Jun 22
	Number	Number	\$	\$
Ordinary shares - fully paid	1,079,527,490	959,513,204	382,176,711	315,143,724
Less: Capital raising costs			(19,660,367)	(19,387,724)
			<u>362,516,344</u>	<u>295,756,000</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.

01 Jul 2021 to 30 Jun 2022	Number	\$
On issue at 30 June 2021	456,185,456	105,077,270
Exercise of 4,000,000 Options at \$0.25 on 12 October 2021	4,000,000	1,000,000
Exercise of 1,000,000 Options at \$0.1725 on 12 October 2021	1,000,000	172,500
Exercise of 424,677 Options at \$0.25 on 14 October 2021	424,677	106,169
Exercise of 1,400,000 Options at \$0.1725 on 22 October 2021	1,400,000	241,500
Exercise of 150,000 Options at \$0.25 on 22 October 2021	150,000	37,500
Exercise of 711,878 Options at \$0.25 on 11 November 2021	711,878	177,970
Capital Raising Placement on 29 November 2021	110,593,218	43,131,355
Exercise of 1,223,432 Options at \$0.25 on 30 November 2021	1,223,432	305,858
Exercise of 1,875,000 Options at \$0.20 on 30 November 2021	1,875,000	375,000
Issue of shares on 1 December 2021	5,374,784	2,096,166
Exercise of Options at \$0.25 on 15 December 2021	9,905,601	2,476,400
Exercise of 6,633,956 Options at \$0.25 on 21 December 2021	6,633,956	1,658,489
Exercise of 6,625,000 Options at \$0.20 on 31 December 2021	6,625,000	1,325,000
Exercise of 11,113,769 Options at \$0.25 on 31 December 2021	11,413,769	2,853,442
Exercise of 6,026,890 Options at \$0.25 on 4 January 2022	6,026,890	1,506,723
Exercise of 1,000,000 Options at \$0.25 on 14 January 2022	1,000,000	250,000
Conversion of performance rights on 14 January 2022	7,787,500	-
Tranche 2 Capital Raising Placement on 17 January 2022 (a)	83,292,987	32,484,265
Tranche 2 Capital Raising Placement on 21 January 2022 (a)	1,512,823	590,001
Issue of 7,500,000 shares to Non-controlling interests *	7,500,000	4,650,000
Exercise of 5,000,000 Options at \$0.20 on 7 February 2022	5,000,000	1,000,000
Exercise of 1,500,000 Options at \$0.1725 on 14 February 2022	1,500,000	258,750
Exercise of 2,500,000 Options at \$0.1725 on 22 February 2022	2,500,000	431,250
Capital Raising Placement on 5 April 2022	96,280,545	48,140,273
Placement on 8 April 2022	121,826	60,913
Placement on 11 April 2022	200,000	100,000
Placement on 23 May 2022	128,613,862	64,306,931
Placement on 24 May 2022	140,000	70,000
Placement on 9 June 2022	400,000	200,000
Placement on 15 June 2022	120,000	60,000
On issue at 30 June 2022	<u>959,513,204</u>	<u>315,143,724</u>
Less: Capital raising costs	-	(19,387,724)
Issued capital at 30 June 2022	<u>959,513,204</u>	<u>295,756,000</u>

Notes to the Consolidated Financial Statements**12. ISSUED CAPITAL (CONTINUED)**

* On 4 February 2022, the Company issued 7,500,000 ordinary shares to non-controlling interests (shareholders of Societe Miniere de la Lobo) in consideration for 3% interest in the Abujar Mining Licence. Amount of \$4,650,000 was recognised in other reserve (refer Note 25).

01 Jul 2022 to 31 Dec 2022	Number	\$
On issue at 30 June 2022	959,513,204	315,143,724
Less: Capital raising costs	-	(19,387,724)
Issued capital at 30 June 2022	<u>959,513,204</u>	<u>295,756,000</u>
Placement on 12 August 2022	30,000,000	15,000,000
Shares issued on 15 August 2022 to B&F in lieu of JV milestone payment	714,286	357,143
Exercise of 4,200,000 Options at \$0.1725 on 26 August 2022	4,200,000	2,338,844
Conversion of performance rights on 2 September 2022	100,000	37,000
Placement on 16 September 2022	<u>85,000,000</u>	<u>49,300,000</u>
On issue at 31 December 2022	1,079,527,490	382,176,711
Less: Capital raising costs	-	(19,660,367)
Issued capital at 31 December 2022	<u>1,079,527,490</u>	<u>362,516,344</u>

13. RESERVES

	31 Dec 22 \$	30 Jun 22 \$
Revaluation reserve for financial assets at fair value through other comprehensive income (i)	(101,000)	(106,000)
Foreign exchange reserve (ii)	(1,539,773)	1,923,207
Share-based payment reserve (iv)	6,174,878	12,047,026
Other reserve (iii)	<u>(7,229,253)</u>	<u>(7,221,600)</u>
	<u>(2,695,148)</u>	<u>6,642,633</u>

(i) 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.

(ii) Foreign exchange reserve

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

(iii) Other reserve

The other reserve relates to transactions with non-controlling interests, see Note 25 for details of transactions in the prior period.

(iv) 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.

Notes to the Consolidated Financial Statements

13. RESERVES (continued)

Movement in shared-based payment reserve

01 Jul 2021 to 30 Jun 2022	Number of Unlisted Options	Number of Performance Rights	\$
On issue at 30 June 2021	75,890,203	22,637,500	8,133,797
Recognition of share-based payment vesting expense for performance rights granted 24 November 2020	-	-	923,450
Recognition of share-based payment vesting expense for performance rights granted 22 December 2020	-	-	25,820
Recognition of share-based payment vesting expense for performance rights granted 10 September 2020	-	-	28,235
Recognition of share-based payment vesting expense for options and performance rights granted 14 January 2021	-	-	573,667
Recognition of share-based payment vesting expense for options and performance rights granted 22 March 2021 (9a)	-	-	37,000
Exercise of Options at \$0.1725 on 12 October 2021	(1,000,000)	-	-
Exercise of Options at \$0.25 on 12 October 2021	(4,000,000)	-	-
Exercise of Options at \$0.25 on 14 October 2021	(424,677)	-	-
Exercise of Options at \$0.25 on 22 October 2021	(150,000)	-	-
Exercise of Options at \$0.1725 on 22 October 2021	(1,400,000)	-	-
Exercise of Options at \$0.25 on 11 November 2021	(711,878)	-	-
Exercise of Options at \$0.25 on 30 November 2021	(1,223,432)	-	-
Exercise of Options at \$0.20 on 30 November 2021	(1,875,000)	-	-
Issue of Class H performance rights on 30 Nov 2021	-	1,500,000	132,762
Exercise of Options at \$0.25 on 15 December 2021	(8,905,601)	-	-
Exercise of Options at \$0.25 on 15 December 2021	(1,000,000)	-	-
Exercise of Options at \$0.25 on 21 December 2021	(6,633,956)	-	-
Exercise of Options at \$0.25 on 31 December 2021	(11,413,769)	-	-
Exercise of Options at \$0.20 on 31 December 2021	(6,625,000)	-	-
Exercise of Options at \$0.25 on 4 January 2022	(6,026,890)	-	-
Exercise of Options at \$0.25 on 14 January 2022	(1,000,000)	-	-
Conversion of performance rights on 14 January 2022	-	(7,787,500)	-
Issue of Class I performance rights on 17 January 2022	-	1,600,000	350,621
Issue of Class J performance rights on 17 January 2022	-	1,600,000	350,621
Issue of Options exercisable at \$0.41 on 17 January 2022	3,200,000	-	401,050
Issue of Options exercisable at \$0.62 on 4 February 2022	5,000,000	-	1,090,003
Exercise of Options at \$0.20 on 7 February 2022	(5,000,000)	-	-
Exercise of Options at \$0.1725 on 14 February 2022	(1,500,000)	-	-
Exercise of Options at \$0.1725 on 22 February 2022	(2,500,000)	-	-
On issue at 30 June 2022	22,700,000	19,550,000	12,047,026

Notes to the Consolidated Financial Statements

13. RESERVES (continued)

01 Jul 2022 to 31 Dec 2022	Number of Unlisted Options	Number of Performance Rights	\$
On issue at 30 June 2022	22,700,000	19,550,000	12,047,026
Recognition of share-based payment vesting expense for performance rights granted 24 Nov 2020	-	-	453,304
Expiry of Class A performance rights on 23 Dec 2022	-	(5,400,000)	(1,096,280)*
Recognition of share-based payment vesting expense for performance rights granted 22 Dec 2020	-	-	12,599
Recognition of share-based payment vesting expense for performance rights granted 10 Sep 2020	-	-	90,427
Recognition of share-based payment vesting expense for options and performance rights granted 14 Jan 2021	-	-	440,539
Recognition of share-based payment vesting expense for options and performance rights granted 22 Mar 2021	-	-	18,678
Recognition of share-based payment vesting expense for options and performance rights granted 30 Nov 2021	-	-	(132,762)
Recognition of share-based payment vesting expense for options and performance rights granted 17 Jan 2022	-	-	848,658
Issue of Options exercisable at \$0.53 on 1 Jul 2022	3,500,000		270,000
Exercise of Options at \$0.1725 on 26 Aug 2022	(4,200,000)		(1,614,343)
Conversion of performance rights on 2 Sep 2022	-	(100,000)	(37,000)
Issue of Options exercisable at \$0.80 on 14 Dec 2022	4,000,000		105,193**
Transferred to Retained Earnings	-	-	(5,231,161)*
On issue at 31 December 2022	26,000,000	14,050,000	6,174,878

*These amounts have been transferred between the share-based payment reserve and accumulated losses as they relate to options or performance rights which have expired or lapsed. The total transferred to accumulated losses in the year was \$6,327,440.

Notes to the Consolidated Financial Statements

14. SHARE BASED PAYMENTS

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

	01 Jul 22 to 31 Dec 22 \$	01 Jul 21 to 30 Jun 22 \$
Performance rights issued on 24 November 2020 (i)	453,304	923,450
Performance rights Class E and F (i)	323,425	341,667
Performance rights issued on 22 Dec 2020 (i)	12,599	25,820
Performance rights issued on 10 Sept 2020 (i)	90,427	28,235
Options issued on 14 Jan 2021 (i)	117,114	232,000
Performance rights issued on 22 Mar 2021 (i)	18,678	37,000
Performance rights issued on 30 Nov 2021 (i)	(132,762)	-
Performance rights issued on 17 Jan 2022 (i)	580,908	-
Options issued on 17 Jan 2022 (i)	267,750	-
Options issued on 4 Feb 2022 (i)	-	-
Options issued during the year (ii) and (iii)	375,193	834,003
Performance rights issued during the period	-	1,491,050
	2,106,636	3,913,225
Represented by		
Share-based payment expense	2,001,443	2,823,225
Movement in other reserve	-	1,090,000
Finance Costs	105,193	-
	2,106,636	3,913,225

(i) Options and performance rights issued in prior years

The full details of these performance rights are outlined in 30 June 2021 and 30 June 2022 annual reports. The expense recognised in the period ending 31 December 2022 is as follows:

	Value attributed	Value expensed at 31 December 2022	Value expensed at 30 June 2022
Performance rights issued on 24 November 2020	2,433,500	453,304	923,450
Performance rights Class E and F	1,025,000	323,425	341,667
Performance rights issued on 22 Dec 2020	64,230	12,599	25,820
Performance rights issued on 10 Sept 2020	282,500	90,427	28,235
Options issued on 14 Jan 2021	464,000	117,114	232,000
Performance rights issued on 22 Mar 2021	74,000	18,678	37,000
Performance rights issued on 30 Nov 2021	675,000	(132,762)	132,762
Performance rights issued on 17 Jan 2022	1,488,000	580,908	701,241
Options issued on 17 Jan 2022	668,800	267,750	401,050
	7,175,030	1,731,443	2,823,225

Notes to the Consolidated Financial Statements**14. SHARE BASED PAYMENTS (continued)****(i) Options granted on 1 July 2022**

On 1 July 2022, the Company granted 3,500,000 options pursuant to the Company's Long Term Incentive Plan. The options were priced using Black Scholes pricing model. The table below summarises the valuation inputs for these :

	TIEOPT
Number granted	3,500,000
Expected volatility (%)	70%
Risk-free interest rate (%)	3.01%
Expected life of performance rights (years)	3 yrs
Share price at grant date (cents)	0.34
Fair value at grant date (cents)	0.120
Value attributed (\$)	420,000
Value expensed at 31 December 2022	270,000

(ii) Options issued on 14 December 2022

On 14 December 2022, the Company granted 3,000,000 options to Kongwell Management Limited and 1,000,000 options to Dr. Minlu FU in accordance with the loan facility agreement. The options were valued using the Black Scholes pricing model. The table below summarises the valuation inputs for these:

	TIEOPT
Number granted	4,000,000
Expected volatility (%)	65%
Risk-free interest rate (%)	3.08%
Expected life of options (years)	2 yrs
Share price at grant date (cents)	0.775
Fair value at grant date (cents)	0.280
Value attributed (\$)	1,120,000
Value expensed at 31 December 2022	105,193

Notes to the Consolidated Financial Statements

14. SHARE BASED PAYMENTS (continued)

(iii) Reconciliation of movements of share-based payments in existence

a) Options

31 December 2022:

Grant Date	Issue Date	Expiry Date	Exercise Price \$	Balance at 1 July 2022 No	Granted No	Exercised No	Expired / Forfeited No	Balance at 31 December 2022 No	Vested and Exercisable at 31 December 2022 No	Value included in SBP Reserve at December 2022 \$
27 Jul 2018	28 Aug 2019	22 Jan 2023	0.30	7,000,000	-	-	-	7,000,000	7,000,000	406,000
22 Jan 2019	28 Aug 2019	22 Jan 2023	0.30	1,000,000	-	-	-	1,000,000	1,000,000	39,000
28 Aug 2019	28 Aug 2019	28 Aug 2022	0.1725	4,200,000	-	(4,200,000)	-	-	-	-
22 Mar 2021	22 Mar 2021	21 May 2024	0.39	2,000,000	-	-	-	2,000,000	2,000,000	443,951
14 Jan 2021	14 Jan 2021	1 August 2024	0.62	300,000	-	-	-	300,000	300,000	53,700
17 Jan 2022	17 Jan 2022	17 Jan 2025	0.41	3,200,000	-	-	-	3,200,000	3,200,000	668,800
4 Feb 2022	4 Feb 2022	4 Feb 2025	0.62	5,000,000	-	-	-	5,000,000	5,000,000	1,090,000
1 Jul 2022	1 Jul 2022	1 Jul 2025	0.53	-	3,500,000	-	-	3,500,000	3,500,000	270,000
14 Dec 2022	31 Jan 2023	31 Dec 2024	0.80	-	4,000,000	-	-	4,000,000	4,000,000	105,193
				22,700,000	7,500,000	(4,200,000)	-	26,000,000	26,000,000	3,076,644

Weighted average exercise price is \$0.49. Weighted average contractual life is 1.4 years.

Notes to the Consolidated Financial Statements

14. SHARE BASED PAYMENTS (continued)

a) Options

30 June 2022:

Grant Date	Issue Date	Expiry Date	Exercise Price \$	Balance at 1 July 2021 No	Granted No	Exercised No	Expired / Forfeited No	Balance at 30 June 2022 No	Vested and Exercisable at 30 June 2022 No	Value included in SBP Reserve at June 2022 \$
31 Oct 2017	31 Oct 2017	31 Dec 2021	0.20	6,750,000	-	(6,750,000)	-	-	-	-
29 Dec 2017	29 Dec 2017	31 Dec 2021	0.20	1,750,000	-	(1,750,000)	-	-	-	-
29 Dec 2017	29 Dec 2017	31 Dec 2021	0.20	39,490,203	-	(39,490,203)	-	-	-	-
27 Jul 2018	28 Aug 2019	22 Jan 2023	0.30	7,000,000	-	-	-	7,000,000	7,000,000	404,338
18 Oct 2018	28 Aug 2019	22 Jan 2022	0.25	2,000,000	-	(2,000,000)	-	-	-	307,730
22 Jan 2019	28 Aug 2019	22 Jan 2023	0.30	1,000,000	-	-	-	1,000,000	1,000,000	33,778
28 Aug 2019	28 Aug 2019	28 Aug 2022	0.1725	10,600,000	-	(6,400,000)	-	4,200,000	4,200,000	1,614,344
17 Jun 2020	17 Jun 2020	16 Jan 2023	0.20	5,000,000	-	(5,000,000)	-	-	-	-
22 Mar 2021	22 Mar 2021	21 May 2024	0.39	2,000,000	-	-	-	2,000,000	2,000,000	285,700
14 Jan 2021	14 Jan 2021	1 Aug 2024	0.62	300,000	-	-	-	300,000	-	53,700
17 Jan 2022	17 Jan 2022	17 Jan 2025	0.41	-	3,200,000	-	-	3,200,000	-	401,050
4 Feb 2022	4 Feb 2022	4 Feb 2025	0.62	-	5,000,000	-	-	5,000,000	5,000,000	1,090,000
				75,890,203	8,200,000	(61,390,203)	-	22,700,000	19,200,000	4,190,640

Weighted average exercise price is \$0.37. Weighted average contractual life is 1.55 years.

Notes to the Consolidated Financial Statements
14. SHARE BASED PAYMENTS (continued)
b) Performance Rights
31 December 2022:

Grant Date	Issue Date	Expiry Date	Balance at 1 July 2022 No	Granted No	Exercised No	Expired / Forfeited No	Balance at 31 December 2022 No	Vested and Exercisable at 31 December 2022 No	Value included in SBP Reserve at December 2022 No
22 Oct 2020	24 Nov 2020	22 Dec 2022	5,300,000	-	-	(5,300,000)	-	-	-
22 Oct 2020	24 Nov 2020	22 Dec 2023	6,600,000	-	-	-	6,600,000	-	943,546
22 Oct 2020	22 Dec 2020	22 Dec 2022	100,000	-	-	(100,000)	-	-	-
22 Oct 2020	22 Dec 2020	22 Dec 2023	150,000	-	-	-	150,000	-	26,250
14 Jan 2021	14 Jan 2021	21 May 2024	2,500,000	-	-	-	2,500,000	-	668,825
22 Mar 2021	22 Mar 2021	1 Aug 2024	200,000	-	(100,000)	-	100,000	-	24,769
30 Nov 2021	30 Nov 2021	30 Nov 2024	1,500,000	-	-	-	1,500,000	-	-
17 Jan 2022	17 Jan 2022	17 Jan 2025	1,600,000	-	-	-	1,600,000	-	744,000
17 Jan 2022	17 Jan 2022	17 Jan 2025	1,600,000	-	-	-	1,600,000	-	538,149
			19,550,000	-	(100,000)	(5,400,000)	14,050,000	-	3,081,305

Weighted average contractual life is 1.39 years.

Notes to the Consolidated Financial Statements**14. SHARE BASED PAYMENTS (continued)****b) Performance Rights****30 June 2022:**

Grant Date	Issue Date	Expiry Date	Balance at 1 July 2021 No	Granted No	Exercised No	Expired / Forfeited No	Balance at 30 June 2022 No	Vested and Exercisable at 30 June 2022 No	Value included in SBP Reserve at June 2022 No
31 Oct 2017	31 Oct 2017	18 Jan 2022	5,037,500	-	(5,037,500)	-	-	-	2,681,250
22 Jan 2019	28 Aug 2019	18 Jan 2022	2,500,000	-	(2,500,000)	-	-	-	1,149,997
22 Oct 2020	24 Nov 2020	22 Dec 2022	5,300,000	-	-	-	5,300,000	-	834,136
22 Oct 2020	24 Nov 2020	22 Dec 2023	6,600,000	-	-	-	6,600,000	-	726,796
22 Oct 2020	22 Dec 2020	22 Dec 2022	100,000	-	-	-	100,000	-	19,559
22 Oct 2020	22 Dec 2020	22 Dec 2023	150,000	-	-	-	150,000	-	19,772
10 Sep 2020	10 Sep 2020	10 Sep 2025	250,000	-	(250,000)	-	-	-	50,829
14 Jan 2021	14 Jan 2021	14 Jan 2026	2,500,000	-	-	-	2,500,000	-	497,991
22 Mar 2021	22 Mar 2021	1 Aug 2024	200,000	-	-	-	200,000	-	43,091
30 Nov 2021	30 Nov 2021	30 Nov 2024	-	1,500,000	-	-	1,500,000	-	132,762
17 Jan 2022	17 Jan 2022	17 Jan 2025	-	1,600,000	-	-	1,600,000	-	350,621
17 Jan 2022	17 Jan 2022	17 Jan 2025	-	1,600,000	-	-	1,600,000	-	350,621
			22,637,500	4,700,000	(7,787,500)	-	19,550,000	-	6,857,425

Weighted average contractual life is 1.74 years.

Notes to the Consolidated Financial Statements

15. FINANCIAL INSTRUMENTS

Financial risk management objectives

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

- Foreign currency risk
- Price risk
- Liquidity risk
- Interest rate risk
- Credit 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	
	31 Dec 22	30 Jun 22	31 Dec 22	30 Jun 22
	\$	\$	\$	\$
UK pound sterling	2,249	4,168	3,180	-
Euro	1,006,415	2,545,939	112,111	499,562
US dollars	10,200,191	249,646	15,047,952	8,306,774
West African CFA franc	4,685,054	1,952,253	19,426,648	4,239,550
South African Rand	-	-	-	248,909
	<u>15,893,909</u>	<u>4,752,006</u>	<u>34,589,891</u>	<u>13,294,795</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 \$1,869,598 (30 June 2022: net loss would have increased by \$12,342) 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.

Notes to the Consolidated Financial Statements**15. FINANCIAL INSTRUMENTS (CONT.)****Price risk**

The Group is not exposed to any significant price risk.

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.

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate %	One year or less \$	Between one and two years \$	Total \$
<i>Non derivatives</i>				
Trade and other payables	-	46,433,682	-	46,433,682
Borrowings	8%	11,812,045	-	11,812,045
Lease liability	4%	19,431	-	19,431
		<u>58,265,158</u>	<u>-</u>	<u>58,265,158</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.

Credit risk

Credit risk is the risk that a third party might fail to fulfil its performance obligations under the terms of a financial instrument. Credit risk arises from cash and cash equivalents and receivables. The Group closely monitors its financial assets and maintains its cash deposits in a high-quality financial institution with a minimum A-/A3 credit rating.

As at 31 December 2022, the Group is unaware of any information which would cause it to believe that these financial assets are not fully recoverable.

Notes to the Consolidated Financial Statements

15. FINANCIAL INSTRUMENTS (CONT.)

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 mainly, comprising issued capital and reserves, net of accumulated losses and a negligible amount of debt. 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 period. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

16. 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:

	01 Jul 22 To 31 Dec 22 \$	01 Jul 21 to 30 Jun 22 \$
Short term employee benefits	830,167	1,618,253
Post employment benefits	47,250	91,725
Share-based payments	899,759	1,695,115
Total remuneration	1,777,176	3,405,093

17. REMUNERATION OF AUDITORS

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

	01 Jul 22 To 31 Dec 22 \$	01 Jul 21 to 30 Jun 22 \$
Audit and review of the financial statements		
BDO Audit (WA) Pty Ltd	78,747	93,845
BDO network firms	124,780	-
	203,527	93,845

18. CONTINGENT LIABILITIES

In accordance with the Partnership Agreement between the Group and Bamba & Fred Minerals Sarl ("B&F"), the Group has an 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\$500,000 has been paid via issue of shares during the previous years. The remaining contingent obligation at 31 December 2022 is USD\$1,000,000.

The company is required to rehabilitate sites and associated facilities at the end of, or in some cases, during the course of production, to a condition acceptable to the relevant authorities. However, as at the period end the company is still in the final stage of mining convention with the local government and therefore there is no reliable estimate of the amount of the closure obligation and hence no provision has been recognised for rehabilitation.

Notes to the Consolidated Financial Statements

19. 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 four segments which is mineral exploration within Australia, Liberia and Côte d'Ivoire and development within 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.

	Administration Australia \$	Exploration Liberia \$	Exploration Cote D'Ivoire \$	Development Cote D Ivoire \$	Intersegment Eliminations \$	Total \$
Jul 2022 to Dec 2022						
Segment income	348,501	-	-	940	-	349,441
Segment expenditure	(8,933,748)	(521,159)	(4,266,782)	(4,257,912)	-	(17,979,601)
Net loss after tax	(8,585,247)	(521,159)	(4,266,782)	(4,256,972)	-	(17,630,160)
Depreciation	(232,373)	-	(713,475)	(111,300)	-	(1,057,148)
Exploration expenditure	(2,163,553)	(264,788)	(4,579,867)	-	-	(7,008,208)
Non-current assets	766,025	-	94,426,922	152,602,408	(47,964)	247,747,391
Segment assets	306,431,400	36,104	102,817,234	164,619,694	(269,096,954)	304,807,478
Segment liabilities	(19,344,645)	(7,579,095)	(149,481,155)	(167,722,787)	285,696,017	(58,431,665)
Jul 2021 to Jun 2022						
Segment income	70,992	-	-	673	-	71,665
Segment expenditure	(21,414,157)	(2,926,239)	(22,107,763)	(217,965)	-	(46,666,124)
Net loss after tax	(21,343,165)	(2,926,239)	(22,107,763)	(217,292)	-	(46,594,459)
Depreciation	(824,877)	-	(1,127,939)	(38,314)	-	(1,991,130)
Exploration expenditure	(12,677,940)	(2,175,284)	(8,630,117)	-	-	(23,483,341)
Non-current assets	989,837	-	5,320,661	129,082,866	(47,964)	135,345,400
Segment assets	240,831,355	36,799	89,660,027	50,627,247	(161,179,378)	219,976,050
Segment liabilities	(9,839,709)	(6,949,762)	(130,687,834)	(49,446,086)	216,623,307	19,699,916

Notes to the Consolidated Financial Statements**20. COMMITMENTS**

	31 Dec 22	30 Jun 22
	\$	\$
<i>Committed at reporting date but not recognised as liabilities, payable:</i>		
Within one year	26,184,964	78,859,376
After one year but not more than five years	-	-
	26,184,964	78,859,376

The commitments relate to the capital expenditure for the mill, equipment to be used in the Abujar project.

21. RELATED PARTIES

Transactions with related parties

During the 6-months period the Company made cash payment of \$495,000 to Resource Strategy Consultants (30 June 2022: Nil), a company associated with the Company's Non-Executive Director, Mr Hanjing Xu, in relation to capital raising.

All related party transactions are on arm's length terms.

There were no other transactions with related parties during the period ended 31 December 2022 and year ended 30 June 2022.

22. PARENT ENTITY INFORMATION**Investments in controlled entities:**

Name	Principal Activities	Country of incorporation	Ownership of interest	
			December 2022	June 2022
			%	%
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	100	100
Societe Miniere de la Lobo	Development	Ivory Coast	88	88

Societe Miniere du Gnaboua was incorporated on 13 September 2021 and the name was changed to Society Miniere de la Lobo on 12 October 2021.

Notes to the Consolidated Financial Statements**22. PARENT ENTITY INFORMATION (continued)**

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

	01 Jul 22 to 31 Dec 22 \$	01 Jul 21 to 30 Jun 22 \$
Result of parent entity		
Loss for the year	(49,296,188)	(49,452,308)
Other comprehensive gain/(loss)	5,000	(7,000)
Total comprehensive loss for the year	<u>(49,291,188)</u>	<u>(49,459,308)</u>
	31 Dec 22 \$	30 Jun 22 \$
Financial position of parent entity at year end		
Total current assets	264,954,433	209,126,006
Total non-current assets	766,025	989,837
Total assets	<u>265,720,458</u>	<u>210,115,843</u>
Total current liabilities	19,344,647	9,839,711
Total non-current liabilities	-	-
Total liabilities	<u>19,344,647</u>	<u>9,839,711</u>
Net assets	<u>246,375,811</u>	<u>200,276,132</u>
Share capital	362,516,344	291,106,000
Revaluation reserve	(101,000)	(106,000)
Options reserve	6,174,878	8,133,801
Other reserve	(644,910)	(644,910)
Other equity	(5,740,000)	-
Accumulated losses	<u>(115,829,501)</u>	<u>(98,212,759)</u>
Total equity	<u>246,375,811</u>	<u>200,276,132</u>

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

There are no contracted capital commitments of the parent entity at period end, other than as disclosed in note 20.

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 period end.

Notes to the Consolidated Financial Statements**23. CASH FLOW INFORMATION**

	01 Jul 22 to 31 Dec 22 \$	01 Jul 21 to 30 Jun 22 \$
Reconciliation of cash flows used in operating activities with loss after tax is as follows:		
Loss after tax	(17,630,160)	(46,594,459)
Adjustment for:		
Foreign currency exchange differences	(3,998,031)	1,076,721
Depreciation	1,057,148	1,991,130
Amortisation	-	-
Shares issued to employees	-	-
Share-based payments	2,106,636	2,823,225
Interest expense in investing and financing activities	44,737	29,563
Operating loss before working capital changes	(18,419,670)	(40,673,820)
(Increase)/Decrease in receivables	(963,226)	4,845,323
(Decrease)/Increase in trade and other payables	(3,341,010)	15,409,136
(Increase)/Decrease in Inventories	(6,260,252)	-
Net cash used in operating activities	<u>(28,984,158)</u>	<u>(20,419,361)</u>

Non-cash investing activities during the current or prior financial periods are as disclosed in the above. Non-cash financing transactions during the current and prior financial periods are detailed in:

- Note 12 (settlement of JV milestone payment as disclosed and Issue of shares to non-controlling interests in prior period as disclosed).
- Note 13 and 14 – share based payment

24. LOSS PER SHARE

	01 Jul 22 to 31 Dec 22 \$	01 Jul 21 to 30 Jun 22 \$
Basic loss per share (cents per share)	(1.62)	(7.14)
Loss after income tax attributable to the owners of Tietto Minerals Limited	<u>(16,743,802)</u>	<u>(46,149,579)</u>
	Number	Number
Weighted average number of ordinary shares	<u>1,034,969,571</u>	<u>652,364,579</u>

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

Notes to the Consolidated Financial Statements

25. TRANSACTION WITH NON-CONTROLLING INTEREST

At 30 June 2021 Tiebaya Gold Sarl held a 85% interest in the Abujar gold project mining licence. Of the remaining 15%; 10% of the interest was owned by the Cote D'Ivoire government and the remaining 5% split equally between Mr Bamba and Mr N'Kanza.

During 2021 an agreement was reached allowing Tietto Group to acquire an additional 3% interest in the mining licence from Mr Bamba and Mr N'Kanza in consideration for:

- The issue of 3,750,000 ordinary shares in Tietto to each of Mr Bamba and Mr N'Kanza at a deemed issue price of \$0.62 per share;
- The issue of 2,500,000 options exercisable at \$0.62 expiring three years from the date of issue to each of Mr Bamba and Mr N'Kanza; and
- Cash payment of US\$200,000 to each of Mr Bamba and Mr N'Kanza.

This agreement was finalised in the financial year ending 30 June 2022:

- On 4 February 2022, the Company issued 7,500,000 ordinary shares to non-controlling interests (shareholders of SML) in consideration for 3% interest in the Abujar Mining Licence. The shares had a value of \$4,650,000.
- On the same date 5,000,000 options were also issued, the options were valued at \$1,090,000.
- In addition, a cash payment of US\$400,000 was made.

	30 June 2022
Carrying amount of non-controlling interests acquired	-
Consideration paid to non-controlling interests:	
Cash consideration	560,739
Shares issued 4 February 2022	4,650,000
Options issued 4 February 2022	1,090,000
	<u>6,300,739</u>
Excess of consideration paid to non-controlling interests recognised in other reserve within equity	<u>(6,300,739)</u>

There were no transactions with NCI during the current financial period.

26. EVENTS SUBSEQUENT TO REPORTING DATE

On 13 January 2023, 7,000,000 shares were issued on conversion of options expiring 22 January 2023 with an exercise price of \$0.30.

On 23 January 2023, 1,000,000 shares were issued on conversion of options expiring 22 January 2023 with an exercise price of \$0.30.

On 20 February 2023 4,000,000 options were issued, which are exercisable at \$0.80 and expire 31 December 2024. These options were issued in connection with unsecured loan facility.

On 20 March 2023 Mark Strizek resigned as a director of the Company. On the same date, Chief Operating Officer Matthew Wicox was appointed as Executive Director.

On 28 March 2023, the maturity of the loans from Kongwell Management Limited and Dr. Minlu Fu (as disclosed in note 21) was extended from 6 months to 9 months.

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 periods.

Directors' Declaration

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 31 December 2022 and of its performance for the financial period 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 Corporation 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 31st day of March 2023

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 31 December 2022, 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 period 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 31 December 2022 and of its financial performance for the period 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.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Accounting for Property, Plant and Equipment

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>The Group has significantly increased its development expenditure on the Abujar Gold Project during the period as reflected in Note 9. This is a key audit matter due to:</p> <ul style="list-style-type: none"> • The size of the ‘Assets under construction’ represents 81% of the Group’s total assets as at 31 December 2022; and • During the period the Group capitalised significant construction expenditure as Property, Plant and Equipment. <p>Assets under construction are recorded by the Group in accordance with AASB 116 <i>Property, Plant and Equipment</i> (“AASB 116”). The standard prescribes that expenditure shall be recognised as an asset if, and only if:</p> <ol style="list-style-type: none"> a) It is probable that future economic benefits associated with the item will flow to the entity; and b) The costs of the item can be measured reliably <p>Additionally, this was determined to be a key audit matter due to the significant judgement applied in determining whether impairment indicators exist in accordance with the AASB 136 <i>Impairment of Assets</i> (“AASB 136”).</p>	<p>Our audit procedures in this area included, but were not limited to:</p> <ul style="list-style-type: none"> • Reviewing Board minutes and ASX announcements to understand the operational activity relating to the project; • Obtaining the period end reconciliation of assets under construction and agreeing a sample of items to supporting source documentation; • Assessing the appropriateness of the classification of expenditure as either operating or capital; • Considering whether any facts or circumstances existed indicating that impairment testing was required under AASB 136; and • Assessing the adequacy of the related disclosures in the financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the period ended 31 December 2022, 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 at:

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 27 to 33 of the directors' report for the period ended 31 December 2022.

In our opinion, the Remuneration Report of Tietto Minerals Limited, for the period ended 31 December 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

BDO Audit (WA) Pty Ltd

BDO


Jarrad Prue

Director

Perth

31 March 2023

ASX Additional Information

Information as at 27 February 2023

(a) Distribution of Shareholders

Category (size of holding)	Number of Holders	Number of Shares	% Issued Share Capital
1 – 1,000	209	111,834	0.01%
1,001 – 5,000	1,009	2,849,003	0.26%
5,001 – 10,000	567	4,609,114	0.42%
10,001 – 100,000	1,381	53,432,674	4.91%
100,001 – and over	514	1,026,524,865	94.39%
Total	3,680	1,087,527,490	100.00%

Based on the share price (\$0.675 on 24 February 2023), the number of shareholdings held in less than marketable parcels is **123**.

(b) Distribution of Unquoted Securities

Category (size of holding)	UNL OPT @ \$0.62 EX 01/08/24		UNL OPT @ \$0.39 EX 21/05/24	
	No. of Holders	% Issued Capital	No. of Holders	% Issued Capital
1 – 1,000	-	0.00%	-	0.00%
1,001 – 5,000	-	0.00%	-	0.00%
5,001 – 10,000	-	0.00%	-	0.00%
10,001 – 100,000	-	0.00%	-	0.00%
100,001 – and over	1	100.00%	1	100.00%
Total	1	100.00%	1	100.00%

Category (size of holding)	UNL OPT @ \$0.41 EX 17/01/25		UNL OPT @ \$0.62 EX 04/02/25	
	No of Holders	% Issued Capital	No of Holders	% Issued Capital
1 – 1,000	-	0.00%	-	0.00%
1,001 – 5,000	-	0.00%	-	0.00%
5,001 – 10,000	-	0.00%	-	0.00%
10,001 – 100,000	-	0.00%	-	0.00%
100,001 – and over	4	100.00%	2	100.00%

ASX Additional Information

Total	4	100.00%	2	100.00%
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	UNL OPT @ \$0.53 EX 01/07/25		UNL OPT @ \$0.80 EXP 31/12/2024	
Category (size of holding)	No of Holders	% Issued Capital	No of Holders	% Issued Capital
1 – 1,000	-	0.00%	-	0.00%
1,001 – 5,000	-	0.00%	-	0.00%
5,001 – 10,000	-	0.00%	-	0.00%
10,001 – 100,000	-	0.00%	-	0.00%
100,001 – and over	2	100.00%	2	100.00%
Total	2	100.00%	2	100.00%

	PERF RIGHTS CLASS B- EXP 22/12/2023		PERF RIGHTS CLASS E- EXP 21/05/2024	
Category (size of holding)	No of Holders	% Issued Capital	No of Holders	% Issued Capital
1 – 1,000	-	0.00%	-	0.00%
1,001 – 5,000	-	0.00%	-	0.00%
5,001 – 10,000	-	0.00%	-	0.00%
10,001 – 100,000	-	0.00%	-	0.00%
100,001 – and over	6	100.00%	1	100.00%
Total	6	100.00%	1	100.00%

	PERF RIGHTS CLASS F- EXP 21/05/2024		PERF RIGHTS CLASS G - EXP 01/08/2024	
Category (size of holding)	No of Holders	% Issued Capital	No of Holders	% Issued Capital
1 – 1,000	-	0.00%	-	0.00%
1,001 – 5,000	-	0.00%	-	0.00%
5,001 – 10,000	-	0.00%	-	0.00%
10,001 – 100,000	-	0.00%	1	100.00%
100,001 – and over	1	100.00%	-	0.00%

ASX Additional Information

Total	1	100.00%	1	100.00%
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Category (size of holding)	PERF RIGHTS CLASS H - EXP 30/11/2024		PERF RIGHTS CLASS I and J - EXP 17/01/2025	
	No of Holders	% Issued Capital	No of Holders	% Issued Capital
1 – 1,000	-	0.00%	-	0.00%
1,001 – 5,000	-	0.00%	-	0.00%
5,001 – 10,000	-	0.00%	-	0.00%
10,001 – 100,000	-	0.00%	1	6.25%
100,001 – and over	1	100.00%	3	93.75%
Total	1	100.00%	4	100.00%

(c) 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.

(d) 20 Largest Shareholders — Ordinary Shares as at 27 February 2023

Rank	Name	Ordinary Shares Held	% of Issued Capital
1	CITICORP NOMINEES PTY LIMITED	166,404,708	15.30%
2	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	106,423,261	9.79%
3	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	87,518,291	8.05%
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	74,770,497	6.88%
5	HONGKONG AUSINO INVESTMENT LIMITED	50,812,931	4.67%

ASX Additional Information

Rank	Name	Ordinary Shares Held	% of Issued Capital
6	CHIJIN INTERNATIONAL (HK) LIMITED	30,400,000	2.80%
7	ZHAOJIN CAPITAL LIMITED	30,000,000	2.76%
8	CHIJIN INTERNATIONAL (HK) LIMITED	25,190,076	2.32%
9	5013423 ONTARIO CORP	24,866,184	2.29%
10	BNP PARIBAS NOMS PTY LTD <DRP>	23,388,582	2.15%
11	MR YANCHAO GUO	19,833,515	1.82%
12	MR PHILLIP RICHARD PERRY	16,370,150	1.51%
13	MR QIXIAN WU	15,897,584	1.46%
14	CAIGEN WANG	14,598,948	1.34%
15	HAYES INVESTMENTS CO PTY LTD	9,532,477	0.88%
16	WARBONT NOMINEES PTY LTD <UNPAID ENTREPOT A/C>	8,875,146	0.82%
17	BNP PARIBAS NOMS PTY LTD <GLOBAL MARKETS DRP>	8,594,606	0.79%
18	YAO N'KANZA	7,628,129	0.70%
19	BAMBA TAHI HENRI	7,528,129	0.69%
20	HONGKONG AUSINO INVESTMENT LTD	7,000,000	0.64%
20	JSR NOMINEES PTY LTD <RICHARDSON SUPER FUND A/C>	7,000,000	0.64%
Total		742,633,214	68.29%
Balance of register		344,894,276	31.71%
Total Issued Capital		1,087,527,490	100.00%

(e) Securities Subject to Escrow

No securities are currently subject to any escrow provisions

(f) On-market Buy-Back

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

(g) 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.

ASX Additional Information

Name	Number of Shares Held	Percentage Held
CHIJIN INTERNATIONAL (HK) LIMITED (5 January 2023)	140,855,864	13.05%
ZHAOJIN CAPITAL LIMITED (3 October 2022)	78,292,819	7.25%
T.ROWE PRICE ASSOCIATES, INC (28 February 2023)	62,705,374	5.76%

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

As at 27 February 2023 the following classes of unquoted securities had holders with greater than 20% of the class on issue.

	% Interest
Options exercisable at 39¢ on or before 21 May 2024	
Matthew Wilcox<Wilcox Family A/C>	100.00%
Options exercisable at 62¢ on or before 1 August 2024	
Ting Xu	100.00%
Options exercisable at 41¢ on or before 17 January 2025	
Daniel Kotzee	31.25%
Guillaume Hubert	31.25%
Hesbon Okwayo	31.25%
Options exercisable at 62¢ on or before 4 February 2025	
Bamba Tahi Henri	50.00%
Yao n'Kanza	50.00%
Options exercisable at 53¢ on or before 1 July 2025	
Extra Salt Pty Ltd	71.43%
Ting Xu	28.57%
Options exercisable at 80¢ on or before 31 December 2024	
Hongkong Ausino Investment Ltd	25%
Kongwell Management Limited	75%
Class B Performance Rights	
Caiying Wang	37.04%

ASX Additional Information

	% Interest
Mark Strizek	37.04%
<i>Class E Performance Rights</i>	
Matthew Wilcox<Wilcox Family A/C>	100.00%
<i>Class F Performance Rights</i>	
Matthew Wilcox<Wilcox Family A/C>	100.00%
<i>Class G Performance Rights</i>	
Ting Xu	100.00%
<i>Class H Performance Rights</i>	
Mark Strizek	100.00%
<i>Class I Performance Rights</i>	
Daniel Kotzee	31.25%
Guillaume Hubert	31.25%
Hesbon Okwayo	31.25%
<i>Class J Performance Rights</i>	
Daniel Kotzee	31.25%
Guillaume Hubert	31.25%
Hesbon Okwayo	31.25%

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/>