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TENNANT MINERALS

ABN 25 086 471 007

(Formerly Tennant Minerals NL)

ANNUAL REPORT

30 June 2022

Corporate directory

Current Directors

| | |
|--------------------|------------------------|
| Matthew Driscoll | Non-executive Chairman |
| Neville Bassett | Non-executive Director |
| Michael Scivolo | Non-executive Director |
| Dr Allison Dugdale | Non-executive Director |

Company Secretary

Stuart Usher

Registered Office

| | |
|------------|--|
| Street: | Level 1, 247 Oxford Street LEEDERVILLE WA 6007 |
| Postal: | PO Box 52 WEST PERTH WA 6872 |
| Telephone: | +61 8 6141 3500 |
| Facsimile: | +61 8 6141 3599 |
| Website: | www.Tennantminerals.com.au |

Securities Exchange

| | |
|---|--|
| Australian Securities Exchange | |
| Level 40, Central Park, 152-158 St Georges Terrace Perth WA 6000 | |
| Telephone: | 131 ASX (131 279) (within Australia) |
| Telephone: | +61 8 9224 0000 |
| Facsimile: | +61 8 9227 0885 |
| Website: | www.asx.com.au |
| ASX Code: | TMS |

Share Registry

| | |
|---|--|
| Advanced Share Registry Limited | |
| Street + Postal: 110 Stirling Highway NEDLANDS WA 6009 | |
| Telephone: | 1300 113 258 (within Australia) +61 (0)8 9389 8033 (International) |
| Facsimile: | +61 (0)8 6370 4203 |
| Email: | admin@advancedshare.com.au |
| Website: | www.advancedshare.com.au |

Auditor

| | |
|---|--|
| Nexia Perth Audit Services Pty Ltd | |
| Level 3, 88 William Street Perth WA 6000 | |

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Chairman's Report 2022

Dear Shareholder,

This has been a very exciting year for Tennant Minerals, with the highlight being the outstanding copper and gold results from the two diamond drilling programs at the Bluebird (high-grade copper-gold discovery), in the Barkly Project, approximately 45km east of Tennant Creek in the Northern Territory.

The objectives of the drilling program were to complete testing across the entire thickness of the mineralised zone, as well as, to test the down-dip / plunge extensions of this high-grade copper-gold target.

The Company has now successfully tested the entire thickness of the mineralised zone at Bluebird and produced several spectacular, close to true width intersections of over 50m of intense haematite alteration and high-grade copper with gold mineralisation.

The drilling to date has identified a steep westerly plunging zone of copper-gold mineralisation that extends from 60m to more than 250m below surface and at-least 150m along strike, where the zone remains completely open.

We are very excited to continue this highly successful drilling program at Bluebird, to explore the extent of anticipated growth of this new copper-gold discovery at Tennant Creek.

In addition, the Company completed a high-resolution drone-magnetics survey over the entire 5km strike-length of the Bluebird gravity corridor. This detailed magnetics survey, currently being processed, will define the multiple identified copper-gold targets for testing with a combination of RC and diamond drilling.

This is an exciting time for the Company as we look to unlock the true potential of what we believe is a significant high-grade copper-gold discovery in a highly endowed mineral province.

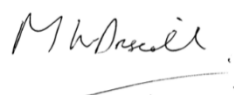
Exploration has also focussed on the highly prospective, adjoining, Babblers Project where significant magnetic anomalies remain un-tested. A soil sampling program has been carried out across the key magnetic corridor at Babblers and results will be used to target Tennant Creek style copper-gold mineralisation at depth in the underlying Warramunga Formation.

In the December quarter the Company completed a placement to sophisticated and professional investors to raise \$1 million (before costs) to advance exploration of the Barkly Copper-Gold Project and in April earlier this year we completed a heavily over-subscribed \$4.5m capital raise to move quickly to scope-out this exciting new copper-gold discovery at Bluebird.

The Company also has recently commenced trading on the Frankfurt Stock Exchange (FSE) under the symbol UH7A, largely as a response to having received several requests from European investors to dual list on a suitable European Stock Exchange to facilitate trading of the Company shares. We now offer investors in Europe another platform upon which to trade Tennant shares, and by listing on the FSE, the Company has been able to broaden its shareholder base, access new markets and increase general liquidity of its shares.

It has been a very exciting and successful year for the Company, and I would like to thank our Board, staff and contractors for working so diligently towards making our company more successful and I look forward to furthering success in the coming years.

Best regards,



Matthew Driscoll

Non-executive Chairman

Dated this Thursday, 29 September 2022

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Review of operations

1. HIGHLIGHTS:

- ▲ Two, very successful, diamond drilling programs were completed at the Bluebird high-grade copper-gold discovery on the Barkly Project, 45km east of Tennant Creek in the Northern Territory.
- ▲ The first program included five diamond drillholes for 1,048m and successfully tested the entire, greater than 50m thickness of high-grade copper-gold mineralisation. Peak intersections included:
 - **50.0m @ 2.70% Cu, 0.52 g/t Au, 29.8 g/t Ag** from 158m in BBDD0009¹, and,
 - **35.5m @ 2.58% Cu, 0.27 g/t Au** from 194m in BBDD0010²
- ▲ The second program, Stage 1 follow-up diamond drilling is designed to scope out and expand the footprint of the Bluebird discovery, included six diamond drillholes for 1,700m. All six holes intersected significant mineralisation and included the following spectacular copper-gold intersection reported post the end of the reporting period:
 - **63m @ 2.1% Cu, 4.6 g/t Au incl. 27.55m @ 3.6% Cu, 10 g/t Au** from 153m in BBDD0012³
- ▲ The latest program also extended the mineralisation to over 250m depth and at-least 150m along strike, where the high-grade copper-gold zone remains completely open.
- ▲ Following receipt of final results, the Stage 2 follow-up drilling program will be designed to significantly expand the footprint of Bluebird to over 300m strike length and 500m depth.
- ▲ In addition to the Bluebird discovery, a recently completed drone magnetics survey has identified 12 coincident magnetic-gravity copper-gold targets within a 2km “Bluebird-Perseverance Target Zone” extending west of Bluebird⁴. These may represent repeats of Bluebird and further drilling is planned to test these targets in parallel with extending the Bluebird discovery.
- ▲ On the Babbler Project, which adjoins the Barkly tenement to the south, the Company has been awarded \$66,000 co-funding under the 2022 Northern Territory Governments’ Geophysics and Drilling Collaborations program for an exploration drill hole to test key copper-gold targets within the underlying Warramunga Formation at Babbler. A detailed gravity survey is planned to further define the drill targets to be tested following the Stage 2 program at Bluebird.

2. OVERVIEW

Barkly – Bluebird Project:

During the full year ended 30 June 2022, the Company completed two, very successful, diamond drilling programs at the Bluebird, high-grade, copper-gold discovery on the Barkly project, approximately 45km east of Tennant Creek in the Northern Territory (see Figure 1 for location).

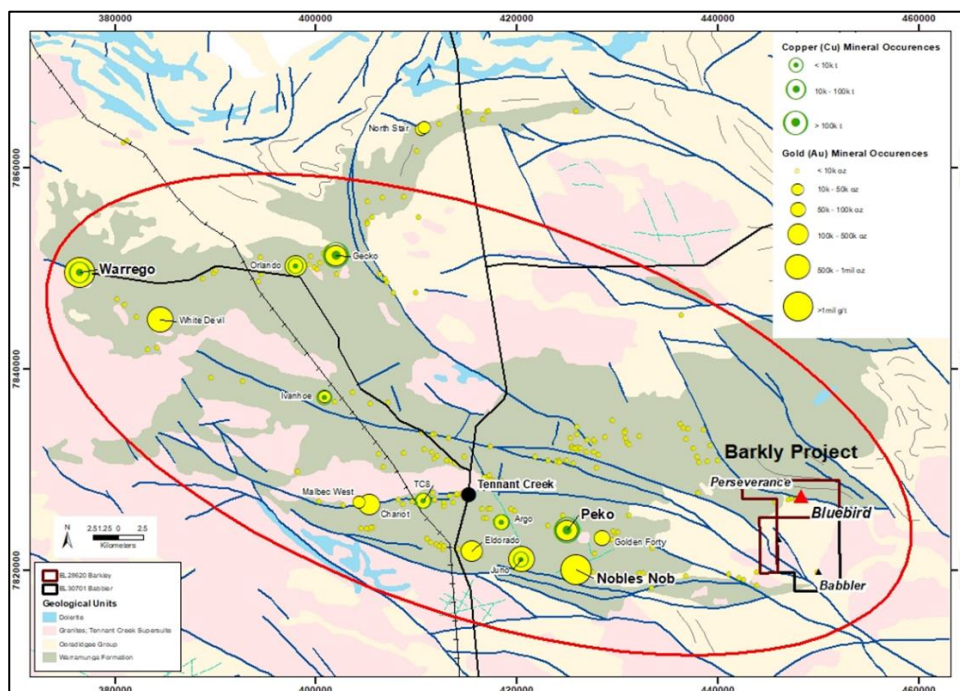


Figure 1: Location of the Barkly Project and major historical mines in the Tennant Creek Mineral Field

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The first drilling program included five diamond drillholes for a total of 1,048m. The program successfully tested the entire, greater than 50m thickness of high-grade copper-gold mineralisation, as well as intersecting down-dip/plunge extensions of the zone, that remains open at depth and to the west (see longitudinal projection, Figure 2).

The drilling program followed-up the November 2020 RC drilling program and previous RC and diamond drilling completed in 2014, that intersected high-grade copper-gold mineralisation within an ironstone unit on a west-northwest trending, steeply south dipping, fault zone.

Significantly, drill hole BBRC0019, from the 2020 program, was abandoned in high-grade copper-gold mineralisation, with **the last metre assaying 4.81% Cu and 3.9 g/t Au.**

The first new diamond drilling program at Bluebird tested the entire thickness of the mineralised zone with BBDD0009 intersecting **50.0m @ 2.70% Cu, 0.52 g/t Au, 29.8 g/t Ag** from 158m¹ and BBDD0010, intersecting **35.5m @ 2.58% Cu, 0.27 g/t Au** from 194m² below BBRC0019 (Figure 2). The deepest hole of the initial program, BBDD0011, a step-out of 30m down plunge, intersected **29.3m @ 1.76% Cu and 0.21 g/t Au** from 195.7m, which is open, up and down dip as well as down plunge to the west² (Figure 2).

The second, Stage 1 follow-up drilling, program at Bluebird comprised six diamond drillholes for 1,700m and was designed to scope out and expand the footprint of the high-grade copper-gold zone at Bluebird.

All six diamond drillholes intersected intense hematite alteration with visible copper mineralisation including malachite and/or native copper and the copper-sulphide chalcocite below the base of oxidation.

The first hole in the follow-up program, BBDD0012, contained a **55m intersection of strong to intense hematite and copper mineralisation** from 155m downhole. This intersection is located 20m to the west of the BBDD0009 intersection and contained spectacular copper and gold results, announced after the reporting period, that included the following intersections:

- **63m @ 2.1% Cu and 4.6 g/t Au** from 153m downhole incl. **27.55m @ 3.6% Cu and 10 g/t Au**³

Drillhole BBDD0013 tested the mineralised zone approximately 40m above BBDD0011 (Figure 2), intersecting a **46m zone of hematite alteration, including 21m of intense hematite-magnetite and copper mineralisation** (native copper and chalcocite) from 157m downhole that contained a high-grade intersection reported post the reporting period of:

40m @ 2.6% Cu and 1.34 g/t Au from 131m downhole incl. **24.5m @ 3.9% Cu and 0.45 g/t Au**⁴

The most significant new hole of the drilling program, BBDD0015, tested the down-dip extensions of the mineralisation below BBDD0011. BBDD0015 intersected fractured hematite altered siltstone with minor sulphides, from ~235m down hole, then passed into a **20m zone of brecciated, moderate to strong silica-specular hematite alteration and copper mineralisation** (malachite, native copper and chalcocite) from 277m to 297m downhole. This hole contained a high-grade intersection reported post the reporting period of:

- **17.8m @ 3.7 % Cu and 0.34 g/t Au** from 277m downhole incl. **9.5m @ 6.0 % Cu** and 0.48 g/t Au⁴

The intersection in BBDD0015 has **doubled the depth extent of the Bluebird discovery to more than 250m below surface, where it remains completely open** (see Figure 2).

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Review of operations

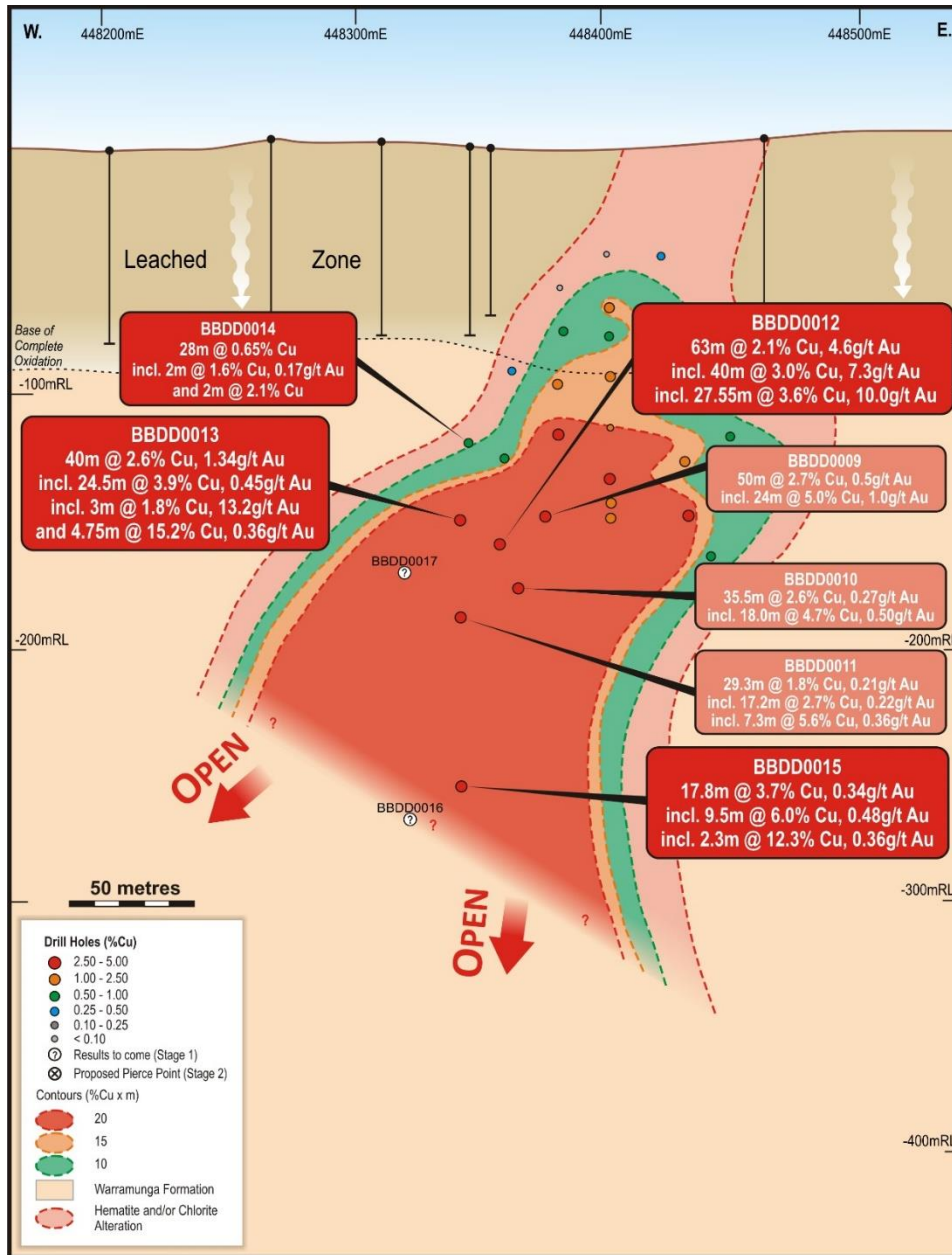


Figure 2: Bluebird longitudinal projection with new and previous Cu-Au intersections.

The drilling to date has identified a westerly plunging zone of copper-gold mineralisation that extends from 60m to more than 250m below surface and 150m along strike in an east-west orientation (Figure 2).

Following receipt of all Stage 1 diamond drilling results and interpretation of structural and alteration data, a 3-dimensional model of the mineralised zone, drilled to date, will be constructed. This, combined with modelling of geophysical data, including the DHEM and IP surveys, will enable fine tuning of the follow-up **Stage 2 drilling program, that will be designed to significantly expand the footprint of Bluebird to over 300m strike length and >500m depth.**

The dimensions and grades being produced from drilling of the Bluebird discovery suggest the potential similarity to the Peko deposit which produced 3.7Mt @ 4% Cu and 3.5 g/t Au from 1934 and 1981⁵. Peko is located only 20km west of Bluebird in a similar geological setting (see Figure 1 for location).

Review of operations

The Bluebird discovery is associated with a gravity high, which is part of a 5km long gravity anomaly known as the “Bluebird Corridor”. This gravity anomaly reflects high-density, iron enrichment in the primary zone, below the near surface leaching, that extends to >60m depth at Bluebird.

A detailed drone magnetics survey was completed during reporting period. The new detailed drone magnetics imagery and modelling, combined with the detailed gravity data, identified **12 coincident magnetic-gravity copper-gold targets within a 2km “Bluebird-Perseverance Target Zone”** extending west of the high-grade Bluebird copper-gold discovery⁶. This major target zone includes an exceptionally strong magnetic-gravity feature centred below the historical Perseverance gold workings (see Figure 3 below).

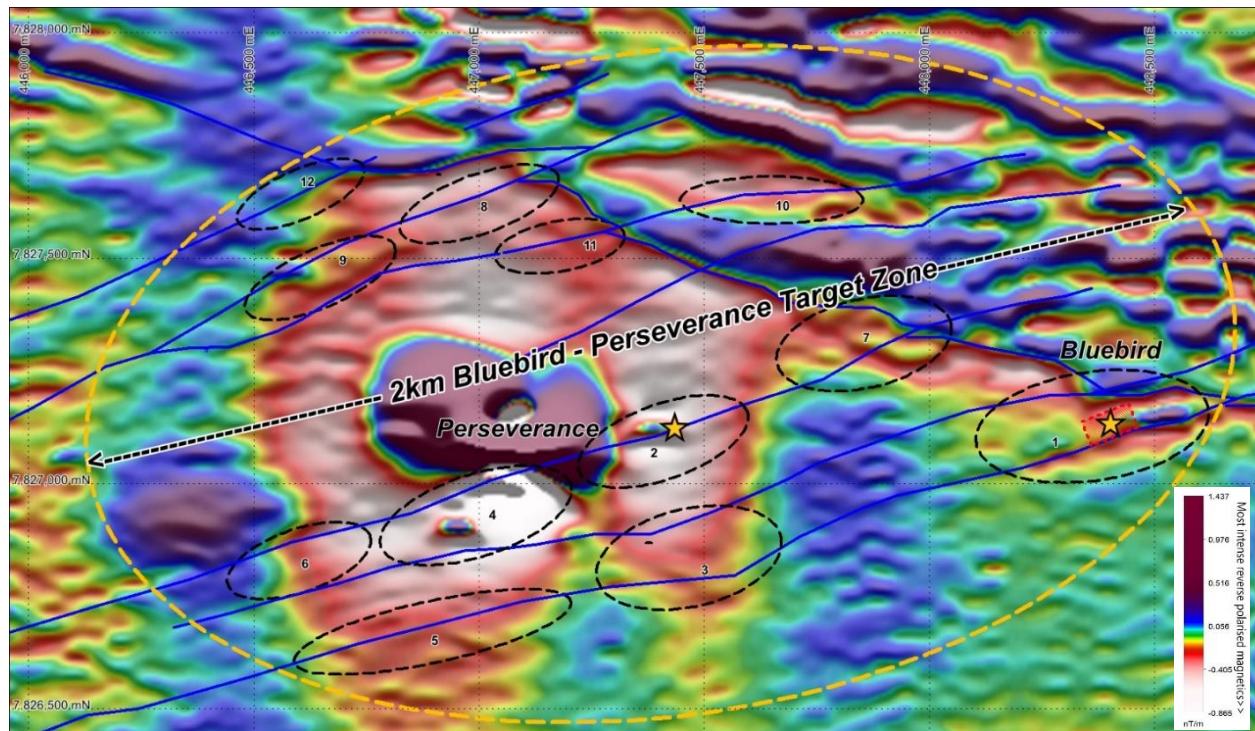


Figure 3: Bluebird-Perseverance magnetic intensity (reversed) image, with structures & magnetic-gravity targets

Further drilling will be planned to test the priority copper-gold targets identified from the magnetics and previous gravity modelling within the 2km Bluebird-Perseverance Target Zone.

Babbler Project:

The Babbler (EL30701) Project lies directly south of the Barkly (EL28620 Project), covering a magnetic corridor over 6km long, interpreted to be intersected by northwest trending faults (Figure 4).

The Warramunga Formation, that hosts the Bluebird copper-gold deposit, is interpreted to continue under younger cover sequences throughout the Babbler Project.

Previous interpretation of aeromagnetic data identified two magnetic anomalies (R29 and R31) that were considered to be prospective for Tennant Creek style copper-gold mineralisation. Anomaly R29 corresponds to the Babbler prospect (Figure 4).

A RAB hole, located 100m west of the R29 magnetic anomaly, intersected highly anomalous gold, interpreted to be at a possible faulted contact between sedimentary and volcanic rocks. Subsequent diamond drilling, to test the magnetic anomaly and outcropping pyritic volcanics, intersected several zones of low to moderate grade gold mineralisation with anomalous copper.

The Company is planning detailed magnetics and gravity surveys to define drilling targets within the underlying Warramunga Formation for high-grade copper-gold deposits.

During the reporting period the Company was granted \$66,000 funding under the 2022 NT Governments’ Geophysics and Drilling Collaborations program whereby 50% funding of the direct diamond drill costs of an exploration hole testing key targets within the underlying Warramunga Formation for high-grade copper-gold deposits.

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Review of operations

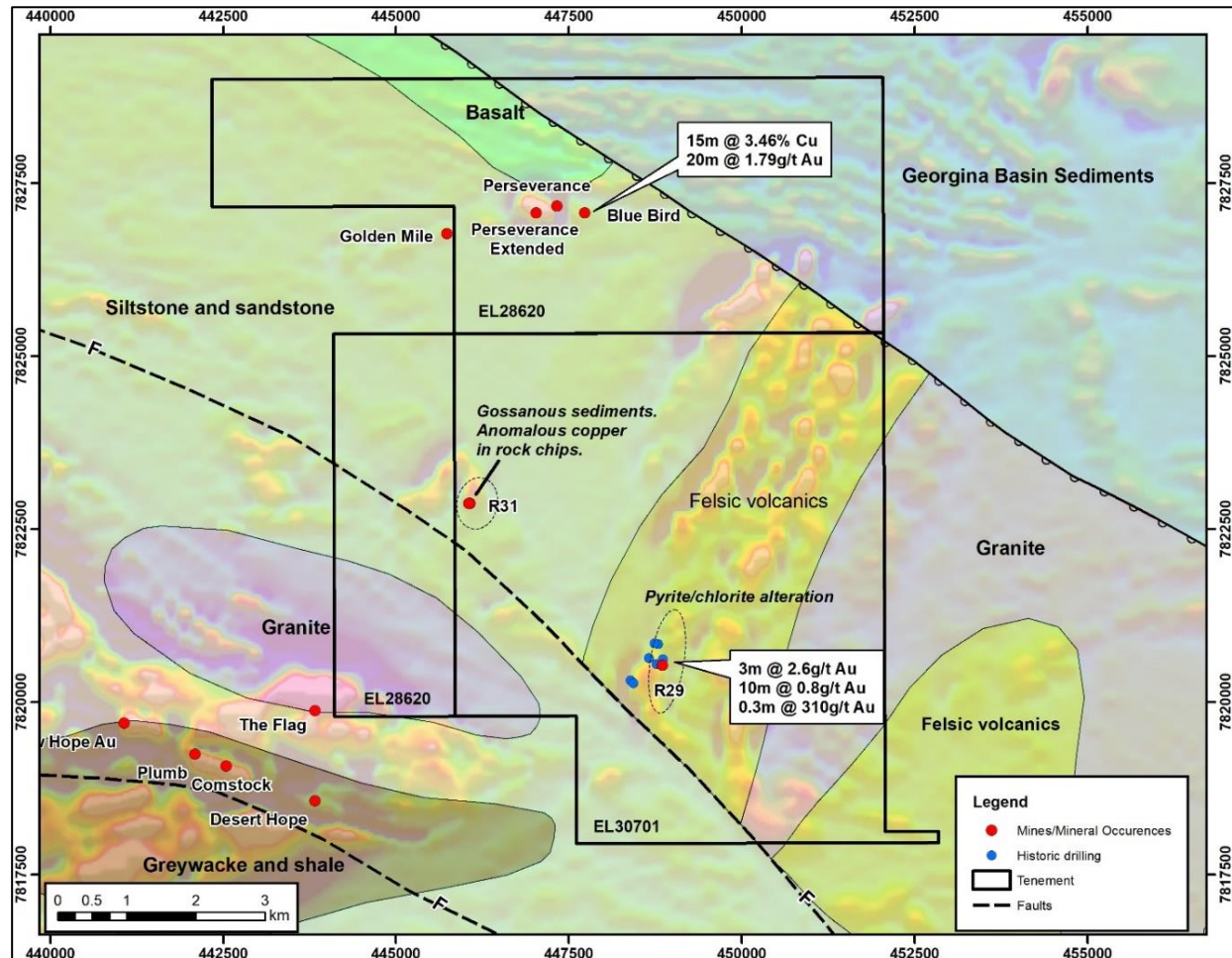


Figure 4: Babler Project showing regional geology on a TMI aeromagnetic image. Prospects are shown in red.

3. ABOUT THE BARKLY PROJECT

The Barkly Project is located approximately 45km east of the town of Tennant Creek in the Northern Territory and comprises two Exploration Licences, being EL 28620 (Barkly Project) and EL 30701 (Babler Project) located in central Northern Territory, south of the Barkly Highway.

The Barkly Project comprises two granted Exploration Licences EL28620 and EL30701 and is considered highly prospective for magnetite hosted gold-copper similar to other deposits found elsewhere in the Tennant Creek Goldfield.

4. COMPETENT PERSON'S DECLARATION

The information in this report that relates to exploration results is based on information compiled or reviewed by Mr Nick Burn who is Exploration Manager for Tennant Minerals Ltd and a member of the Australian Institute of Geoscientists. Mr Burn has sufficient experience which is 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 of Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Burn consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Review of operations

5. ASX LISTING RULES COMPLIANCE

In preparing this announcement the Company has relied on the announcements previously made by the Company and specifically dated 09 December 2014, 24 September 2019, 18 March 2020, 06 December 2021, 13 December 2021, 21 December 2021, 8 March 2022, 15 March 2022, 24 March 2022, 4 April 2022, 13 May 2022, 06 June 2022, 06 July 2022, 17 August 2022 and 25 August 2022. The Company confirms that it is not aware of any new information or data that materially affects those announcements previously made, or that would materially affect the Company from relying on those announcements for the purpose of this announcement.

6. SCHEDULE OF TENEMENTS

| Tenement ID | Type | Status | Holder | Grant Date | End Date | Area (km ²) | TMS Interest |
|-------------|-------------|--------|-------------------------|-------------|-------------|-------------------------|--------------|
| EL28620 | Exploration | Active | Colour Minerals Pty Ltd | 16 Dec 2011 | 15 Dec 2023 | 39.16 | 100% |
| EL30701 | Exploration | Active | Colour Minerals Pty Ltd | 20 Aug 2015 | 19 Aug 2023 | 42.6 | 100% |

¹ 08/03/2022. Tennant Minerals (ASX. TMS): "Spectacular 50m @ 2.7% Copper intersection at Bluebird".

² 15/03/2022. Tennant Minerals (ASX. TMS): "More Exceptional Copper Intersections from Bluebird".

³ 17/08/2022. Tennant Minerals (ASX. TMS): "Bonanza 63m@ 2.1% Copper and 4.6 g/t Gold Intersection at Bluebird".

⁴ 07/09/2022. Tennant Minerals (ASX. TMS): "Up to 54.5% Copper in Massive Sulphides at Bluebird".

⁵ Portergeo.com.au/database/mineinfo. Tennant Creek - Gecko, Warrego, White Devil, Nobles Nob, Juno, Peko, Argo.






⁶ 25/08/2022. Tennant Minerals (ASX. TMS): "Standout Geophysical Targets to Replicate Bluebird Cu-Au Discovery".

Directors' report

Your directors present their report on the consolidated entity, consisting of Tennant Minerals Limited (formerly Tennant Minerals NL) (**Tennant** or **the Company**) and its controlled entities (collectively **the Group**), for the financial year ended 30 June 2022.

1. Directors

The names of Directors in office at any time during or since the end of the year are:

-  Mr Matthew Driscoll *Non-executive Chairman*
-  Mr Neville Bassett *Non-executive Director*
-  Mr Michael Scivolo *Non-executive Director*
-  Dr Allison Dugdale *Non-executive Director (appointed on 12 August 2022)*
-  Mr Gino D'Anna *Non-executive Director (resigned on 12 August 2022)*
(**the Board**)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. For additional information of Directors, including details of the qualifications of Directors, please refer to paragraph 5 "Information relating to the directors" of this Directors' Report.

2. Company secretary

The following person held the position of Company Secretary at the end of the financial year:

-  Mr Stuart Usher
 - ▶ Mr Usher is a CPA and Chartered Company Secretary with 20 year's extensive experience in the management and corporate affairs of public listed companies. He holds a Bachelor of Business degree and an MBA from the University of Western Australia and has extensive experience across many industries focusing on Corporate & Financial Management, Strategy & Planning, Mergers & Acquisitions, and Investor Relations & Corporate Governance.

3. Dividends paid or recommended

There were no dividends paid or recommended during the financial year ended 30 June 2022 (2021: \$nil).

4. Operating and financial review

4.1. Nature of operations principal activities

The principal activity of the Group during the course of the financial year has been the evaluation of gold and copper projects across a broad range of geographies. All projects are subjected to a rigorous technical, commercial and legal due diligence.

4.2. Operations review

Refer to the Review of operations on page 2.

4.3. Financial Position

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Group incurred a loss for the year of \$2,682,800 (2021: \$2,776,746 loss).

The net assets of the Group have increased by \$2,525,813 from 30 June 2021 to \$3,886,362 at 30 June 2022.

As at 30 June 2022, the Group's cash and cash equivalents increased from 30 June 2021 by \$3,247,881 to \$4,705,811 and had a working capital surplus of \$3,886,362 (2021: \$1,360,549 working capital), as disclosed in Note 8 of the Capital management.

The Directors believe the Group is in a satisfactorily stable financial position to continue its current operations.

4.4. Key Business Risks

a. Health and safety risks

The Company seeks to ensure that it provides a safe workplace to minimise risk of harm to its employees and contractors. It achieves this through an appropriate safety culture, safety systems, training, and emergency preparedness

Directors' report

b. Impact of COVID-19

The COVID-19 coronavirus global pandemic has caused significant disruption and restrictions to the movement of people and goods throughout the world. The Company has implemented prudent business continuity measures which allowed it to continue to develop and establish an exploration Company.

c. Environmental risks

The Company has environmental risks associated with its tenements which arise as a consequence of its operations. The Company monitors its ongoing environmental obligations and risks and implements rehabilitation and corrective actions as appropriate.

d. Community and social risks

The Company operates in different jurisdictions with varying community, heritage and social laws and cultural practices. Community expectations are continually evolving and are managed through the development of robust strategies, maintaining strong relationships with communities and delivering on its commitments.

e. Financial risks

The Company recognises the importance of maintaining a strong balance sheet that enables flexibility to pursue strategic objectives. The Company maintains policies which define appropriate financial controls and governance which seek to ensure financial risks are recognised, managed and recorded in a manner consistent with generally accepted industry practice and governance standards.

f. Exploration risks

Exploration and Mineral Resource development incorporates a high degree of technical and geological risk. The natural endowment of the ground being explored is the limiting factor and there always remains a risk of insufficient natural endowment to make an economic discovery.

Detailed planning of exploration programs, with external consultant input where required, ensures the highest quality exploration targets are tested. The Board approves all exploration programs and budgets to achieve outcomes in the Company's (and shareholders) best interests, with regular reporting provided to the Board of the results of exploration programs.

The Company undertakes business development activities to source new projects for the Company with the objective of acquiring assets with a high potential for exploration success.

g. Regulatory And Compliance Risk

New or evolving regulations and standards are outside the Company's control and are often complex and difficult to predict. The potential development of opportunities can be jeopardised by changes to fiscal or regulatory regimes, adverse changes to tax laws, or changes to existing political, judicial or administrative policies and changing community expectations.

4.5. Significant changes in the state of affairs

There were no other significant changes to the state of affairs of the Group.

4.6. Events subsequent to reporting date

There are no significant after balance date events that are not covered in this Directors' Report section 4.2 Operations review above or within the financial statements at Note 15 Events Subsequent To Reporting Date on page 39.

4.7. Future developments, prospects and business strategies

Likely developments, future prospects and business strategies of the operations of the Group and the expected results of those operations have not been included in this report as the Directors believe that the inclusion of such information would be likely to result in unreasonable prejudice to the Group.

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Directors' report

4.8. Environmental regulations




The Group's operations are subject to environmental regulations in the jurisdictions it operates in, namely Australia.

The Group is committed to achieving a high standard of environmental performance. The Board is responsible for the regular monitoring of environmental exposures and compliance with environmental regulations.

The Board believes that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Group.

The Directors have considered the enacted *National Greenhouse and Energy Reporting Act 2007* (the NGER Act) which introduced a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the Directors have determined that the NGER Act has no effect on the Company for the current, nor subsequent, financial year. The Directors will reassess this position as and when the need arises.

5. Information relating to the directors

| | |
|---|--|
|  Mr Matthew Driscoll | <ul style="list-style-type: none"> ▶ Chairman (Non-Executive) Independent |
| Qualifications | ▶ BA, Dip Ed, Grad.Dip.App.Fin. SF Fin, MSAA, GAICD. |
| Experience | ▶ Mr Driscoll has significant experience across several industries, including online technologies, financial services, fintech, property and resources. He has more than 30 years' experience in capital markets and the financial services industry and is an accomplished company director in roles across listed and private companies. He has significant experience in international business growth, mergers and acquisitions, equity and debt raisings and building strategic alliances, and remains committed to ethical, commercial and consumer-based outcomes. |
| Interest in Shares and Options | 1,000,000 ordinary Shares 500,000 listed options |
| Directorships held in other listed entities | ▶ Mr Driscoll is Chairman of Carbonxt Group (CG1), Non-Executive Director of Energy Technologies (EGY). |
|  Mr Michael Scivolo | <ul style="list-style-type: none"> ▶ Director (Non-Executive) Independent |
| Qualifications | ▶ B.Com, FCPA |
| Experience | ▶ Mr Scivolo has extensive experience in the fields of accounting and taxation in both corporate and non-corporate entities. |
| Interest in Shares and Options | ▶ Nil ordinary Shares Nil listed options |
| Directorships held in other listed entities | ▶ Mr Scivolo is currently a Director of Sabre Resources Limited (ASX:SBR), Golden Deeps Limited (ASX:GED) and Metals Australia Ltd (ASX:MLS). |
|  Mr Neville Bassett | <ul style="list-style-type: none"> ▶ Directors (Non-Executive) Independent |
| Qualifications | ▶ AM, FCA |
| Experience | ▶ Mr Bassett is a Chartered Accountant specialising in corporate, financial and management advisory services. Mr Bassett has spent more than 35 years working in accounting, finance and stockbroking. During that time, he's had considerable involvement in Australian financial markets including numerous public company listings and capital raisings, as well as mergers and acquisitions. Mr Bassett is the principal director of Westar Capital Limited, the holder of an Australian Financial Services License. He was previously State Chairman and a former National Director of the Royal Flying Doctor Service. |
| Interest in Shares and Options | ▶ Nil ordinary Shares Nil listed options |

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Directors' report

Directorships held in other listed entities ▶ Mr Bassett currently is Non-Executive Chairman of Auris Minerals Ltd (ASX:AUR), Non-Executive Director of Pharmaust Ltd (ASX:PAA), Pointerra Ltd (ASX:3DP), Bulletin Resources Ltd (ASX: BNR).

Previous directorships held in Yowie Group Ltd (5 Aug 2019 – 27 Nov 2020), Metalsearch Ltd (8 May 2015-16 Oct 2019).

 **Dr Allison Dugdale**

▶ Directors (Non-Executive) (*appointed on 12 August 2022*)
Independent

Qualifications

▶ PhD

Experience

▶ Dr Dugdale has over 30 years minerals industry and academic experience including 15 years in senior exploration roles with several major companies including Western Mining Corporation and Newmont. She has also spent 16 years in research and tertiary teaching, reaching the position of Senior Lecturer in Ore Deposit Geology at Curtin University until 2020. Since then, she has been the principal geologist of a geological consultancy which provides exploration targeting services to mineral exploration companies in Australia and North America.

Interest in Shares and Options

▶ 1,000,000 ordinary Shares
642,110 listed options

Directorships held in other listed entities

▶ None

Mr Gino D'Anna

▶ Director (Non-Executive) (*resigned on 12 August 2022*)
Independent

Qualifications

▶ B.Com (Hon)

Experience

▶ Mr D'Anna has significant primary and secondary capital markets experience and has extensive experience in resource exploration, public company operations and administration and financial management.

Mr D'Anna has particular experience in Canadian Government and First Nations relations in the mining sector. He was a founding shareholder and founding Executive Director of Atrum Coal (ASX: ATU) which is developing the Elan Hard Coking Coal Project. He has significant experience in Canadian exploration and resource development. Importantly, Mr D'Anna has been involved in exploration companies across multiple sectors and jurisdictions, having worked in Australia, South Korea, South Africa, Botswana and Namibia. He was also a corporate advisory consultant to Excelsior Gold Limited (ASX: EXG), which at the time was developing the Excelsior and Zoroastrian operations north of Kalgoorlie, WA.

Interest in Shares and Options

1,000,000 ordinary Shares
500,000 listed options

Directorships held in other listed entities

▶ Mr D'Anna is a former Executive Director and current Non-Executive Director of MetalsTech Limited (ASX: MTC). He is currently Non-Executive Director of Askari Metals Limited (ASX: AS2)
Mr D'Anna resigned as a Director of Metals Australia Limited (ASX: MLS) on 8 June 2022.

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Directors' report

6. Meetings of directors and committees

During the financial year four meeting of Directors (including committees of Directors) were held. Attendances by each Director during the year are stated in the following table.

| | DIRECTORS' MEETINGS | | AUDIT COMMITTEE | | NOMINATION COMMITTEE | | REMUNERATION COMMITTEE | | FINANCE AND OPERATIONS COMMITTEE | | |
|------------------|---------------------------|-----------------|--|-----------------|---------------------------|-----------------|---------------------------|-----------------|----------------------------------|-----------------|--|
| | Number eligible to attend | Number Attended | Number eligible to attend | Number Attended | Number eligible to attend | Number Attended | Number eligible to attend | Number Attended | Number eligible to attend | Number Attended | |
| Matthew Driscoll | 4 | 4 | <i>At the date of this report, the Remuneration, Audit, Nomination, and Finance and Operations Committees comprise the full Board of Directors. The Directors believe the Company is not currently of a size nor are its affairs of such complexity as to warrant the establishment of these separate committees. Accordingly, all matters capable of delegation to such committees are considered by the full Board of Directors.</i> | | | | | | | | |
| Gino D'Anna | 4 | 4 | | | | | | | | | |
| Neville Bassett | 4 | 4 | | | | | | | | | |
| Michael Scivolo | 4 | 4 | | | | | | | | | |

7. Indemnifying officers or auditor

7.1. Indemnification

The Company indemnifies each of its Directors, officers and company secretary to the maximum extent permitted by the *Corporations Act 2001* from liability to third parties, except where the liability arises out of conduct involving lack of good faith, and in defending legal and administrative proceedings and applications for such proceedings.

The Company must use its best endeavours to insure a director or officer against any liability, which does not arise out of conduct constituting a wilful breach of duty or a contravention of the *Corporations Act 2001*. The Company must also use its best endeavours to insure a Director or officer against liability for costs and expenses incurred in defending proceedings whether civil or criminal.

The Company has not entered into any agreement with its current auditors indemnifying them against any claims by third parties arising from their report on the financial report.

7.2. Insurance premiums

During the year the Company paid insurance premiums to insure directors and officers against certain liabilities arising out of their conduct while acting as an officer of the Group. Under the terms and conditions of the insurance contract, the nature of the liabilities insured against and the premium paid cannot be disclosed.

8. Options

8.1. Unissued shares under option

At the date of this report, the unissued ordinary shares of Tennant Minerals Limited under option (listed and unlisted) are as follows:

| Grant Date | Date of Expiry | Exercise Price | Number under Option |
|---------------|----------------|----------------|---------------------|
| Various dates | 23 April 2024 | \$0.03 | 383,700,000 |
| 8 April 2022 | 8 April 2025 | \$0.08 | 26,000,000 |
| | | | 409,700,000 |

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

Directors' report

8.2. Shares issued on exercise of options

No ordinary shares were issued by the Company as a result of the exercise of options during or since the end of the financial year.

9. Non-audit services

During the year, Nexia Perth Audit Services Pty Ltd (Nexia Perth), the Company's auditor, did not perform any services other than their statutory audits. Details of remuneration paid to the auditor can be found within the financial statements at Note 18 Auditors' Remuneration on page 41.

In the event that non-audit services are provided by Nexia Perth, the Board has established certain procedures to ensure that the provision of non-audit services are compatible with, and do not compromise, the auditor independence requirements of the *Corporations Act 2001*. These procedures include:

- ▶ non-audit services will be subject to the corporate governance procedures adopted by the Company and will be reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor; and
- ▶ ensuring non-audit services do not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

10. Proceedings on behalf of company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

11. Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Tennant Minerals Limited support and have substantially adhered to the best practice recommendations set by the ASX Corporate Governance Council. For a detailed analysis of the Company's Corporate Governance Policies, visit the corporate governance section of our website at Tennantminerals.com.au.

12. Auditor's independence declaration

The lead auditor's independence declaration under Section 307C of the *Corporations Act 2001* (Cth) for the year ended 30 June 2022 has been received and can be found on page 18 of the Annual report.

13. Remuneration report (audited)

13.1. Principles of compensation

Remuneration is referred to as compensation throughout this report.

Key Management Personnel (**KMP**) have authority and responsibility for planning, directing and controlling the activities of the Group. KMP comprise the directors of the Company.

Compensation levels for KMP are competitively set to attract and retain appropriately qualified and experienced directors and executives. The Board may seek independent advice on the appropriateness of compensation packages, given trends in comparative companies both locally and internationally and the objectives of the Group's compensation strategy.

The compensation structures are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. Compensation packages include a mix of fixed compensation, equity-based compensation, as well as employer contributions to superannuation funds.

Shares and options may only be issued to directors' subject to approval by shareholders in a general meeting.

The Board has no established retirement or redundancy schemes.

a. Fixed Remuneration

Fixed compensation consists of base compensation as well as employer contributions to superannuation funds. Compensation levels are reviewed annually by the Board through a process that considers individual and overall performance of the Group. In addition, external consultants provide analysis and advice to ensure the directors' and senior executives' compensation is competitive in the market place. During the period no such consultant was used and no senior executive's other than directors were employed.

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Directors' report

b. Performance Based Remuneration – Short-term and long-term incentive structure

Given the current size, nature and opportunities of the Group, the Board has given more significance to service criteria instead of market related criteria in setting the Group's incentive schemes. Accordingly, at this stage the Board does not consider the Group's earnings or earnings-related measures to be an appropriate key performance indicator (KPI). In considering the relationship between the Group's remuneration policy and the consequences for the Company's shareholder wealth, changes in share price are analysed as well as measures such as successful completion of exploration activities (for example, completion of exploration programs within budgeted timeframes and costs), development activities (for example, completion of scoping and/or feasibility studies), corporate activities (for example, recruitment of key personnel/contractors) and business development activities (for example, project acquisitions and capital raisings).

Short-term incentives

No short-term incentives in the form of cash bonuses were granted during the year.

Long-term incentives

The Board has a policy of granting incentive options to executives with exercise prices above market share price. As such, incentive options granted to executives will generally only be of benefit if the executives perform to the level whereby the value of the Group increases sufficiently to warrant exercising the incentive options granted.

The Company does not currently have an Employee Incentive Plan.

c. Service Contracts

Compensation and other terms of employment for the directors, KMP and the company secretary are formalised in contracts of employment.

d. Non-executive Directors

Total compensation for all non-executive directors are set based on advice from external advisors with reference to fees paid to other non-executive directors of comparable companies. Non-executive directors' fees are presently limited to an aggregate of \$250,000 per annum.

Non-executive directors do not receive performance related compensation. Directors' fees cover all main Board activities and membership of any committee. The Board has no established retirement or redundancy schemes in relation to non-executive directors.

Fees for the Non-executive directors for the financial year were \$180,000 (2021: \$182,778) and cover main Board activities only. Non-executive directors may receive additional remuneration for other services provided to the Group.

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Directors' report

13. Remuneration report (audited)

e. Engagement of Remuneration Consultants

During the financial year, the Company did not engage any remuneration consultants.

f. Relationship between Remuneration of Key Management Personnel and Shareholder Wealth

During the Group's exploration and development phases of its business, the Board anticipates that the Company will retain earnings (if any) and other cash resources for the exploration and development of its resource projects. Accordingly, the Company does not currently have a policy with respect to the payment of dividends and returns of capital. Therefore, there was no relationship between the Board's policy for determining, or in relation to, the nature during the current and previous financial years.

The Board did not determine the nature and amount of remuneration of the KMP by reference to changes in the price at which shares in the Company traded between the beginning and end of the current and previous financial years. However, where the Directors of the Company receive incentive options, such options generally would only be of value if the Company's share price increased sufficiently to warrant exercising the incentive options.

g. Relationship between Remuneration of Key Management Personnel and Earnings

As discussed above, the Group is currently undertaking exploration activities and does not expect to be undertaking profitable operations (other than by way of material asset sales, none of which is currently planned) until sometime after the successful commercialisation, production and sales of commodities from its projects. Accordingly, the Board does not consider earnings during the current and previous financial years when determining the nature and amount of remuneration of KMP.

13.2. Remuneration details for the year ended 30 June 2022

There were no cash bonuses paid during the year and there are no set performance criteria for achieving cash bonuses.

The following table of benefits and payment details, in respect to the financial year, the components of remuneration for each member of the KMP of the Group:

| 2022 Group KMP | Short-term benefits | | | | Post-employment benefits | Long-term benefits | Equity-settled share-based payments | | Total |
|----------------------------|------------------------|--------------------------|--------------|-------|--------------------------|--------------------|-------------------------------------|---------|---------|
| | Salary, fees and leave | Profit share and bonuses | Non-monetary | Other | Super-annuation | Other | Equity | Options | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Matthew Driscoll | 60,000 | - | - | - | - | - | - | - | 60,000 |
| Gino D'Anna ⁽¹⁾ | 40,000 | - | - | - | - | - | - | - | 40,000 |
| Neville Bassett | 40,000 | - | - | - | - | - | - | - | 40,000 |
| Michael Scivolo | 40,000 | - | - | - | - | - | - | - | 40,000 |
| | 180,000 | - | - | - | - | - | - | - | 180,000 |

(1) Resigned on 12 August 2022. During the year, Internazionale Consulting Pty Ltd, a company controlled by Mr D'Anna, provided consulting services to Tennant Minerals Limited. Please refer to Note 17 Related Party Transactions on page 40 for further details.

Directors' report

13. Remuneration report (audited)

| 2021 Group KMP | Short-term benefits | | | | Post-employment benefits | Long-term benefits | Equity-settled share-based payments | | Total |
|----------------------------|------------------------|--------------------------|--------------|-------|--------------------------|--------------------|-------------------------------------|---------|---------|
| | Salary, fees and leave | Profit share and bonuses | Non-monetary | Other | Super-annuation | Other | Equity | Options | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Matthew Driscoll | 60,000 | - | - | - | - | - | - | - | 60,000 |
| Gino D'Anna ⁽¹⁾ | 40,333 | - | - | - | - | - | - | - | 40,333 |
| Neville Bassett | 40,000 | - | - | - | - | - | - | - | 40,000 |
| Michael Scivolo | 42,445 | - | - | - | - | - | - | - | 42,445 |
| | 182,778 | - | - | - | - | - | - | - | 182,778 |

⁽¹⁾ Appointed on 19 September 2019, resigned 28 November 2019, re-appointed 2 December 2019. During the year, Internazionali Consulting Pty Ltd, a company controlled by Mr D'Anna, provided consulting services to Tennant Minerals Limited. Please refer to Note 17 Related Party Transactions on page 40 for further details.

13.3. Service agreements

There are no other agreements with key management personnel.

13.4. Share-based compensation

a. Key Management Personnel Options

Options have been previously granted to KMP to provide a market-linked incentive package in their capacity as KMP and for future performance by them in their roles. The KMP options vested immediately after the issue date.

The value of options granted as remuneration is determined in accordance with applicable valuation models and accounting standards.

The dollar value of the percentage vested during the period has been reflected in the Directors' and executive officers' remuneration tables.

All options were issued by Tennant Minerals Limited and entitle the holder to one ordinary share in Tennant Minerals Limited for each option exercised.

b. Securities Received that are not performance-related

No members of KMP are entitled to receive securities that are not performance-based as part of their remuneration package.

c. Options and Rights Granted as Remuneration

No options were granted as remuneration during 2022 (2021: Nil).

Directors' report

13. Remuneration report (audited)

13.5. Key management personnel equity holdings

a. Fully paid ordinary shares of Tennant Minerals Limited held by each Key Management Personnel

| 2022 | Balance at start of year | Received during the year as compensation | Received during the year on the exercise of options | Other changes during the year | Balance at end of year/at resignation date |
|------------------|--------------------------|--|---|-------------------------------|--|
| Group KMP | No. | No. | No. | No. | No. |
| Matthew Driscoll | 1,000,000 | - | - | - | 1,000,000 |
| Gino D'Anna | 1,000,000 | - | - | - | 1,000,000 |
| Neville Bassett | - | - | - | - | - |
| Michael Scivolo | - | - | - | - | - |
| | 2,000,000 | - | - | - | 2,000,000 |

b. Listed options in Tennant Minerals Limited held by each Key Management Personnel

| 2022 | Balance at start of year | Granted as Remuneration during the year | Exercised during the year | Other changes during the year ¹ | Balance at end of year | Vested and Exercisable | Not Vested |
|------------------|--------------------------|---|---------------------------|--|------------------------|------------------------|------------|
| Group KMP | No. | No. | No. | No. | No. | No. | No. |
| Matthew Driscoll | 500,000 | - | - | - | 500,000 | 500,000 | - |
| Gino D'Anna | 500,000 | - | - | - | 500,000 | 500,000 | - |
| Neville Bassett | - | - | - | - | - | - | - |
| Michael Scivolo | - | - | - | - | - | - | - |
| | 1,000,000 | - | - | - | 1,000,000 | 1,000,000 | - |

1. Other changes represent options received as part of capital raisings during the year.

13.6. Other equity-related KMP transactions

There have been no other transactions involving equity instruments other than those described in the tables above relating to options, rights and shareholdings.

13.7. Loans to key management personnel

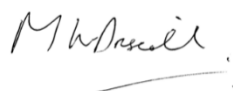
There are no loans made to directors of Tennant Minerals Limited as at 30 June 2022 (2021: nil).

13.8. Other transactions with key management personnel and or their related parties

There have been no other transactions involving equity instruments other than those described in the tables above. For details of other transactions with KMP, refer Note 17 Related party transactions on page 40.

END OF REMUNERATION REPORT

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of directors made pursuant to s.298(2) of the *Corporations Act 2001* (Cth).



MATTHEW DRISCOLL

Chairman

Dated this Thursday, 29 September 2022

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Auditor's independence declaration under section 307C of the *Corporations Act 2001*

To the directors of Tennant Minerals Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2022 there have been:

- (i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Nexia Perth Audit Services Pty Ltd



Muranda Janse Van Nieuwenhuizen

Director

Perth
29 September 2022

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Consolidated statement of profit or loss and other comprehensive income

for the year ended 30 June 2022

| | Note | 2022 \$ | 2021 \$ |
|--|------|--------------------|--------------------|
| Share of (loss)/profit in associate's profit after tax | 11 | - | 16,032 |
| Compliance and regulatory costs | | (290,219) | (280,091) |
| Employee benefits | | (250,118) | (182,778) |
| Exploration and evaluation expenditure | 1.1 | (1,900,569) | (2,116,050) |
| Legal and consulting fees | | (73,139) | (182,035) |
| Share-based payments | 20 | (69,360) | - |
| Other expenses | | (99,672) | (11,163) |
| Loss from operating activities | | (2,683,077) | (2,756,085) |
| Financial income | 1.2 | 868 | 42 |
| Finance expense | 1.2 | (591) | (20,703) |
| Net financing income/(expense) | | 277 | (20,661) |
| Loss before tax | | (2,682,800) | (2,776,746) |
| Income tax | 3 | - | - |
| Net loss for the year | | (2,682,800) | (2,776,746) |
| <i>Other comprehensive income, net of income tax</i> | | | |
| ▲ Items that may be reclassified subsequently to profit or loss: | | | |
| Foreign currency movement | | (28) | (41) |
| Other comprehensive income for the year, net of tax | | (28) | (41) |
| Total comprehensive income attributable to members of the parent entity | | (2,682,828) | (2,776,787) |
| <i>Profit/(loss) for the period attributable to:</i> | | | |
| ▲ Non-controlling interest | | - | - |
| ▲ Owners of the parent | | (2,682,800) | (2,776,746) |
| <i>Total comprehensive income attributable to:</i> | | | |
| ▲ Non-controlling interest | | - | - |
| ▲ Owners of the parent | | (2,682,828) | (2,776,787) |
| <i>Earnings per share:</i> | | | |
| Basic and diluted (cents per share) | 19 | ¢ (0.520) | ¢ (1.501) |

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

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Consolidated statement of financial position

as at 30 June 2022

Current assets

Cash and cash equivalents

Trade and other receivables

Total current assets

Total assets

Current liabilities

Trade and other payables

Total current liabilities

Total liabilities

Net assets

Equity

Issued capital

Reserves

Accumulated losses

Non-controlling interest

Total equity

| Note | 2022 \$ | 2021 \$ |
|------|------------------|------------------|
| 4.1 | 4,705,811 | 1,457,930 |
| 4.2 | 151,055 | 39,289 |
| | 4,856,866 | 1,497,219 |
| | 4,856,866 | 1,497,219 |
| 4.4 | 970,504 | 136,670 |
| | 970,504 | 136,670 |
| | 970,504 | 136,670 |
| | 3,886,362 | 1,360,549 |
| 6.1 | 44,192,244 | 39,992,780 |
| | 1,441,057 | 459,908 |
| | (41,744,485) | (39,089,685) |
| | (2,454) | (2,454) |
| | 3,886,362 | 1,360,549 |

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

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Consolidated statement of changes in equity

for the year ended 30 June 2022

| | Note | Issued Capital | Accumulated Losses | Foreign Exchange Translation Reserve | Options Reserve | Non-controlling Interest | Total |
|--|-------|----------------|--------------------|--------------------------------------|-----------------|--------------------------|-------------|
| | | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2020 | | 36,758,293 | (36,727,616) | 3,977 | 442,677 | (2,454) | 474,877 |
| Loss for the year | | - | (2,776,746) | - | - | - | (2,776,746) |
| Other comprehensive income for the year | | - | - | (41) | - | - | (41) |
| Total comprehensive income for the year | | - | (2,776,746) | (41) | - | - | (2,776,787) |
| Transaction with owners, directly in equity | | | | | | | |
| Shares issued during the year | 6.1.1 | 3,400,000 | - | - | - | - | 3,400,000 |
| Transaction costs | 6.1.1 | (165,513) | - | - | - | - | (165,513) |
| Options issued during the year | 6.2 | - | - | - | 427,972 | - | 427,972 |
| Options expired during the year | 6.2 | - | 414,677 | - | (414,677) | - | - |
| Balance at 30 June 2021 | | 39,992,780 | (39,089,685) | 3,936 | 455,972 | (2,454) | 1,360,549 |
| Balance at 1 July 2021 | | 39,992,780 | (39,089,685) | 3,936 | 455,972 | (2,454) | 1,360,549 |
| Loss for the year | | - | (2,682,800) | - | - | - | (2,682,800) |
| Other comprehensive income for the year | | - | - | (28) | - | - | (28) |
| Total comprehensive income for the year | | - | (2,682,800) | (28) | - | - | (2,682,828) |
| Transaction with owners, directly in equity | | | | | | | |
| Shares issued during the year | 6.1.1 | 5,540,800 | - | - | - | - | 5,540,800 |
| Transaction costs | 6.1.1 | (1,341,336) | - | - | 980,617 | - | (360,719) |
| Options issued during the year | 6.2 | - | - | - | 28,560 | - | 28,560 |
| Options expired during the year | 6.2 | - | 28,000 | - | (28,000) | - | - |
| Balance at 30 June 2022 | | 44,192,244 | (41,744,485) | 3,908 | 1,437,149 | (2,454) | 3,886,362 |

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

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Consolidated statement of cash flows

for the year ended 30 June 2022

| | Note | 2022 \$ | 2021 \$ |
|---|----------|--------------------|------------------|
| <i>Cash flows from operating activities</i> | | | |
| Payments for exploration expenditure | | (1,243,211) | (153,344) |
| Payments to suppliers and employees | | (648,311) | (805,018) |
| Cash flows used in operations | | (1,891,522) | (958,362) |
| Interest received | | 741 | 42 |
| Interest and borrowing costs | | (591) | (20,703) |
| Net cash used in operating activities | 4.1.2(a) | (1,891,372) | (979,023) |
| <i>Cash flows from investing activities</i> | | | |
| Net of cash from assets acquisition | 10 | - | 2,958 |
| Net cash provided by investing activities | | - | 2,958 |
| <i>Cash flows from financing activities</i> | | | |
| Proceeds from issue of shares | | 5,500,260 | 2,400,000 |
| Capital raising costs | | (360,979) | (165,513) |
| Proceed from issue of options | | - | 187,500 |
| Proceeds from borrowings | | - | 60,000 |
| Repayment of borrowings | | - | (60,000) |
| Net cash provided by financing activities | | 5,139,281 | 2,421,987 |
| Net increase/(decrease) in cash held | | 3,247,909 | 1,445,922 |
| Cash and cash equivalents at the beginning of the year | | 1,457,930 | 12,049 |
| Foreign exchange gain/(loss) | | (28) | (41) |
| Cash and cash equivalents at the end of the year | 4.1 | 4,705,811 | 1,457,930 |

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

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Notes to the consolidated financial statements
for the year ended 30 June 2022

In preparing the 2022 financial statements, Tennant Minerals Limited has grouped notes into sections under five key categories:

| | |
|---|----|
| Section A: How the numbers are calculated | 24 |
| Section B: Risk | 33 |
| Section C: Group structure | 36 |
| Section D: Unrecognised items | 39 |
| Section E: Other Information | 40 |

Significant accounting policies specific to each note are included within that note. Accounting policies that are determined to be non-significant are not included in the financial statements.

The financial report is presented in Australian dollars, except where otherwise stated.

The registered office and principal place of business of the Company is:

Address:

Street: Level 1, 247 Oxford Street
LEEDERVILLE WA 6007

Postal: PO Box 52
WEST PERTH WA 6872

Telephone: +61 (0)8 6141 3500

Facsimile: +61 (0)8 6141 3599

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Notes to the consolidated financial statements

for the year ended 30 June 2022

SECTION A. HOW THE NUMBERS ARE CALCULATED

This section provides additional information about those individual line items in the financial statements that the directors consider most relevant in the context of the operations of the entity, including:

- accounting policies that are relevant for an understanding of the items recognised in the financial statements. These cover situations where the accounting standards either allow a choice or do not deal with a particular type of transaction
- analysis and sub-totals, including segment information
- information about estimates and judgements made in relation to particular items.

| Note | 1. Loss before income tax | 2022 \$ | 2021 \$ |
|------|---------------------------|------------|------------|
|------|---------------------------|------------|------------|

The following significant revenue and expense items are relevant in explaining the financial performance:

| 1.1. Exploration and evaluation costs: | Note | 2022 \$ | 2021 \$ |
|--|------|------------|------------|
| <ul style="list-style-type: none"> ▲ Exploration and evaluation expenditure ▲ Exploration assets purchased written off | | 1,900,569 | 133,502 |
| | 10 | - | 1,982,548 |
| | | 1,900,569 | 2,116,050 |

1.1.1. Accounting Policy - Exploration and development expenditure

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

| 1.2. Net financing income: | 2022 \$ | 2021 \$ |
|--|------------|------------|
| <ul style="list-style-type: none"> ▲ Financial income <ul style="list-style-type: none"> ▶ Interest revenue ▶ Net foreign currency exchange gain | 741 | 42 |
| | 127 | - |
| Total financial income | 868 | 42 |
| <ul style="list-style-type: none"> ▲ Financial expense <ul style="list-style-type: none"> ▶ Interest expense | 591 | 20,703 |
| Total financial expense | 591 | 20,703 |
| Net financing income/(loss) | 277 | (20,661) |

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Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 1 Loss before income tax(cont.)

1.2.1. Accounting Policy - Finance income and expenses

Finance income comprises interest income on funds invested, gains on the disposal of financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest revenue is recognised on a time proportionate basis that considers the effective yield on the financial asset.

Financial expenses comprise interest expense on borrowings calculated using the effective interest method, unwinding of discounts on provisions, changes in the fair value of financial assets at fair value through profit or loss and impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the statement of profit or loss and other comprehensive income in the period in which they are incurred.

Foreign currency gains and losses are reported on a net basis.

Note 2. Other Significant Accounting Policies related to items of profit and loss

2.1. Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

2.2. Retirement benefit obligations: Defined contribution superannuation funds

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions onto a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the income statement as incurred.

Note 3. Income tax

Note

2022
\$

2021
\$

3.1. Reconciliation of income tax expense to prima facie tax payable

The prima facie tax payable/(benefit) on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:

| | | |
|---|-------------|-------------|
| Loss before income tax | (2,682,800) | (2,776,746) |
| Prima facie tax payable on loss from ordinary activities before income tax at 30% (2021: 30%) | (804,840) | (833,024) |
| Add / (Less) Tax effect of: | | |
| ▲ Non-deductible expenses | 7,266 | 45,431 |
| ▲ Adjustments recognised in the current year in relation to the current tax of prior years | 525,536 | 84,876 |
| ▲ Effect of temporary difference recognised directly in equity | (108,294) | (39,723) |
| ▲ Deferred tax asset not brought to account | 380,332 | 742,440 |
| Income tax benefit | - | - |

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Notes to the consolidated financial statements

for the year ended 30 June 2022

| Note | 3 | Income tax (cont.) | 2022 \$ | 2021 \$ |
|-------------|---|---|------------|------------|
| 3.2. | | Unrecognised deferred tax assets arising on timing | | |
| | | Tax losses | 3,838,285 | 3,525,787 |
| | | Temporary Differences – accrual and capital raising costs | 130,637 | 62,803 |
| | | | 3,968,922 | 3,588,590 |
| | | Offset of deferred tax liabilities | - | - |
| | | Net deferred tax assets unrecognised | 3,968,922 | 3,588,590 |

The Group has unrecognised capital losses of \$372,289 as at 30 June 2022 (2021: \$372,289).

3.3. Key estimates – Taxation

Net deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised.

The Group has tax losses of \$12,794,285 (2021: \$11,752,623) that have the ability to be carried forward indefinitely for offset against future taxable profits of the Group. The recoupment of available tax losses as at 30 June 2022 are contingent upon the Group satisfying the following conditions:

- ▶ deriving future assessable income of a nature and of an amount sufficient to enable the benefit from the losses to be realised;
- ▶ the conditions for deductibility imposed by tax legislation continuing to be complied with and the company meeting either its continuity of ownership test or in the absence of satisfying that test the company can satisfy the same business test; and
- ▶ there being no changes in tax legislation which would adversely affect the Group from realising the benefits from the losses.

In the event that the Group fails to satisfy these conditions above or the Commissioner of Taxation challenges the Group's ability to utilise its losses, the Group may be liable for future income tax on assessable income derived by the company.

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates consider both the financial performance and position of the company as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by tax authorities in relevant jurisdictions.

3.4. Accounting Policy

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

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Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 4. Financial assets and financial liabilities

4.1. Cash and cash equivalents

Cash at bank and on hand

| 2022 \$ | 2021 \$ |
|------------|------------|
| 4,705,811 | 1,457,930 |
| 4,705,811 | 1,457,930 |

4.1.1. The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 7 Financial risk management.

4.1.2. *Cash Flow Information*

(a) *Reconciliation of cash flow from operations to (loss)/profit after income tax*

Operating loss after income tax

(2,682,800) (2,776,746)

Non-cash flows in loss from ordinary activities:

▲ Share-based payments

69,360 -

▲ Exploration expenditure written off

- 1,982,706

▲ Gain on equity accounted investment

- (16,032)

Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:

▲ Increase in receivables & prepayments

(111,767) (22,585)

▲ Increase/(decrease) in payables

833,835 (146,366)

Cash flow from operations

(1,891,372) (979,023)

(b) *Non-cash Financing and investing activities*

2022

On 16 December 2021 the Company issued 1,200,000 fully paid ordinary shares and 1,200,000 options with exercise price of \$0.03 expiring 23 April 2024 to technical consultants that have been instrumental in the Company being able to deliver on its commitment to exploration and development of the Company's 100% owned Barkly Copper-Gold Project, located in the Northern Territory. Refer Notes 6.1.8 for further details.

2021

On 27 April 2021 the Company issued 100,000,000 ordinary shares at an issue price of \$0.01 per share and 50,000,000 unlisted options to Kalgoorlie Mine Management Pty Ltd as the purchase consideration of the remaining 50% interest in the issued capital of CMPL. Refer Notes 6.1.6 for further details.

4.1.3. *Accounting Policy*

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

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Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 4 Financial assets and financial liabilities (cont.)**4.2. Trade and other receivables**4.2.1. *Current*

GST receivable
Other receivables

| | 2022 \$ | 2021 \$ |
|-------------------|------------|------------|
| GST receivable | 144,595 | 29,957 |
| Other receivables | 6,460 | 9,332 |
| | 151,055 | 39,289 |

4.2.2. At reporting date, there are no receivables past their due date.

4.2.3. *Accounting Policy*

Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Allowance for expected credit losses of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group. The allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 4 Financial assets and financial liabilities (cont.)

4.3. Financial Assets

4.3.1. Accounting policies - Investments and other financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- ▶ those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- ▶ those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

i. Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- ▶ Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- ▶ FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- ▶ FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

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Notes to the consolidated financial statements
for the year ended 30 June 2022

Note 4 Financial assets and financial liabilities (cont.)

4.3 Financial Assets (cont.)

4.3.1 Accounting policies - Investments and other financial assets (cont.)

(c) *Measurement (cont.)*

ii. Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, 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.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(d) *Impairment*

The Group assesses on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

4.4. Trade and other payables

4.4.1. Current:

Unsecured

Trade creditors

Other creditors and accruals

Total unsecured liabilities

| | 2022 \$ | 2021 \$ |
|------------------------------------|----------------|----------------|
| Trade creditors | 936,029 | 58,949 |
| Other creditors and accruals | 34,475 | 77,721 |
| Total unsecured liabilities | 970,504 | 136,670 |

4.4.2. Accounting Policy

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Payables expected to be collected within 12 months of the end of the reporting period are classified as current liabilities. All other payables are classified as non-current liabilities.

Trade and other payables are classified as financial liabilities. Financial liabilities are measured at amortised cost using the effective interest method.

Note 5. Non-financial assets and financial liabilities

5.1. Other Significant Accounting Policies related to Non-Financial Assets and Liabilities

5.1.1. Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

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Notes to the consolidated financial statements
for the year ended 30 June 2022

Note 6. Equity

| 6.1. Issued capital | Note | 2022 | | 2021 | |
|--|-------|-------------|-----------------|------------|------------|
| | | No. | No. | \$ | \$ |
| Fully paid ordinary shares at no par value | 6.1.1 | 616,576,265 | 465,376,265 | 44,192,244 | 39,992,780 |
| 6.1.1. Ordinary shares | | | | | |
| At the beginning of the year | | 465,376,265 | 6,268,771,455 | 39,992,780 | 36,758,293 |
| Share consolidation | 6.1.3 | - | (6,143,395,190) | - | - |
| Shares issued during the year: | | | | | |
| 📈 27 April 2021 | 6.1.4 | - | 215,000,000 | - | 2,150,000 |
| 📈 27 April 2021 | 6.1.5 | - | 25,000,000 | - | 250,000 |
| 📈 27 April 2021 | 6.1.6 | - | 100,000,000 | - | 1,000,000 |
| 📈 16 December 2021 | 6.1.7 | 50,000,000 | - | 1,000,000 | - |
| 📈 16 December 2021 | 6.1.8 | 1,200,000 | - | 40,800 | - |
| 📈 8 April 2022 | 6.1.9 | 100,000,000 | - | 4,500,000 | - |
| Transaction costs: | | | | | |
| 📈 Cash-based | | - | - | (360,719) | (165,513) |
| 📈 Share-based payments | | - | - | (980,617) | - |
| At the end of the year | | 616,576,265 | 465,376,265 | 44,192,244 | 39,992,780 |

6.1.2. Terms and Conditions

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called otherwise each shareholder has one vote on a show of hands.

6.1.3. On 29 March 2021, the Company completed the share consolidation on the basis that:

- 📈 Every 50 Shares be consolidated into 1 Share; and
- 📈 Every 50 Unlisted options be consolidated into 1 Unlisted option.

6.1.4. The Company raised \$2,150,000 via a capital raising offer with the issue of 215,000,000 ordinary shares at an issue price of \$0.01 per share and 107,500,000 free attaching listed options with exercise price of \$0.03 expiring 24 April 2024.

6.1.5. The Company raised \$250,000 via a share purchase plan (SPP) with the issue of 25,000,000 ordinary shares at an issue price of \$0.01 per share and 12,500,000 free attaching listed options with exercise price of \$0.03 expiring 24 April 2024.

6.1.6. The Company issued 100,000,000 ordinary shares at an issue price of \$0.01 per share and 50,000,000 unlisted options with exercise price of \$0.03 expiring 24 April 2024 to Kalgoorlie Mine Management Pty Ltd as the purchase consideration (Vendor offer) of the remaining 50% interest in the issued capital of CMPL.

6.1.7. The Company raised \$1,000,000 via a capital raising offer with the issue of 50,000,000 ordinary shares at an issue price of \$0.02 per share and 25,000,000 free attaching listed options with exercise price of \$0.03 expiring 23 April 2024.

6.1.8. The Company issued 1,200,000 fully paid ordinary shares and 1,200,000 options with exercise price of \$0.03 expiring 23 April 2024 to technical consultants that have been instrumental in the Company being able to deliver on its commitment to exploration and development of the Company's 100% owned Barkly Copper-Gold Project, located in the Northern Territory.

6.1.9. The Company raised \$4,500,000 via a placement with the issue of 100,000,000 fully paid ordinary shares at an issue price of \$0.045 per share and 26,000,000 unlisted options with exercise price of \$0.08 expiring 8 April 2025 to a broker involved in the placement.

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Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 6 Equity (cont.)

6.1.10. Accounting Policy

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. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are not included in the cost of the acquisition as part of the purchase consideration.

6.2. Options

For information relating to the Tennant Minerals Limited share-based payment plan, including details of options issued and/or lapsed during the financial year, and the options outstanding at balance date, refer to Note 20 Share-based Payments. The total number of options on issue are as follows:

| | Note | 2022 No. | 2021 No. | 2022 \$ | 2021 \$ |
|--|-------|--------------|---------------|------------|------------|
| Options | | 409,700,000 | 377,777,783 | 1,437,149 | 455,972 |
| 6.2.1. Options | | | | | |
| At the beginning of the year | | 377,777,783 | 1,918,884,385 | 455,972 | 442,677 |
| Options consolidation | 6.1.3 | - | (993,611,102) | - | - |
| Options issued during the year: | | | | | |
| Options expired | | (20,277,783) | (904,995,500) | (28,000) | (414,677) |
| Free attaching \$0.03 exp 23.04.24 | 6.1.4 | - | 107,500,000 | - | - |
| Options placement \$0.03 exp 23.04.24 | 6.2.2 | - | 187,500,000 | - | 187,500 |
| Free attaching \$0.03 exp 23.04.24 | 6.1.5 | - | 12,500,000 | - | - |
| Vendor offer \$0.03 exp 23.04.24 | 6.1.6 | - | 50,000,000 | - | 240,472 |
| Free attaching \$0.03 exp 23.04.24 | 6.1.7 | 25,000,000 | - | - | - |
| Technical consultants' options \$0.03 exp 23.04.24 | 6.1.8 | 1,200,000 | - | 28,560 | - |
| Brokers options \$0.08 exp 08.04.25 | 6.1.9 | 26,000,000 | - | 980,617 | - |
| At the end of the year | | 409,700,000 | 377,777,783 | 1,437,149 | 455,972 |

6.2.2. The Company raised \$187,500 via an option placement offer by the issue of 187,500,000 listed options with exercise price of \$0.03 expiring 23 April 2024 at an issue price of \$0.001 per option.

6.3. Non-Controlling Interests

Management has assessed that the fair value of non-controlling interests is not materially different to the carrying amount.

6.4. Share-based payment reserves

The share-based payment reserve records the value of options issued by the Company.

Notes to the consolidated financial statements

for the year ended 30 June 2022

SECTION B. RISK

This section of the notes discusses the Group's exposure to various risks and shows how these could affect the Group's financial position and performance.

Note 7. Financial risk management

7.1. Financial Risk Management Policies

The Group's financial instruments consist mainly of deposits with banks and accounts payable. The Group does not speculate in the trading of derivative instruments.

Risk management has focused on limiting liabilities to a level which could be extinguished by sale of assets if necessary.

The Group's activities expose it to a variety of financial risks; market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group is engaged in mineral exploration and evaluation, and does not currently sell product and derives only limited revenue from interest earned.

Risk management is carried out by the Board as a whole and no formal risk management policy has been adopted but is in the process of development.

| | Floating Interest Rate \$ | Fixed Interest Rate \$ | Non-interest Bearing \$ | 2022 Total \$ | Floating Interest Rate \$ | Fixed Interest Rate \$ | Non-interest Bearing \$ | 2021 Total \$ |
|---|------------------------------|---------------------------|----------------------------|------------------|------------------------------|---------------------------|----------------------------|------------------|
| Financial Assets | | | | | | | | |
| ▶ Cash and cash equivalents | 4,705,811 | - | - | 4,705,811 | 1,457,930 | - | - | 1,457,930 |
| ▶ Trade and other receivables | - | - | 151,055 | 151,055 | - | - | 39,289 | 39,289 |
| Total Financial Assets | 4,705,811 | - | 151,055 | 4,856,866 | 1,457,930 | - | 39,289 | 1,497,219 |
| Financial Liabilities | | | | | | | | |
| Financial liabilities at amortised cost | | | | | | | | |
| ▶ Trade and other payables | - | - | 970,504 | 970,504 | - | - | 136,670 | 136,670 |
| Total Financial Liabilities | - | - | 970,504 | 970,504 | - | - | 136,670 | 136,670 |
| Net Financial Assets | 4,705,811 | - | (819,449) | 3,886,362 | 1,457,930 | - | (97,381) | 1,360,549 |

7.2. Specific Financial Risk Exposures and Management

7.2.1. Market risk

(a) Price risk

The Group is not exposed to securities price risk on investments held for trading or for medium to longer term as no such investments are currently held.

(b) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is not material to the Group as no debt arrangements have been entered into, and movement in interest rates on the Group's financial assets is not material.

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Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 7 Financial risk management (cont.)

7.2.2. Credit risk

Exposure to credit risk relating to financial assets arises largely from cash at bank.

The Group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Group.

The objective of the Group is to minimise the risk of loss from credit risk. Although revenue from operations is minimal, the Group trades only with creditworthy third parties.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is insignificant. The Group's maximum credit risk exposure is limited to the carrying value of its financial assets as indicated on the statement of financial position.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

Credit risk exposures

The maximum exposure to credit risk is that to its alliance partners and that is limited to the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

Credit risk related to balances with banks and other financial institutions is managed by the Group in accordance with approved Board policy. Such policy requires that surplus funds are only invested with financial institutions residing in Australia, where ever possible.

Impairment losses

The Group has no material items past due and not impaired.

7.2.3. Liquidity risk

Liquidity risk is the risk that the entity will not be able to meet its financial obligations as they fall due. The objective of the consolidated entity is to maintain sufficient liquidity to meet commitments under normal and stressed conditions.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities. Due to the lack of material revenue, the Group aims at maintaining flexibility in funding by maintaining adequate reserves of liquidity.

The Group did not have access to any undrawn borrowing facilities at the reporting date.

All liabilities are current and will be repaid in normal trading terms

(a) Contractual Maturities

The following are the contractual maturities of financial assets and liabilities of the Group:

| | Within 1 Year | | Greater Than 1 Year | | Total | |
|--|------------------|------------------|---------------------|----------|------------------|------------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Financial liabilities due for payment | | | | | | |
| Trade and other payables | 970,504 | 136,670 | - | - | 970,504 | 136,670 |
| Total contractual outflows | 970,504 | 136,670 | - | - | 970,504 | 136,670 |
| Financial assets | | | | | | |
| Cash and cash equivalents | 4,705,811 | 1,457,930 | - | - | 4,705,811 | 1,457,930 |
| Trade and other receivables | 151,055 | 39,289 | - | - | 151,055 | 39,289 |
| Total anticipated inflows | 4,856,866 | 1,497,219 | - | - | 4,856,866 | 1,497,219 |
| Net inflow/(outflow) on financial instruments | 3,886,362 | 1,360,549 | - | - | 3,886,362 | 1,360,549 |

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

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Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 7 Financial risk management (cont.)

7.2.4. Net fair value of Financial Assets and Liabilities

The net fair value of cash and cash equivalents and non-interest bearing monetary assets and financial liabilities approximates their carrying values.

(a) *Fair value hierarchy*

AASB 13 *Fair Value Measurement: Disclosures* requires disclosure of the fair value measurements by level of the following fair value measurement hierarchy:

- ▲ Level 1 - quoted prices (unadjusted) in active markets for identical assets and liabilities;
- ▲ Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- ▲ Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs)

All financial assets are classified as Level 1 and their value has been calculated in line with accounting policy Note 23.5 Fair Value.

Note 8. Capital management

Management controls the capital of the Group. Their objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders. The capital structure of the consolidated entity consists of equity attributable to equity holders of the parent comprising issued capital, reserves and accumulative losses.

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programs and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The Group is not subject to any externally imposed capital requirements.

The working capital position of the Group at 30 June 2022 and 30 June 2021 is as follows:

| | Note | 2022 \$ | 2021 \$ |
|-----------------------------------|------|------------|------------|
| Cash and cash equivalents | 4.1 | 4,705,811 | 1,457,930 |
| Trade and other receivables | 4.2 | 151,055 | 39,289 |
| Trade and other payables | 4.4 | (970,504) | (136,670) |
| Working capital surplus/(deficit) | | 3,886,362 | 1,360,549 |

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Notes to the consolidated financial statements

for the year ended 30 June 2022

SECTION C. GROUP STRUCTURE

This section provides information which will help users understand how the Group structure affects the financial position and performance of the Group as a whole. In particular, there is information about:

- (a) changes to the structure that occurred during the year as a result of business combinations and the disposal of a discontinued operation
- (b) transactions with non-controlling interests, and
- (c) interests in joint operations.

A list of significant subsidiaries is provided in Note 9.

Note 9. Interest in subsidiaries

9.1. Information about principal subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares which are held directly by the Group and the proportion of ownership interest held equals the voting rights held by the Group. Investments in subsidiaries are accounted for at fair value. Each subsidiary's country of incorporation is also its principal place of business:

| | Country of Incorporation | Class of Shares | Percentage Owned | |
|---|------------------------------|-----------------|------------------|------|
| | | | 2022 | 2021 |
|  Blina Minerals Burkina SARL | Burkina Faso | Ordinary | 100 | 100 |
|  Blina Iron SA | Democratic Republic of Congo | Ordinary | 90 | 90 |
|  Colour Minerals Pty Ltd | Australia | Ordinary | 100 | 100 |

(a) Investments in subsidiaries are accounted for at fair value.









Note 10. Asset Acquisition

10.1. Colour Minerals Pty Ltd

On 27 April 2021, the Company, acquired the remaining 50% of the ordinary share capital and voting rights of Colour Minerals Pty Ltd (**Colour Minerals**), owner of the Barkly Project, a high-grade Gold-Copper project located in the Northern Territory, Australia. As a result, Colour Minerals became a wholly owned subsidiary of the Company from its previously equity held interest. Refer Note 11 Equity Accounted Investees.

The consideration payment for the acquisition of Colour Minerals was satisfied through the issue of 100,000,000 Shares at \$0.01 per share and 50,000,000 unlisted options.

The acquisition of Colour Minerals has been treated as an asset acquisition, rather than a business combination. This was on the grounds that the transaction met the "concentration test" within AASB 3 Business Combinations. The cost of the acquisition has therefore been allocated to the assets and liabilities acquired.

| | Note | As at 27 April 2021 |
|---|------|---------------------|
| | | \$ |
| Fair value of identifiable assets and liabilities acquired are as follows: | | |
|  Exploration assets | | 1,982,548 |
|  Cash | | 2,958 |
|  Security deposits | | 10,194 |
|  GST recoverable | | 2,176 |
|  Payables | | (76,950) |
| Net assets at completion | | 1,920,926 |
| Purchase consideration: | | |
|  Shares issued | | 1,000,000 |
|  Unlisted options issued | | 240,472 |
|  Carrying value of equity accounted investee | 11 | 680,454 |
| Total purchase consideration at completion | | 1,920,926 |

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Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 10 Asset Acquisition(cont.)

| | As at 27 April 2021 |
|---|---------------------|
| | \$ |
| Net cash inflow on acquisition: | |
| Cash acquired | 2,958 |
| Net cash inflow from investing activities | 2,958 |

Exploration assets acquired amount to \$1,982,706 was written off subsequently to the profit or loss in according to the Company's policy as disclosed in Note 1.1.1 Accounting Policy - Exploration and development expenditure.

Note 11. Equity Accounted Investees

11.1. Information about principal equity accounted investees

On 24 September 2019, Tennant acquired a 50% interest in Colour Minerals Pty Ltd (**Colour Minerals**), owner of the Barkly Project, a high-grade Gold-Copper project located in the Northern Territory, Australia. On 27 April 2021, the Company, acquired the remaining 50% of the ordinary share capital and voting rights of Colour Minerals Pty Ltd. As a result, Colour Minerals became a wholly owned subsidiary of the Company from its previously equity held interest. Refer Note 10 Asset Acquisition.

The entity listed below has share capital consisting solely of ordinary shares. The proportion of ordinary shares held by the Group equals the voting rights held by the Group. The entity's place of incorporation is its principal place of business.

| Place of Incorporation / Business | Measurement Bases | Proportion of Ordinary Share Interests/ Participating Share | | Carrying Amount | |
|-----------------------------------|-------------------|---|--------|-----------------|---------|
| | | 2022 % | 2021 % | 2022 \$ | 2021 \$ |
| Australia | Equity method | 100 | 100 | - | - |

11.2. Summarised financial information for equity accounted investees

Set out below is the summarised financial information for the Group's investments in equity accounted investee. Unless otherwise stated, the disclosed information reflects the amounts presented in the Australian Accounting Standards financial statements of the equity accounted investee. The following summarised financial information, however, reflects the adjustments made by the Group when applying the equity method, including adjustments for any differences in accounting policies between the Group and the equity accounted investee:

| | 2022 \$ | Up to 27 April 2021 \$ |
|--|------------|------------------------------|
| (a) <i>Summarised financial performance for the year</i> | | |
| Income | - | 34,842 |
| Profit after tax from continuing operations | - | 32,064 |
| Other comprehensive income | - | - |
| Total comprehensive income | - | 32,064 |
| Group's share of associate's profit after tax | - | 16,032 |
| Group's share of associate's other comprehensive income | - | - |

A This amount consists of debt forgiveness that has taken place before the Head of Agreement been entered. Therefore, no share of profit from the equity accounted investee.

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Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 11 Equity Accounted Investees(cont.)

| | Note | Up to 27 April | |
|---|------|----------------|-----------|
| | | 2022 | 2021 |
| | | \$ | \$ |
| (b) <i>Reconciliation to Carrying Amounts</i> | | | |
| Group's share of associate's opening net assets | | - | 664,422 |
| Investments during the period | | - | - |
| Group's share of profit in associate's profit after tax | | - | 16,032 |
| Transfer to asset acquisition | 10 | - | (680,454) |
| Group's share of associate's closing net assets (carrying amount of investment) | | - | - |

Note 12. Other significant accounting policies related to group structure

12.1. Principles of Consolidation

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the Consolidated Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

12.1.1. Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control exists when the Group is exposed to variable returns from another entity and has the ability to affect those returns through its power over the entity.

The Group measures goodwill at the acquisition date as:

- ▶ the fair value of the consideration transferred; plus
- ▶ the recognised amount of any non-controlling interests in the acquiree; plus
- ▶ if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree;

less

- ▶ the net recognised amount of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

12.1.2. Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

A list of controlled entities is contained in Note 9 Interest In Subsidiaries on page 36 of the financial statements.

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Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 12 Other significant accounting policies related to group structure (cont.)

12.1.3. Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

12.1.4. Transactions eliminated on consolidation

All intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

SECTION D. UNRECOGNISED ITEMS

This section of the notes provides information about items that are not recognised in the financial statements as they do not (yet) satisfy the recognition criteria.

In addition to the items and transactions disclosed below, there are also unrecognised tax amounts – see note 3 Income tax.

| Note 13. Commitments | 2022 \$ | 2021 \$ |
|---|------------|------------|
| 13.1. Expenditure commitments payable: | | |
| Within one year | 240,000 | 240,000 |
| After one year but not more than five years | 680,000 | 920,000 |
| After five years | - | - |
| Total expenditure requirements | 920,000 | 1,160,000 |

The commitments of Tennant Minerals Limited above are the same as those for the Group.

Note 14. Contingent assets and liabilities

There are no other contingent assets or liabilities at year end.

Note 15. Events subsequent to reporting date

On 12 August 2022, Dr Allison Dugdale appointed as non-executive director and Mr Gino D'Anna resigned as non-executive director of the company.

There were no other significant events after the end of the reporting period.

Notes to the consolidated financial statements

for the year ended 30 June 2022

SECTION E. OTHER INFORMATION

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

| Note 16. Key management personnel compensation | 2022 \$ | 2021 \$ |
|--|----------------|----------------|
| Short-term employee benefits | 180,000 | 182,778 |
| Other short-term benefits | - | - |
| Post-employment benefits | - | - |
| Share-based payments | - | - |
| | 180,000 | 182,778 |

| Note 17. Related party transactions | 2022 \$ | 2021 \$ |
|-------------------------------------|------------|------------|
|-------------------------------------|------------|------------|

17.1. KMP and related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Internazionale Consulting Pty Ltd

Internazionale Consulting Pty Ltd, a company controlled by Mr D'Anna, non-executive director, provides consulting services to the Company

6,500 30,600

17.2. KMP and related party balances

Contained within other creditors and accruals are the following accruals for fees payable to KMP:

 Mr Matthew Driscoll

- 5,000

 Mr Neville Bassett

- 22,000

 Mr Gino D'Anna (resigned on 12 August 2022)

3,333 3,333

 Mr Michael Scivolo

- 10,000

Contained within trade and other payables are the follows balances payable to related parties:

 Mr Gino D'Anna (resigned on 12 August 2022)

- 3,333

 Mr Matthew Driscoll

- 5,500

 Mr Neville Bassett

3,666 -

 Mr Michael Scivolo

3,666 -

17.3. Equity accounted investees

Interests in equity accounted investees are set out in Note 11.

17.4. Other

On 7 September 2020, the Company entered into an Underwriting Agreement with Westar Capital Limited to act as the Lead Manager to fully underwrite a capital raising of \$2.15 million via the issue of fully paid ordinary shares and a further \$187,500 via the issue of options. Total fees paid to Westar Capital Limited was \$141,339. Mr Neville Bassett is a director of Westar Capital Limited.

There are no other related party transactions other than those payments to Directors as disclosed in the remuneration report.

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Notes to the consolidated financial statements

for the year ended 30 June 2022

| Note 18. Auditors' remuneration | 2022 \$ | 2021 \$ |
|--|------------|------------|
| Remuneration of the auditors of the Group for: | | |
| ▲ Auditing or reviewing the accounts | 32,175 | 27,000 |
| | 32,175 | 27,000 |

| Note 19. Earnings per share (EPS) | 2022 \$ | 2021 \$ |
|--|-------------|-------------|
| 19.1. Reconciliation of earnings to profit or loss | | |
| Loss for the year | (2,682,800) | (2,776,746) |
| Less: loss attributable to non-controlling equity interest | - | - |
| Loss used in the calculation of basic and diluted EPS | (2,682,800) | (2,776,746) |

| | 2022 No. | 2021 No. |
|--|-------------|-------------|
| 19.2. Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS | 515,609,690 | 184,992,704 |

| | 2022 ¢ | 2021 ¢ |
|---------------------------------|-----------|-----------|
| 19.3. Earnings per share | | |
| Basic EPS (cents per share) | (0.520) | (1.501) |

19.4. The Group does not report diluted earnings per share where options would not result in the issue of ordinary shares for less than the average market price during the period (out of the money).

In addition, the Group does not report diluted earnings per share on annual losses generated by the Group. At the end of the 2022 financial year, the Group has 409,700,000 (2021: 377,777,783) unissued shares under options out of the money and which are anti-dilutive.

19.5. Accounting Policy

19.5.1. Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

19.5.2. Diluted earnings per share

Potential shares as a result of options outstanding at the end of the year are not dilutive and therefore have not been included in the calculation of diluted earnings per share.

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Notes to the consolidated financial statements
for the year ended 30 June 2022

| Note | 20. Share-based payments | Note | 2022 \$ | 2021 \$ |
|------------------------------------|---------------------------------------|-----------|------------------|----------------|
| 20.1. Share-based payments: | | | | |
| | Share-settled purchase consideration | 20.2.1(a) | - | 240,472 |
| | Share-based capital raising costs | 20.2.1(b) | 980,617 | - |
| | Share-based payment expense - shares | 20.2.2(a) | 40,800 | - |
| | Share-based payment expense - options | 20.2.2(b) | 28,560 | - |
| | Total share-based payments | | 1,049,977 | 240,472 |

20.2. Share-based payment arrangements in effect during the period

20.2.1. *Share-based payments recognised in equity*

(a) *Purchase consideration*

On 27 April 2021 the Company issued 50,000,000 unlisted options (valued at \$240,472) as part of the purchase consideration for the acquisition of Colour Minerals.

| Number under Option | Date of Expiry | Exercise Price | Vesting Terms |
|---------------------|----------------|----------------|------------------------|
| 50,000,000 | 23 April 2024 | \$0.03 | Immediately upon issue |

(b) *Placement fee options*

On 8 April 2022 the Company issued 26,000,000 unlisted options as placement fee to broker.

| Number under Option | Date of Expiry | Exercise Price | Vesting Terms |
|---------------------|----------------|----------------|------------------------|
| 26,000,000 | 8 April 2025 | \$0.08 | Immediately upon issue |

Unquoted option issued to broker were valued at \$980,617 (2021: \$nil).

20.2.2. *Share-based payments recognised in profit or loss*

(a) *Technical consultant equity issued fees*

On 16 December 2021, the Company issued the following equity to the technical consultant.

| Shares No. | Valued per Share \$ | Total \$ |
|---------------|------------------------|-------------|
| 1,200,000 | 0.034 | 40,800 |

(b) *Technical consultant Options*

On 16 December 2021, 1,200,000 Technical consultant Options were issued. Details of the assumptions used in the valuation of these options detailed below and in Note 20.4

| Number under Option | Date of Expiry | Exercise Price | Vesting Terms |
|---------------------|----------------|----------------|------------------------|
| 1,200,000 | 23 April 2024 | \$0.03 | Immediately upon issue |

Unquoted options issued to Technical consultant were valued at \$28,560 (2021: \$nil).

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Notes to the consolidated financial statements
for the year ended 30 June 2022

Note 20 Share-based payments (cont.)

20.3. Movement in share-based payment arrangements during the year

A summary of the movements of all company options issued as share-based payments is as follows:

| | 2022 | | 2021 | |
|--|-------------------|---------------------------------|-------------------|---------------------------------|
| | Number of Options | Weighted Average Exercise Price | Number of Options | Weighted Average Exercise Price |
| Outstanding at the beginning of the year | 241,500,000 | \$0.03 | 580,000,000 | \$0.0017 |
| Granted | 27,200,000 | \$0.035 | 237,500,000 | \$0.03 |
| Expired | (4,000,000) | \$0.03 | (380,000,000) | \$0.0017 |
| Exercised | - | - | - | - |
| Options consolidation | - | - | (196,000,000) | - |
| Outstanding at year-end | 264,700,000 | \$0.035 | 241,500,000 | \$0.03 |
| Exercisable at year-end | 264,700,000 | \$0.035 | 241,500,000 | \$0.03 |
| <i>Reconciliation to total Company options</i> | | | | |
| Non share-based payment options outstanding at the beginning of the year | 136,277,783 | | 1,338,884,385 | |
| Placement options issued to shareholders | 25,000,000 | | 120,000,000 | |
| Non share-based payment options expired | (16,277,783) | | (524,995,500) | |
| Options consolidation | - | - | (797,611,102) | |
| <i>Total Company options on issue</i> | 409,700,000 | | 377,777,783 | |

- No share-based payment options were exercised during the year.
- The weighted average remaining contractual life of share-based payment options outstanding at year end was 1.88 (2021: 2.74) years. The weighted average exercise price of outstanding shares at the end of the reporting period was \$0.03317 (2021: \$0.03).
- The fair value of the options granted to directors, employees and consultants is deemed to represent the value of the services received over the vesting period.

20.4. Fair value of options grants during the year

The fair value of the options granted were calculated using the Black-Scholes option pricing model, applying the following inputs to options issued this year:

| Note Reference | 20.2.1(b) | 20.2.2(b) |
|----------------------------------|------------|------------|
| Grant date: | 08.04.2022 | 16.12.2021 |
| Grant date share price: | \$0.057 | \$0.034 |
| Option exercise price: | \$0.08 | \$0.03 |
| Number of options issued: | 26,000,000 | 1,200,000 |
| Term (years): | 3 | 2.4 |
| Expected share price volatility: | 120.20% | 127.83% |
| Risk-free interest rate: | 2.49% | 0.57% |
| Value per option | \$0.0377 | \$0.0238 |

The expected life of the option is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcomes.

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Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 20 Share-based payments (cont.)**20.4.1. Accounting policy**

The grant-date fair value of equity-settled share-based payment arrangements granted to holders of equity-based instruments (including employees) are generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-market conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. In determining the fair value of share-based payments granted, a key estimate and judgement is the volatility input assumed within the pricing model.

The Company uses historical volatility of the Company to determine an appropriate level of volatility expected, commensurate with the expected instrument's life.

20.4.2. Key estimate

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model, using the assumptions detailed above.

Note 21. Operating segments**21.1. Identification of reportable segments**

The Group operates predominantly in the mining industry. This comprises exploration and evaluation of gold and copper projects. Inter-segment transactions are priced at cost to the Group.

The Group has identified its operating segments based on the internal reports that are provided to the Board of Directors on a monthly basis and in determining the allocation of resources. Management has identified the operating segments based on the two principal locations based on geographical areas and therefore different regulatory environments – Australia and Africa.

21.2. Basis of accounting for purposes of reporting by operating segments**21.2.1. Accounting policies adopted**

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

21.2.2. Inter-segment transactions

An internally determined transfer price is set for all inter-segment sales. This price is reset quarterly and is based on what would be realised in the event the sale was made to an external party at arm's length. All such transactions are eliminated on consolidation of the Group's financial statements.

Corporate charges are allocated to reporting segments based on the segments' overall proportion of revenue generation within the Group. The Board of Directors believes this is representative of likely consumption of head office expenditure that should be used in assessing segment performance and cost recoveries.

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

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Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 21 Operating segments (cont.)

21.2.3. Segment assets

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

21.2.4. Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

21.2.5. Unallocated items

The following items of revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- ▶ Impairment of assets and other non-recurring items of revenue or expense
- ▶ Income tax expense
- ▶ Current and deferred tax assets and liabilities
- ▶ Other financial liabilities

| For the Year to 30 June 2022 | Australian Exploration \$ | African Exploration \$ | Total \$ |
|--|---------------------------------|------------------------------|-------------|
| Segment revenue and other income | 868 | - | 868 |
| Segment Results | 868 | - | 868 |
| Amounts not included in segment results but reviewed by Board: | | | |
| ▶ Compliance and regulatory costs | (290,219) | - | (290,219) |
| ▶ Director remuneration excluding consulting fees | (250,118) | - | (250,118) |
| ▶ Exploration and evaluation expenditure | (1,900,569) | - | (1,900,569) |
| ▶ Finance costs | (258) | (333) | (591) |
| ▶ Legal and consulting fees | (73,139) | - | (73,139) |
| ▶ Share-based payments | (69,360) | - | (69,360) |
| ▶ Other expenses | (99,672) | - | (99,672) |
| ▶ Income tax expense | - | - | - |
| Loss after Income Tax | | | (2,682,800) |
| As at 30 June 2022 | | | |
| Segment Assets | 4,856,361 | 505 | 4,856,866 |
| Unallocated Assets: | | | |
| ▶ Trade and other receivables | | | - |
| Total Assets | | | 4,856,866 |
| Segment Liabilities | 970,504 | - | 970,504 |
| Unallocated Liabilities: | | | |
| ▶ Other payables | | | - |
| Total Liabilities | | | 970,504 |

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Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 21 Operating segments (cont.)

| For the Year to 30 June 2021 | Australian Exploration \$ | African Exploration \$ | Total \$ |
|--|---------------------------------|------------------------------|-------------|
| Segment revenue and other income | 16,074 | - | 16,074 |
| Segment Results | 16,074 | - | 16,074 |
| Amounts not included in segment results but reviewed by Board: | | | |
| ▶ Compliance and regulatory costs | (280,091) | - | (280,091) |
| ▶ Director remuneration excluding consulting fees | (182,779) | - | (182,779) |
| ▶ Exploration and evaluation expenditure | (2,116,050) | - | (2,116,050) |
| ▶ Finance costs | (20,362) | (341) | (20,703) |
| ▶ Legal and consulting fees | (182,035) | - | (182,035) |
| ▶ Other expenses | (11,162) | - | (11,162) |
| Loss after Income Tax | | | (2,776,746) |
| As at 30 June 2021 | | | |
| Segment Assets | 1,496,355 | 864 | 1,497,219 |
| Unallocated Assets: | | | |
| ▶ Trade and other receivables | | | - |
| Total Assets | | | 1,497,219 |
| Segment Liabilities | 136,670 | - | 136,670 |
| Unallocated Liabilities: | | | |
| ▶ Other payables | | | - |
| Total Liabilities | | | 136,670 |

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Notes to the consolidated financial statements
for the year ended 30 June 2022

| Note | 22. Parent entity disclosures | 2022 \$ | 2021 \$ |
|--------------|---|--------------------|--------------------|
| 22.1. | Financial Position of Tennant Minerals Limited | | |
| | Current assets | 4,851,203 | 1,491,205 |
| | Non-current assets | - | - |
| | Total assets | 4,851,203 | 1,491,205 |
| | Current liabilities | 970,504 | 136,496 |
| | Non-current liabilities | - | - |
| | Total liabilities | 970,504 | 136,496 |
| | Net assets | 3,880,699 | 1,354,709 |
| | Equity | | |
| | Contributed equity | 44,192,242 | 39,992,780 |
| | Reserves | 1,437,149 | 455,972 |
| | Accumulated losses | (41,748,692) | (39,094,043) |
| | Total equity | 3,880,699 | 1,354,709 |
| 22.2. | Financial assets of Tennant Minerals Limited | | |
| | Loans to subsidiaries | 2,739,501 | 690,709 |
| | Shares in controlled entities | 1,931,389 | 1,931,389 |
| | Less: Provision for impairment | (4,670,890) | (2,622,098) |
| | Net carrying value | - | - |
| 22.3. | Financial Performance of Tennant Minerals Limited | | |
| | Loss for the year | (2,654,649) | (2,366,702) |
| | Total comprehensive loss | (2,654,649) | (2,366,702) |
| 22.4. | Guarantees entered into by Tennant Minerals Limited | | |
| | There are no guarantees entered into by Tennant Minerals Limited for the debts of its subsidiaries as at 30 June 2022 (2021: none). | | |
| 22.5. | Contingent liabilities of Tennant Minerals Limited | | |
| | There are no contingent liabilities as at 30 June 2022 (2021: none). | | |
| 22.6. | Commitments of Tennant Minerals Limited | | |
| | The commitments of Tennant Minerals Limited are the same as those for the Group disclosed in Note 13. | | |

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Notes to the consolidated financial statements

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NOTE 23. Statement of Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated.

23.1. Basis of preparation**23.1.1. Reporting Entity**

Tennant Minerals Limited is a listed public company limited by shares, domiciled and incorporated in Australia. The Company's registered office is at Level 1, 247 Oxford Street, Leederville, Western Australia. These are the consolidated financial statements and notes of Tennant Minerals Limited (the Company) and controlled entities (collectively the Group). The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity. The Group is a for-profit entity and is primarily involved in the exploration, development and mining of minerals.

The separate financial statements of Tennant Minerals Limited, as the parent entity, have not been presented with this financial report as permitted by the *Corporations Act 2001 (Cth)*.

23.1.2. Basis of accounting

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (AAS Board) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and the *Corporations Act 2001 (Cth)*.

Australian Accounting Standards (AASBs) set out accounting policies that the AAS Board has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with AASBs ensures that the financial statements and notes also comply with IFRS as issued by the IASB.

The financial statements were authorised for issue on 29 September 2022 by the directors of the Company.

23.1.3. Future funding and liquidity

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Group incurred a loss for the year of \$2,682,800 (2021: \$2,776,746 loss).

The net assets of the Group have increased by \$2,525,813 from 30 June 2021 to \$3,886,362 at 30 June 2022.

As at 30 June 2022, the Group's cash and cash equivalents increased from 30 June 2021 by \$3,247,881 to \$4,705,811 and had a working capital surplus of \$3,886,362 (2021: \$1,360,549 working capital), as disclosed in Note 8 of the Capital management note.

The Board considers that the Group is a going concern as at 30 June 2022 and can continue to fund the Group's operations for the 12-month period from the date of this financial report.

The Directors believe it is appropriate to prepare the financial report on a going concern basis because:

- The Company has approved capacity to issue additional equity under the Corporation Act 2001 and ASX Listing Rule 7.1 or otherwise;
- The Company's commitment to exploration expenditure is discretionary and expenditure requirements are minimal; and
- the Group has the ability to raise further funds through capital raisings as and when required as it has successfully achieved in the past.

23.1.4. Comparative Figures

Where required by AASBs comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

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Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 23 Statement of Significant Accounting Policies (cont.)

23.2. Foreign currency transactions and balances

23.2.1. Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency (Tennant Minerals Burkina SARL: Central African Franc; Tennant Iron SA: United States Dollars).

23.2.2. Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the profit or loss except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the gain or loss is directly recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.

23.2.3. Group companies and foreign operations

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- ▲ assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
 - ▲ income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the profit or loss in the period in which the operation is disposed.

23.3. Goods and Services Tax (GST)

Goods and Services Tax (GST) is the generic term for the broad-based consumption taxes that the Group is exposed to such as: Australia (Goods and Services Tax or GST); Congo (VAT); and in Burkina Faso (VAT), hereafter collectively referred to as GST.

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the consolidated statement of financial position

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

23.4. Use of estimates and judgments

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. 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 period in which the estimate is revised and in any future periods affected.

Judgements made by management in the application of AASBs that have significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 23.4.1

Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 23 Statement of Significant Accounting Policies (cont.)

23.4 Use of estimates and judgments (cont.)

23.4.1. Critical Accounting Estimates and Judgements

Management discusses with the Board the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Key estimate – Taxation

Refer Note 3 Income Tax.

(b) Key estimate – Share-based payments

Refer Note 20 Share-based payments.

23.4.2. Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

23.5. Fair Value

23.5.1. Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable AASB.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly unforced transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also considers a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

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Notes to the consolidated financial statements

for the year ended 30 June 2022

Note 23 Statement of Significant Accounting Policies (cont.)

23.5 Fair Value (cont.)

23.5.2. Fair value hierarchy

AASB 13 *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

| Level 1 | Level 2 | Level 3 |
|--|--|---|
| Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. | Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. | Measurements based on unobservable inputs for the asset or liability. |

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

- ▲ if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
- ▲ if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

23.5.3. Valuation techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- ▲ *Market approach*: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- ▲ *Income approach*: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- ▲ *Cost approach*: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

23.6. New Accounting Standards and Interpretations not yet mandatory or early adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2022 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

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Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 19 to 51, are in accordance with the *Corporations Act 2001* (Cth) and:
 - (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
 - (b) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in notes to the financial statements; and
 - (c) give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the Company and the Group.
 - (d) the Directors have been given the declarations required by s.295A of the *Corporations Act 2001* (Cth);
2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



MATTHEW DRISCOLL

Chairman

Dated this Thursday, 29 September 2022

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Independent Audit Report to the Members of Tennant Minerals Limited

Report on the financial report

Opinion

We have audited the financial report of Tennant Minerals Limited (“the Company”), including its controlled entities (“the Group”) which comprises the Consolidated statement of financial position as at 30 June 2022, the Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the year then ended, and notes to the Consolidated financial statements, including a summary of significant accounting policies, and the directors’ declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group’s financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

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

Key audit matters

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

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Key audit matters (continued)

| Key audit matter | How our audit addressed the key audit matter |
|--|---|
| <p>Future Funding <i>(Refer to note 23.1.3 – Future Funding and Liquidity in the financial report)</i></p> <p>Tennant Minerals Limited is an exploration and development Company with copper-gold projects in the Tennant Creek area of the Northern Territory.</p> <p>The exploration activities of the Company has not yet advanced to a stage where it is able to generate revenue, accordingly the Company is reliant on funding from external sources such as capital raisings, to support its operations. We focussed on whether the Company had sufficient cash resources and access to funding to allow the Company to continue as a going concern.</p> <p>The adequacy of funding and liquidity as well as the relevant impact on the going concern assessment is a key audit matter due to the inherent uncertainties associated with the future development of the Company's projects and the level of funding required to support that development.</p> | <p>We evaluated the Company's funding and liquidity position at 30 June 2022 and its ability to repay its debts as and when they fall due for a minimum of 12 months from the date of signing the financial report. In doing so, we:</p> <ul style="list-style-type: none">obtained management's cash flow forecast for at least 15 months from the commencement of the 2023 financial year;assessed the reliability and completeness of management's assumptions by comparing the forecast cash flows to those of previous period and as well as our understanding of future events and conditions; andconsidered events subsequent to year end to determine whether any additional facts or information have become available since the date on which management made its assessment. |

Other information

The directors are responsible for the other information. The other information comprises the information in Tennant Minerals Limited annual report for the year ended 30 June 2022, but does not include the Consolidated financial report and the auditor's report thereon.

Our opinion on the Consolidated 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 Consolidated 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 the other information we are required to report that fact. We have nothing to report in this regard.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the Consolidated 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 Consolidated financial report, the directors are responsible for assessing the Group's ability 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 entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility 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 Australian Auditing and Assurance Standards Board website at:
https://auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report. We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the Directors' Report on pages 13 to 17 for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Tennant Minerals Limited for the year ended 30 June 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.



Nexia Perth Audit Services Pty Ltd



Muranda Janse Van Nieuwenhuizen
Director

Perth
29 September 2022

Additional information for listed public companies

The following additional information is required by the Australian Securities Exchange in respect of listed public companies.

1 Capital

a. Ordinary Share Capital

616,576,265 ordinary fully paid shares held by 1,769 shareholders.

b. Options over Unissued Shares

The Company has an additional 383,700,000 listed options and 26,000,000 unlisted options on issue in accordance with section 8.1 of the Directors' Report.

Listed options exercisable at \$0.03 on or before 24 April 2024

| Category (size of holding) | Total Holders | Units | % Held |
|----------------------------|---------------|--------------------|---------------|
| 1 – 1,000 | 5 | 92 | 0.00 |
| 1,001 – 5,000 | 0 | 0 | 0.00 |
| 5,001 – 10,000 | 0 | 0 | 0.00 |
| 10,001 – 100,000 | 53 | 3,092,646 | 0.81 |
| 100,001 – and over | 223 | 380,607,262 | 99.19 |
| | 281 | 383,700,000 | 100.00 |

Unlisted options exercisable at \$0.08 on or before 08 April 2025

| Category (size of holding) | Total Holders | Units | % Held |
|----------------------------|---------------|-------------------|---------------|
| 1 – 1,000 | 0 | 0 | 0.00 |
| 1,001 – 5,000 | 0 | 0 | 0.00 |
| 5,001 – 10,000 | 0 | 0 | 0.00 |
| 10,001 – 100,000 | 1 | 22,223 | 0.09 |
| 100,001 – and over | 12 | 25,977,777 | 99.91 |
| | 13 | 26,000,000 | 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.
- ⦿ **Listed Options:** Options do not entitle the holders to vote in respect of that option, nor participate in dividends, when declared, until such time as the options are exercised and subsequently registered as ordinary shares.

d. Substantial Shareholders as at 14 September 2022

| Name | Number of Ordinary Fully Paid Shares Held | % Held of Issued Ordinary Capital |
|------------------------------------|---|-----------------------------------|
| Kalgoorlie Mine Management Pty Ltd | 118,739,677 | 19.26 |

e. Distribution of Shareholders as at 14 September 2022

| Category (size of holding) | Total Holders | Number Ordinary | % Held of Issued Ordinary Capital |
|----------------------------|---------------|--------------------|-----------------------------------|
| 1 – 1,000 | 82 | 12,730 | 0.00 |
| 1,001 – 5,000 | 29 | 89,018 | 0.01 |
| 5,001 – 10,000 | 84 | 744,181 | 0.12 |
| 10,001 – 100,000 | 952 | 42,107,111 | 6.83 |
| 100,001 – and over | 622 | 573,623,225 | 93.03 |
| | 1,769 | 616,576,265 | 100.00 |

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Additional information for listed public companies

f. Unmarketable Parcels as at 14 September 2022

As at 14 September 2022 there were 265 fully paid ordinary shareholders holding less than a marketable parcel.

g. On-Market Buy-Back

There is no current on-market buy-back.

h. Restricted Securities

There are no ordinary shares or options subject to ASX mandatory escrow.

i. 20 Largest Shareholders — Ordinary Shares as at as at 14 September 2022

| Rank / Name | Number of Ordinary Fully Paid Shares Held | % Held of Issued Ordinary Capital |
|---|---|-----------------------------------|
| 1. KALGOORLIE MINE MANAGEMENT PTY LTD | 118,739,677 | 19.26 |
| 2. TT NICHOLLS PTY LTD <NICHOLLS SUPER FUND A/C> | 9,701,614 | 1.57 |
| 3. CAPRETTI INVESTMENTS PTY LTD <CASTELLO A/C> | 9,550,000 | 1.55 |
| 4. RPM SUPER PTY LTD <RPM SUPER FUND A/C> | 9,000,000 | 1.46 |
| 5. CHARLTON WA PTY LTD <TINAMARA SUPER FUND A/C> | 8,700,000 | 1.41 |
| 6. GMB INVESTMENTS PTY LTD <GMB SUPERFUND A/C> | 8,307,829 | 1.35 |
| 7. PLATINUM REIGN PTY LTD | 6,750,000 | 1.09 |
| 8. CITICORP NOMINEES PTY LIMITED | 6,739,572 | 1.09 |
| 9. MR TOBY OWEN RELF | 6,250,000 | 1.01 |
| 10. SCHAMMER PTY LTD | 6,019,336 | 0.98 |
| 11. GOLDFIRE ENTERPRISES PTY LTD | 5,911,474 | 0.96 |
| 12. RATDOG PTY LTD | 5,631,900 | 0.91 |
| 13. MR ROHAN CHARLES EDMONDSON | 5,419,335 | 0.88 |
| 14. METALLICA INVESTMENTS PTY LTD | 5,278,691 | 0.86 |
| 15. MR THOMAS FRITZ ENSMANN | 5,000,000 | 0.81 |
| 16. DR ROGER DOUGLAS PRYDE PATERSON <THE HINDLEY A/C> | 4,750,000 | 0.77 |
| 17. MR STEVEN DOMINIC ITALIANO | 4,700,000 | 0.76 |
| 18. SUPERHERO SECURITIES LIMITED <CLIENT A/C> | 4,590,271 | 0.74 |
| 19. TAOS PTY LTD <GEILINGS & CO PTY SUPER A/C> | 4,366,666 | 0.71 |
| 20. ICE LAKE INVESTMENTS PTY LTD | 4,000,000 | 0.65 |
| TOTAL | 239,406,365 | 38.82 |

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Additional information for listed public companies

j. 20 Largest Listed Option holders — Listed Options as at 14 September 2022

| Rank / Name | Number of Options Held | % Held of Issued Options |
|--|------------------------|--------------------------|
| 1. KALGOORLIE MINE MANAGEMENT PTY LTD | 50,759,839 | 13.23 |
| 2. CAPRETTI INVESTMENTS PTY LTD <CASTELLO A/C> | 31,365,978 | 8.17 |
| 3. GMB INVESTMENTS PTY LTD <GMB SUPERFUND A/C> | 25,812,200 | 6.73 |
| 4. CHARLTON WA PTY LTD <TINAMARA SUPER FUND A/C> | 22,109,276 | 5.76 |
| 5. MR ROHAN CHARLES EDMONDSON | 19,200,000 | 5.00 |
| 6. PLATINUM REIGN PTY LTD | 17,000,000 | 4.43 |
| 7. SCHAMMER PTY LTD <SCHAMMER FAMILY A/C> | 13,100,000 | 3.41 |
| 8. ICE LAKE INVESTMENTS PTY LTD | 13,000,000 | 3.39 |
| 9. SCHAMMER PTY LTD <BS SUPER FUND A/C> | 10,450,000 | 2.72 |
| 10. MR SCOTT CONNER | 7,950,000 | 2.07 |
| 11. MR YULIANG FAN | 6,600,000 | 1.72 |
| 12. MR ALBERT WIJEWEERA | 6,000,000 | 1.56 |
| 13. RPM SUPER PTY LTD <RPM SUPER FUND A/C> | 5,000,000 | 1.30 |
| 14. EUTHENIA TYCHE PTY LTD | 4,905,356 | 1.28 |
| 15. RATDOG PTY LTD | 3,800,000 | 0.99 |
| 16. MR SIMON FRANZ COHN | 3,500,000 | 0.91 |
| 17. PYAP PARK PTY LTD <PD & BG SCHAMMER S/FUND A/C> | 3,173,226 | 0.83 |
| 18. TT NICHOLLS PTY LTD <NICHOLLS SUPER FUND A/C> | 3,000,000 | 0.78 |
| 19. MR TOBY OWEN RELF | 2,750,000 | 0.72 |
| 20. MR OWEN HUNTER WALDRON + MRS JANET CHRISTINE WALDRON | 2,600,000 | 0.68 |
| TOTAL | 252,075,875 | 65.68 |

k. Unquoted Securities Holders Holding More than 20% of the Class as at 14 September 2022

■ Unlisted Options (Exercise price \$0.08, Expiry Date: 08.04.2025)

| Name | Number of Unquoted Securities | % Held of Unquoted Security Class |
|---------------------------------------|-------------------------------|-----------------------------------|
| 1. KALGOORLIE MINE MANAGEMENT PTY LTD | 6,000,000 | 23.08 |
| TOTAL | 6,000,000 | 23.08 |
| TOTAL UNLISTED OPTIONS | 26,000,000 | |

2 The Company Secretary is Stuart Usher.

3 Registered office and principal place of business

Address:

Street: Level 1, 247 Oxford Street
LEEDERVILLE WA 6007

Postal: PO Box 52
WEST PERTH WA 6872

Telephone: +61 (0)8 6141 3500
Facsimile: +61 (0)8 6141 3599

4 Registers of Securities

As disclosed in the Corporate directory on page i of this Annual Report.

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Additional information for listed public companies

5 Stock Exchange Listing

Quotation has been granted for all the ordinary shares and options of the Company on all Member Exchanges of the Australian Securities Exchange, as disclosed in the Corporate directory on page i of this Annual Report.

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ANNUAL REPORT

30 June 2022

TENNANT MINERALS LIMITED

AND CONTROLLED ENTITIES

ABN 25 086 471 007

(Formerly Tennant Minerals NL)

Tenement report

As at 30 June 2022

| Tenement ID | Holder | Date Granted | Expiry Date | Project Area (km ²) | % Ownership |
|-------------|-------------------------|--------------|-------------|---------------------------------|-------------|
| EL28620 | Colour Minerals Pty Ltd | 16 Dec 2011 | 15 Dec 2023 | 39.16 | 100% |
| EL30701 | Colour Minerals Pty Ltd | 20 Aug 2015 | 19 Aug 2023 | 42.6 | 100% |

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