



TIETTO MINERALS LIMITED

Australian Company Number 143 493 118

TIETTO MINERALS LIMITED
ABN 53 143 493 118

ANNUAL REPORT
YEAR ENDED 30 JUNE 2021

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Corporate Directory

Board of Directors

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

Company Secretary

Matthew Foy

Registered Office

Unit 7, 162 Colin Street
West Perth WA 6005

Telephone: + 61 8 9486 4036

Facsimile: +61 8 9486 4799

Website: www.tietto.com

Stock Exchange Listing

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

Auditors

BDO Audit (WA) Pty Ltd
38 Station St
Subiaco WA 6008

Solicitors

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

Compliance Manager

FT Corporate Pty Ltd
104 Colin St
West Perth WA 6005

Share Registry

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

Dear Fellow Shareholder,

Tietto Minerals Limited (ASX: TIE) has made great strides towards its goal of becoming West Africa's next gold producer at the Abujar Gold Project in Côte d'Ivoire during the past 12 months, and it gives me great pleasure to present our 2021 Annual Report as we reflect on the milestones we've achieved.

We are targeting first gold at Abujar in Q4 of calendar year 2022 and while there is still much work ahead of us to reach this, I am confident given our highly credentialed team behind the project and our strong track record of not only meeting expectations but exceeding them, that we will accomplish this goal.

Despite the challenges of COVID-19 over the past 12-18 months, Tietto has continued to meet its objectives, continuing our aggressive, cost-effective drill program and delivering two Mineral Resource upgrades which saw Abujar reach a Mineral Resource of 3.35 million ounces of gold. With deposits remaining open and a pipeline of regional targets, we have exploration upside to continue this expansion. During the 2021 calendar year, we are on track to complete 100,000m of diamond drilling with our six company-owned diamond drill rigs at a cost of US\$35 per metre. We will continue to drill across our largely unexplored 70km mineralised corridor at Abujar, aiming to grow our resource inventory.

We delivered a robust Pre-Feasibility Study for a 3.5 million tonnes per annum operation at Abujar, with 200,000oz gold production in the first year and more than 168,000oz per year in the first six years, based on our current Maiden Open Pit Probable Reserves of 15.7Mt ROM at 1.7 g/t Au for 860,000oz. The PFS demonstrated strong economics and significant upside, including pre-tax Net Present Value (NPV) (5%) of \$720 million and Internal Rate of Return (IRR) of 73%, with post-tax NPV of \$527M and IRR of 59%, based on a spot gold price of US\$1800/oz. Abujar is expected to generate free cashflow of more than \$763M over the life of the project, with these economics indicating Abujar will support substantial debt funding.

With a PFS in hand, we are now building on this work with a Definitive Feasibility Study (DFS) due for completion very soon, and look forward to the results of this more in-depth examination of Abujar's potential. This will be based on our July 2021 3.35Moz gold Mineral Resource Estimate.

In the meantime, we have taken steps towards Abujar's development by securing a Mining Licence and environmental approval, while we also purchased a 4Mtpa Metso mill which is unused and will be refurbished for our project, significantly reducing capital expenditure. We commenced early site works at Abujar, tender of mining contractor and a 90kV electricity grid connection is underway and a site access road is being constructed.

We have also attracted key personnel to help us drive Abujar's development, including Chief Operating Officer Matt Wilcox, who joined Tietto after delivering West African Resources' Sanbrado Gold Mine on time and under budget in March 2020. Other key appointments included Guillaume Hubert as Earthworks Manager, Daniel Kotzee as Construction Manager, Hesbon Okwayo as Commercial Manager and Beatrice Godde as HSE Superintendent and all these team members have significant experience on similar projects.

Our drilling and development in FY21 were made possible by the completion of a transformational \$57 million Placement, which was underwritten to \$45 million, and Share Purchase Plan ("SPP") in August 2020. We thank our shareholders, both new and existing, who supported this capital raising which was so important to our efforts to develop Abujar. We are grateful for our shareholders' ongoing confidence and belief in Tietto to deliver value from Abujar and look forward to bringing it into production in 2022.

I thank our staff and Management for their efforts throughout FY21, including our Managing Director Dr Caigen Wang who has been integral to Abujar's discovery and growth, and our Executive Director Mark Strizek. Operating through COVID-19 restrictions has at time been challenging, and the progress we've made during this time is a testament to the hard work of all our staff and contractors on site in Côte d'Ivoire and those based in Perth. I would also like to thank my fellow Board members for continuing to provide their support and expertise to Tietto through the past year.

The year ahead looks to be the most exciting to date for Tietto as we continue to drive development of Abujar as West Africa's next gold mine. I hope you will continue to share the journey with us.

Francis Harper

Francis Harper
Chairman

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West African gold developer and explorer Tietto Minerals Limited (ASX: TIE) (Tietto or the Company) is pleased to report on its activities for the 2021 financial year. The principal activities of the Group during the period were gold exploration in West Africa, specifically in Côte d'Ivoire and Liberia.

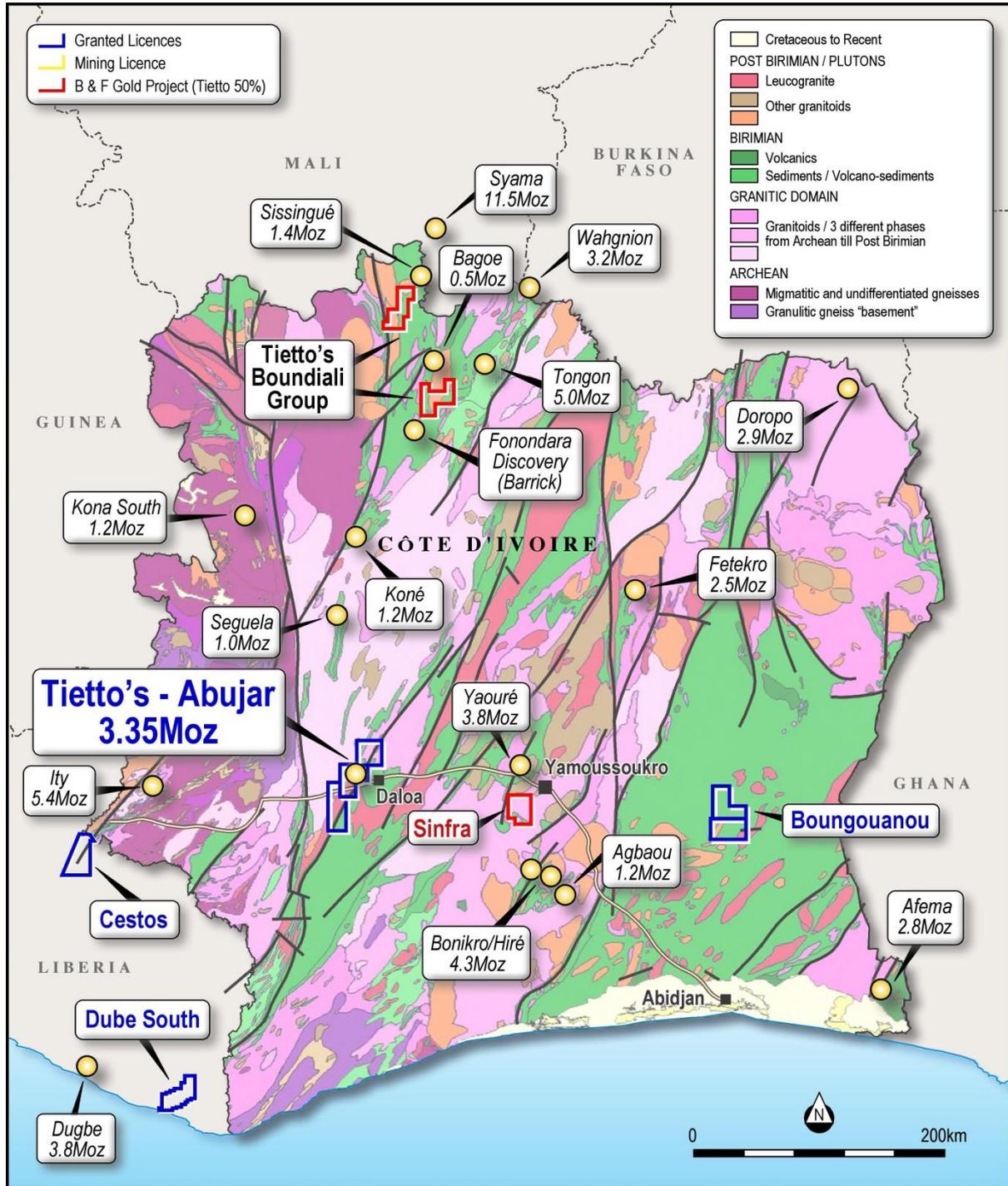


Figure 1: Project Location Map

Abujar Gold Project, Côte d'Ivoire

Mineral Resources

Tietto continued its aggressive drilling and exploration programs at its Abujar Gold Project through FY21, completing two mineral resource upgrades during the period.

Tietto completed more than 61,000m of diamond drilling for the 2020 resource update, being Tietto’s third at the project. Tietto announced a mineral resource update for Abujar in October 2020, which saw it increase to 81.2 million tonnes at 1.2g/t Au for 3.02 million ounces of gold.

In July 2021, the Company increased the MRE for its Abujar Gold Project to 3.35Moz gold (*Table 1*) following the addition of over 53,000m of diamond core to the drilling database since the October 2020 resource model. The new drilling data substantially increased the Indicated Resources to 1.85Moz gold including 1.6Moz gold at AG and delivered a maiden Indicated Resource at APG, further de-risking the Abujar resource base.

Table 1: July 2021 Updated Abujar Gold Project Mineral Resource

| Area | Class | Oxide | | | Transition | | | Fresh | | | Total | | |
|--------------------|--------------|---------------|------------|-------------|---------------|------------|-------------|---------------|------------|-------------|---------------|------------|-------------|
| | | Quantity (Mt) | Au (g/t) | Au (Moz) | Quantity (Mt) | Au (g/t) | Au (Moz) | Quantity (Mt) | Au (g/t) | Au (Moz) | Quantity (Mt) | Au (g/t) | Au (Moz) |
| AG | Indicated | 0.5 | 1.2 | 0.02 | 2.1 | 1.3 | 0.09 | 32.4 | 1.5 | 1.54 | 35.0 | 1.5 | 1.65 |
| | Inferred | 0.4 | 1.0 | 0.01 | 1.7 | 0.9 | 0.05 | 13.3 | 1.7 | 0.74 | 15.3 | 1.6 | 0.80 |
| | Total | 0.9 | 1.1 | 0.03 | 3.8 | 1.1 | 0.14 | 45.6 | 1.5 | 2.28 | 50.3 | 1.5 | 2.45 |
| APG | Indicated | 0.5 | 0.7 | 0.01 | 1.9 | 0.7 | 0.05 | 6.0 | 0.7 | 0.14 | 8.4 | 0.7 | 0.20 |
| | Inferred | 1.2 | 0.7 | 0.03 | 5.2 | 0.7 | 0.11 | 22.0 | 0.7 | 0.52 | 28.4 | 0.7 | 0.67 |
| | Total | 1.7 | 0.8 | 0.04 | 7.1 | 0.7 | 0.16 | 28.0 | 0.7 | 0.67 | 36.7 | 0.7 | 0.87 |
| SG | Inferred | 0.0 | 0.7 | 0.001 | 0.10 | 0.8 | 0.001 | 0.4 | 1.6 | 0.02 | 0.5 | 1.4 | 0.02 |
| Grand Total | | 2.6 | 0.9 | 0.07 | 11.0 | 0.9 | 0.30 | 74.0 | 1.2 | 2.97 | 87.5 | 1.2 | 3.35 |

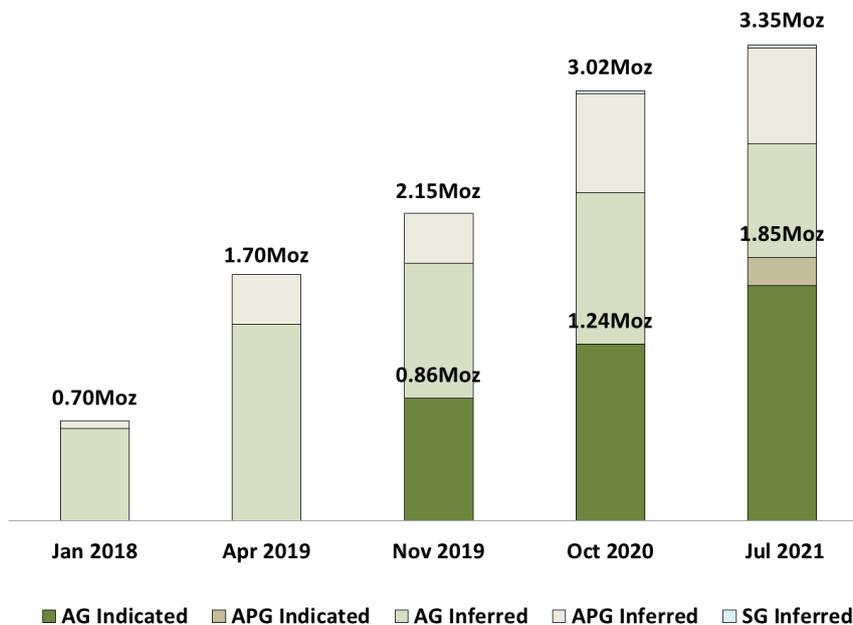


Figure 2: Abujar Gold Project Mineral Resource timeline (Global and Indicated ounces annotated)

The July 2021 Mineral Resource Estimate saw overall contained gold ounces increase by 11%, with the AG Deposit up by 7% and APG increase 24%. Tonnes at APG increased by 18% with a minor increase of 1% at AG. Overall, tonnes increased by 8%.

Tietto systematically diamond drill tested Inferred Mineral Resources at the AG and APG deposits since 15 September 2020, the drilling cut-off date used for the October 2020 Mineral Resource model¹. Tietto's drilling teams completed 255 holes for 53,395.5m across a range of deposits and prospects at Abujar (*Table 2*). Tietto has drilled 128 holes for 31,480m at AG, with 59 holes at AG South (Sections 0-14) and 69 holes at the AG Core (Sections 15-29) as well as 74 holes for 11,616.5m at APG.

The 2020-21 drill program met Tietto's objectives of increasing the level of confidence in Mineral Resources. Tietto expects the updated Resource model will underpin a material upgrade to Abujar Ore Reserves of 15.7Mt @ 1.7g/t Au for 0.86Moz (maiden open pit) within AG 22.9Mt @ 1.5g/t Au for 1.12Moz Mining Inventory and open-pit Inferred Resources identified at APG (8.1Mt @ 0.8g/t Au for 0.2Moz) within its Expanded Project study.

Table 2: New diamond drilling completed at Abujar since 15 September 2020

| Deposit/Prospect | Holes | Total Metres | Ave Depth (m) | Max Depth (m) |
|--------------------------|------------|-----------------|---------------|---------------|
| AG | 128 | 31,408.0 | 245.4 | 720 |
| AG South (Sections 0-14) | 59 | 8,789.5 | 149.0 | 702 |
| AG Core (Sections 15-29) | 69 | 22,618.5 | 327.8 | 720 |
| APG | 74 | 11,616.5 | 157.0 | 362 |
| GGL | 21 | 4,354.5 | 207.4 | 282 |
| AG WEST | 8 | 1,491.0 | 186.4 | 275 |
| KOFLANKRO | 9 | 1,717.5 | 190.8 | 210 |
| PGL | 11 | 2,018.0 | 183.5 | 293 |
| ZOUKPANGBEU | 4 | 772.0 | 193.0 | 282 |
| Total | 255 | 53,395.5 | 209.4 | 720 |

Reporting the updated Resource models within the AG PFS pit design and APG scoping study shell was completed using a 0.35 g/t Au cut-off. Tabulation of the tonnes of material above a 0.35 g/t Au cut-off presented in Table 3. Of the 1.55Moz, 1.3Moz is classified as Indicated (AG 24.5Mt @ 1.54 g/t Au for 1.21Moz, APG 3.68Mt @ 0.77 g/t Au for 0.09Moz) with the balance Inferred.

Table 4: Updated Resource Model within AG PFS pit and APG scoping study pit using a 0.35 g/t Au cut-off

| Description | Total (Mt) | Tonnes > 0.35 g/t Au (Mt) | Waste (Mt) | Strip Ratio (t:t) | Gold Grade (g/t) | Contained Gold (k oz) |
|--------------|------------|---------------------------|------------|-------------------|------------------|-----------------------|
| AG | 211.8 | 27.6 | 184.2 | 6.7 | 1.50 | 1,330 |
| APG | 35.2 | 8.9 | 26.3 | 3.0 | 0.8 | 220 |
| Total | 247 | 36.5 | 216 | 5.9 | 1.32 | 1,550 |

¹ ASX Announcement dated 26 October 2020

Ongoing Exploration

Abujar-Gludhehi (AG) Deposit

The AG Deposit is the centrepiece of the Abujar Project, with a high-grade core which has continued to grow with further exploration. Tietto announced results from infill drilling to test the extension of the high-grade core and also deeper drilling testing the mineralisation at depth which remains open.

The diamond drilling infill program was designed to increase confidence in current mineral resource estimates at Abujar (targeting inferred material in the current mineral resource). High-grade gold intercepts included the following:

- 5m @ 28.91 g/t Au from 203m incl. 3m @ 47.91 g/t Au (ZDD437)
- 29m @ 4.46 g/t Au from 120m incl. 17m @ 7.11 g/t Au (ZDD445)
- 10m @ 5.75 g/t Au from 257m incl. 7m @ 8.08 g/t Au (ZDD337A)
- 4m @ 14.37 g/t Au from 536m (ZDD511)
- 11m @ 4.23 g/t Au from 201m incl. 6m @ 7.4 g/t Au (ZDD425A)
- 7m @ 6.23 g/t Au from 578m incl. 1m @ 39.98 g/t Au (ZDD514)
- 4m @ 10.32 g/t Au from 272m incl. 3m @ 13.6 g/t Au (ZDD443)
- 14m @ 2.94 g/t Au from 384m incl. 6m @ 6.27 g/t Au (ZDD410)
- 7m @ 5.3 g/t Au from 178m incl. 3m @ 12.05 g/t Au (ZDD430A)
- 15m @ 2.34 g/t Au from 558m incl. 6m @ 3.36 g/t Au (ZDD462)
- 9m @ 3.66 g/t Au from 272m incl. 7m @ 4.57 g/t Au (ZDD451)
- 3m @ 10.85 g/t Au from 144m (ZDD441)
- 5m @ 6.05 g/t Au from 532m incl. 5m @ 6.05 g/t Au (ZDD515)

Tietto has now reported 44 high-grade gold intercepts over 50 gold gram metres from drilling within the high-grade core at AG across sections 15-29 (Figure 3). High-grade gold mineralisation remains open along strike and at depth. Tietto plans to drill more holes along strike at AG, as well as further step-back drilling to test the depth limits of this large high-grade gold system.

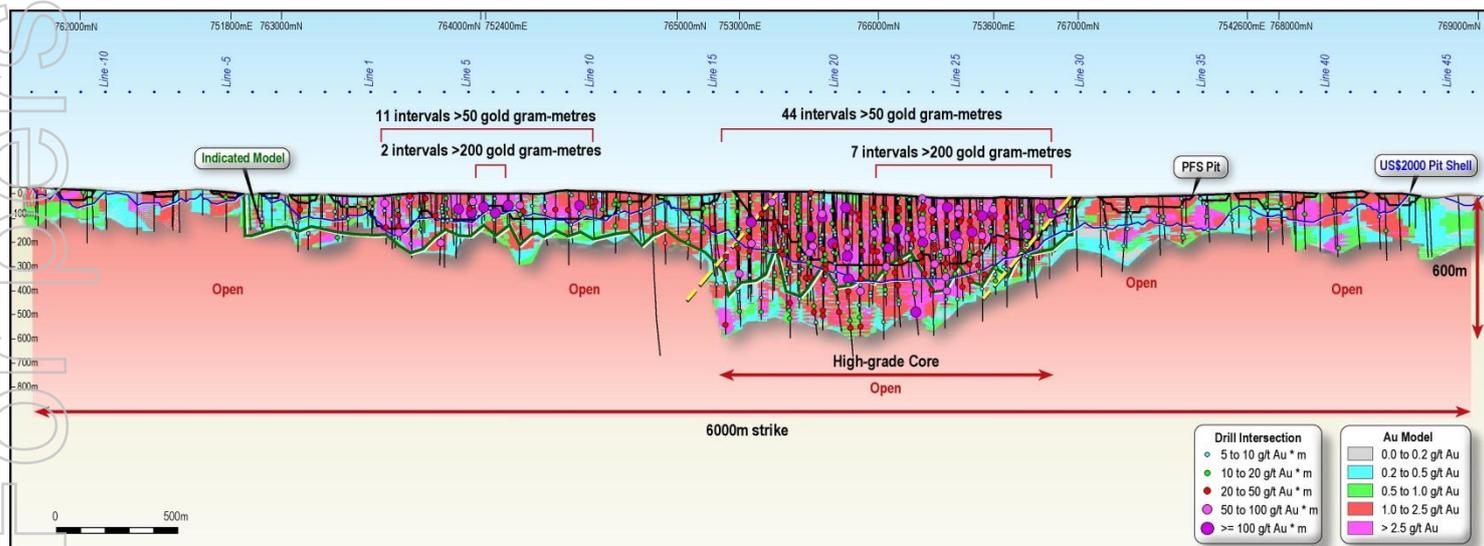


Figure 3: AG Oblique Long Section showing updated Resource Model

Abujar-Gludehi South (AG South) Deposit

Tietto continued to drill at AG South to test strike and depth extensions located to the south of the high-grade AG deposit. Tietto drilled 59 holes at AG South between Sections 0 - 14 as part of its infill diamond drilling program designed to increase confidence in current mineral resource estimates at Abujar (targeting Inferred material). Results reported during the year included (Figure 5):

- 9m @ 61.97 g/t Au from 99m (ZDD542) (Figure 4)
- 7m @ 51.56 g/t Au from 53m (ZDD491)
- 3m @ 58.61 g/t Au from 64m incl. 1m @ 174.72 g/t Au (ZDD539)
- 3m @ 52.95 g/t Au from 71m (ZDD483)
- 4m @ 26.05 g/t Au from 63m (ZDD536)
- 7m @ 6.53 g/t Au from 90m (ZDD513)
- 1m @ 45.36 g/t Au from 234m (ZDD519)
- 12m @ 3.31 g/t Au from 93m incl. 5m @ 7.39 g/t Au (ZDD470)
- 2m @ 18.55 g/t Au from 39m (ZDD440)
- 3m @ 9.39 g/t Au from 94m (ZDD533)

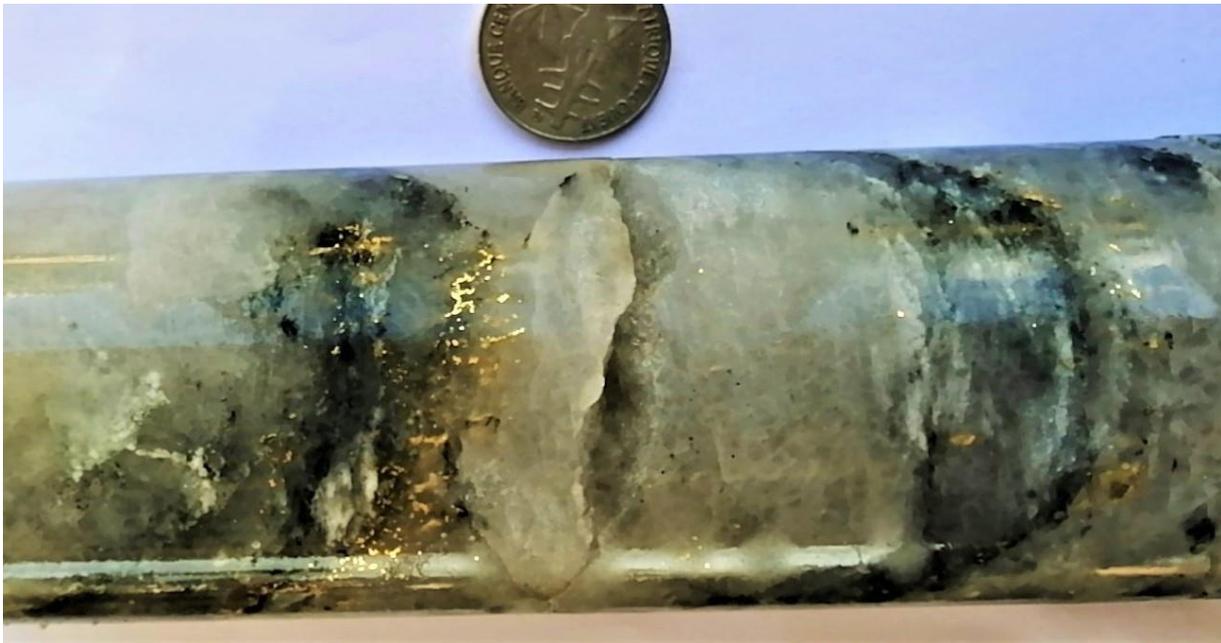


Figure 4: Diamond core (56.1mm diameter) showing visible gold intercepted at 99m in ZDD542

Abujar-Pischon-Golikro (APG) Deposit

Diamond drilling continued to extend and infill gold mineralisation along strike and down dip at the APG deposit, which is 7km south of the AG deposit. Tietto’s ongoing diamond drilling program at APG is designed to provide shallow low strip open-pitabile gold ounces that would complement a potential high-grade, open-pit operation at AG.

Tietto reported the following results (Figure 6) during the year, including:

- 8m @ 6.92 g/t Au from 27m incl. 2m @ 26.25 g/t Au (ZDD556)
- 2m @ 26.51 g/t Au from 91m (ZDD458)
- 17m @ 2.87 g/t Au from 21m incl. 9m @ 4.59 g/t Au (ZDD452)
- 5m @ 7.55 g/t Au from 15m (ZDD459)
- 10m @ 3.6 g/t Au from 26m incl. 8m @ 4.3 g/t Au (ZDD554)
- 15m @ 2.25 g/t Au from 123m incl. 1m @ 25.53 g/t Au (ZDD473)
- 1m @ 32.93 g/t Au from 57m (ZDD464)
- 11m @ 2.17 g/t Au from 37m incl. 4m @ 5.09 g/t Au (ZDD358)
- 6m @ 3.52 g/t Au from 101m incl. 1m @ 18.51 g/t Au (ZDD561A)
- 13m @ 1.61 g/t Au from 47m incl. 1m @ 16 g/t Au (ZDD453)
- 5m @ 3.86 g/t Au from 13m incl. 1m @ 18.63 g/t Au (ZDD575)
- 4m @ 4.46 g/t Au from 50m incl. 2m @ 8.41 g/t Au (ZDD560)

Gold mineralisation remains open along strike and at depth. Tietto plans to drill more holes along strike at APG to test the depth limits of this large open gold system.

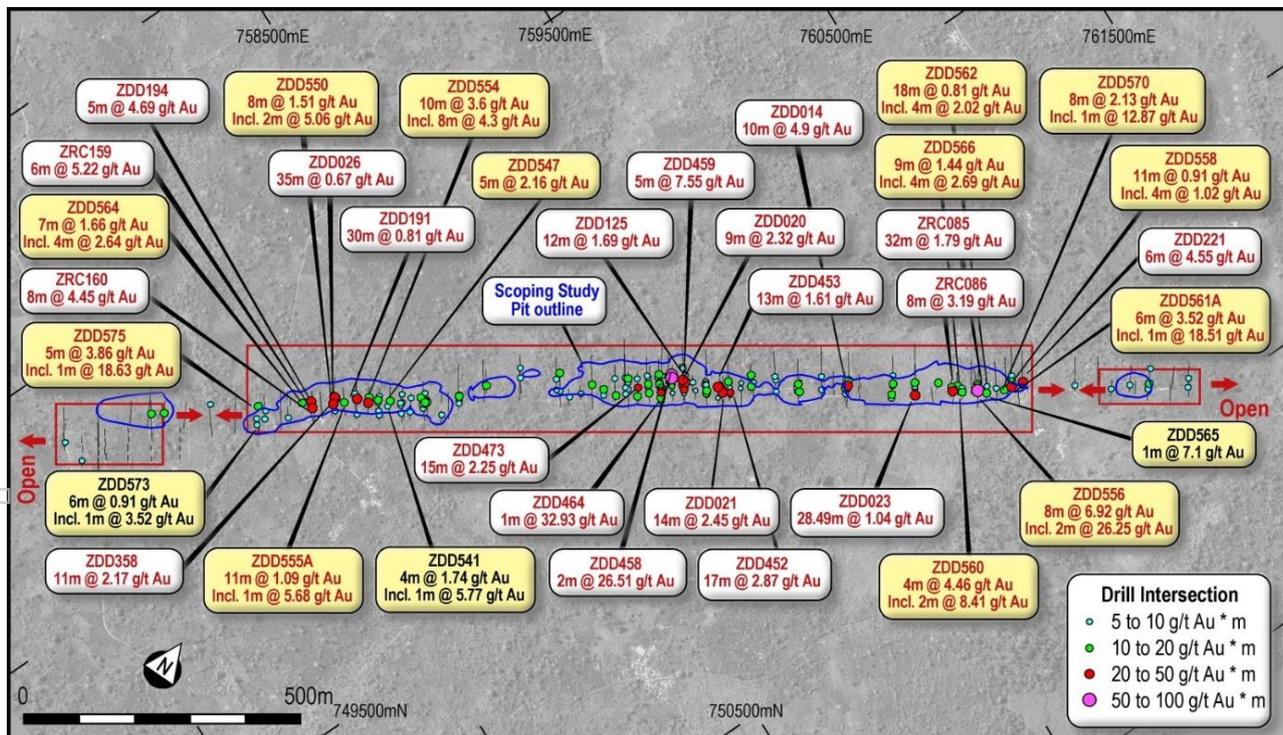


Figure 6: Plan view showing part of drill results delivered during the reporting year at the APG deposit

GGL prospect

Tietto’s ongoing diamond drilling program at GGL (the link between AG and Gamina, shown in Figure 7) is designed to provide shallow, open-pit-able gold ounces that would complement a potential high-grade open-pit operation at AG, which is located immediately to the south. Better results included:

- 1m @ 46.57 g/t Au from surface (ZDD385)
- 6m @ 2.76 g/t Au from 170m incl. 2m @ 7.67 g/t Au (ZDD379)
- 3m @ 2.74 g/t Au from 73m (ZDD367)

Gold mineralisation remains open along strike and at depth. Tietto plans to drill more holes at GGL to test the limits of this gold system beneath significant artisanal workings.

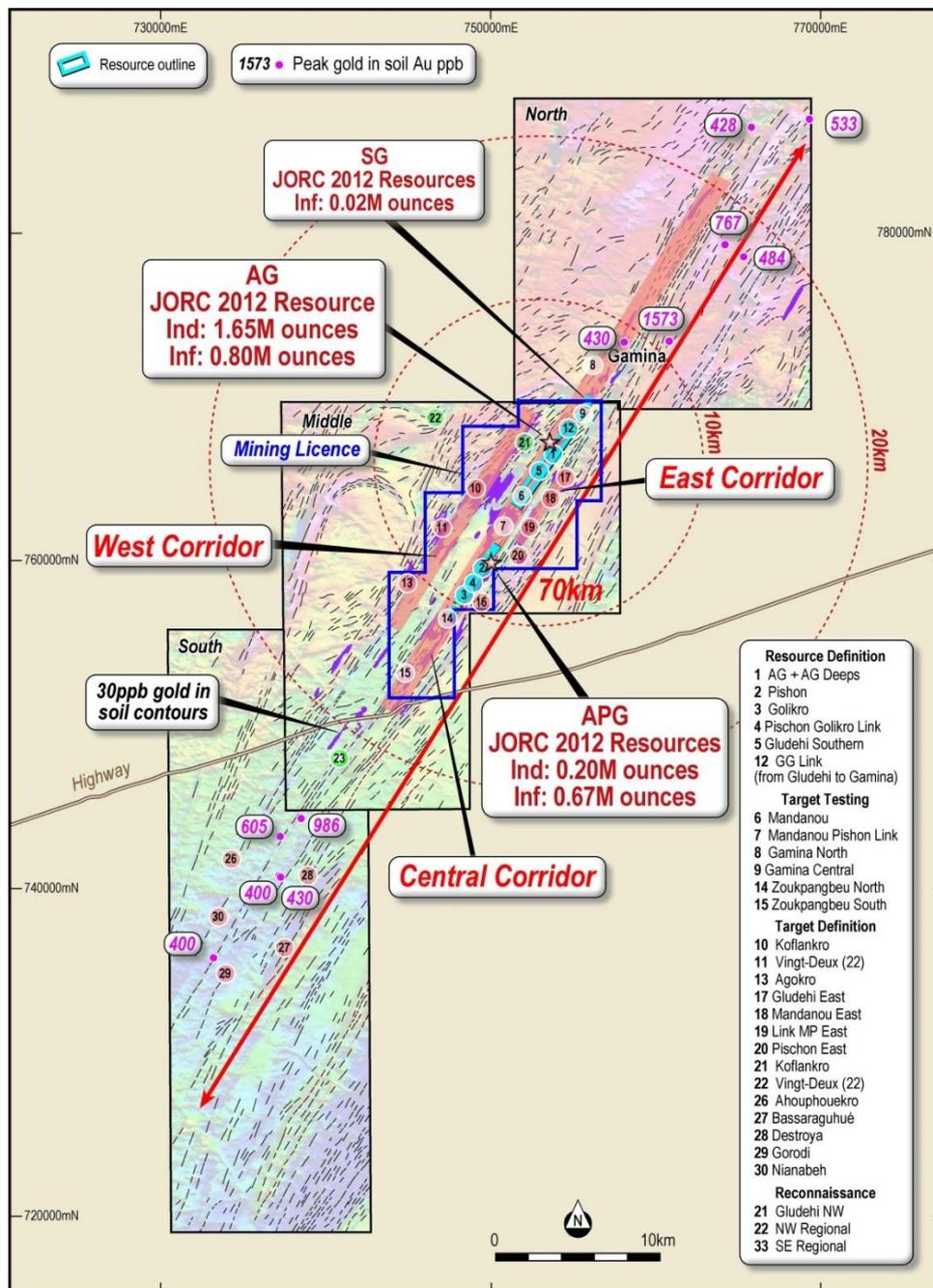


Figure 7 Pipeline of over 30 well defined exploration targets

Exploration pipeline

Tietto continued to deliver aggressive exploration drilling programs targeting resource growth through FY21, using its own fleet of diamond rigs which have delivered rapid resource growth at low cost. Substantial exploration upside remains at the Abujar Gold Project, made up of three contiguous tenements (totalling 1,114km²) which cover multiple parallel gold-mineralised zones over a 70km shear structure that remains relatively untested by drilling. Tietto's exploration team is planning work programs across multiple areas in the three Abujar tenements.

During the March quarter 2021, Tietto reported strong results from multiple targets across the Abujar licence including:

- Koflankro (1km west of AG Resource):
 - o 1m @ 32.58 g/t Au from 167.0m;
- AG West (~300m west of AG Resource) – Potential new gold lode:
 - o 7m @ 1.33 g/t Au from 20.0m including 1m @ 7.62 g/t Au from 20m.

Abujar Pre-Feasibility Study

In April 2021, Tietto reached a major milestone when it completed an Abujar Gold Project open pit 3.5Mtpa Pre-Feasibility Study (PFS). Highlights included:

- Forecast annual production of 200,000 ounces gold in first year of production; more than 168,000 ounces per annum over the first 6 years of project.
- Maiden Open Pit Probable Reserves of 15.7Mt ROM at 1.7 g/t Au for 860,000oz (more than 65% conversion of Indicated Resources).
- LOM mining inventory inclusive of Ore Reserves of 22.9Mt ROM at 1.5 g/t Au for 1.1Moz at Average All-in Sustaining Costs (AISC) of \$839/oz.
- 2.8-year pay back on \$230 million capex (including pre-production mining and contingency)
- Strong economics - pre-tax NPV (5%) of \$363M, IRR 53% and post-tax NPV (5%) of \$266M, IRR 42% based on an average gold price of US\$1506/oz.
- Free cashflow of more than \$509 million (pre-tax) expected over first 10 years, with substantial upside to project to be considered in the DFS, due Q3 CY2021.
- Leveraged to gold price - pre-tax NPV (5%) of \$502M, IRR 63% and post-tax NPV (5%) of \$370M, IRR 51% at spot gold price of US\$1700/oz.
- Robust PFS economics support substantial debt funding element to the funding mix for Abujar, and discussions continue with potential project financiers.

The PFS produced compelling metrics which clearly indicate that the development of Abujar will transform Tietto into a substantial West African gold producer and forecasts an annual production of 200,000 ounces gold in first year of production and more than 168,000 ounces per annum over the first six years of the project.

The Abujar Gold Project's maiden open pit probable reserves total 15.7 million tonnes at 1.7 grams per tonne gold for 860,000oz gold. This is a conversion rate of more than 65% of the indicated resources. In addition, the life-of-mine inventory, inclusive of ore reserves, total 22.9Mt run-of-mine at 1.5 g/t Au for 1.1Moz at average all-in sustaining costs of \$839/oz.

The PFS confirmed Abujar's potential for a large-scale 3.5Mtpa open-pit mining operation that is estimated to pay back its \$230 million capital costs in 2.8 years from commencement of mine construction.

Tietto commenced a Definitive Feasibility Study (DFS) to build on the results of the PFS and the July 2021 resources update. The DFS is expected to optimise throughput, potentially reduce waste stripping costs, hence improve project financial outcomes, with:

- **49%** increase in Abujar's Indicated Resources to **43.4Mt @ 1.3 g/t Au for 1.85Moz** of contained gold, representing more than **55%** of the Abujar project ounces
- Overall resources growth at Abujar Gold Project to **87.5Mt @ 1.2 g/t Au for 3.35Moz:**
 - ✓ AG mineral resources total **50.3Mt @ 1.5 g/t Au for 2.45Moz** (+7% oz Au)
 - ✓ APG mineral resources total **36.7Mt @ 0.7 g/t Au for 0.87Moz** (+24% oz Au)
- Improvement of SAG Mill capacity from 3.5Mtpa to 4.0Mtpa

The DFS is on track for delivery in by the end of September 2021.

Metallurgical Testwork

In July 2020, Tietto announced highly encouraging results from grind size optimisation testwork completed on diamond drill core from AG. It demonstrated highly favourable characteristics for low-cost processing including:

- Grind size testwork demonstrated excellent gold recoveries at coarse grind sizes ranging from 96% (180 µm) to 98% (106 µm) for fresh ore.
- A high-level evaluation to determine optimum economic grind size confirmed optimum grind sizes of between 106 and 150 µm, demonstrating potential use of a simple single-stage crusher with SAG mill circuit (SSAG).

During the reporting period, Tietto completed all of the detailed metallurgical testwork necessary for the Abujar Pre-Feasibility Study (PFS) and Definitive Feasibility Study DFS).

Table 3: Summary of some of the key parameters revealed from metallurgical testwork in comparison with other projects

| Process | Material | AG Deposit ⁽¹⁾ | Other Projects ⁽²⁾ | |
|--|----------|---------------------------|-------------------------------|-----------|
| Gold Recovery⁽³⁾ | Oxide | 64.4% | 5% - 30% | |
| | Gravity | Trans | 82.6% | 15% - 40% |
| | | Fresh | 83.6% | 38% |
| | CIL | Oxide | 98.5% | 90% - 95% |
| | | Trans | 99.5% | 83% - 95% |
| | | Fresh | 99.1% | 90% - 95% |
| Bond Abrasion Index (Ai) | Oxide | 0.02 | 0.003 - 0.08 | |
| | Trans | 0.06 | 0.17 - 0.28 | |
| | Fresh | 0.28 | 0.24 - 0.46 | |
| Bond Rod Mill Work Index (Rwi) | Oxide | * | 3.7 – 8.63 | |
| | Trans | 8.5 | 16.6 – 19.1 | |
| | Fresh | 13.17 | 19.4 – 22.1 | |
| Bond Ball Mill Work Index (Bwi) | Oxide | * | 5.4 – 6.1 | |
| | Trans | 8.95 | 14.7 – 16.23 | |
| | Fresh | 12.02 | 17.78 – 18.9 | |

ABUJAR DEVELOPMENT

Tietto's Board approved US\$2.5 million expenditure to complete early site works at Abujar, including site access road construction, existing camp improvement and new mining camp material preparation, power line corridor survey, purchase of long-lead items required for mine development.

- In April 2021, Tietto secured an unused SAG mill with mill capacity of 4Mtpa for fresh ore and shipped the mill to NCP International (NCPI) for refurbishment. It is expected that this mill will be shipped to the Abujar Gold Project in Côte d'Ivoire during the March quarter in 2022.

- In June 2021, Tietto announced the appointment of four key managers to form its in house mine building team who had built four large modern gold mines in West Africa in the last decade. All of these new appointed managers commenced their roles in Côte d’Ivoire preparing early-stage mine development.
 - 1) Guillaume Hubert – Earthworks Manager
 - 2) Daniel Kotzee – Construction Manager
 - 3) Hesbon Okwayo – Commercial Manager
 - 4) Beatrice Godde - HSE Superintendent
- Tietto is rapidly advancing Abujar development with early work programs including front end engineering and design (FEED), and site and camp tendering activities underway.
- The site layout of process plant and infrastructure has been finalised.

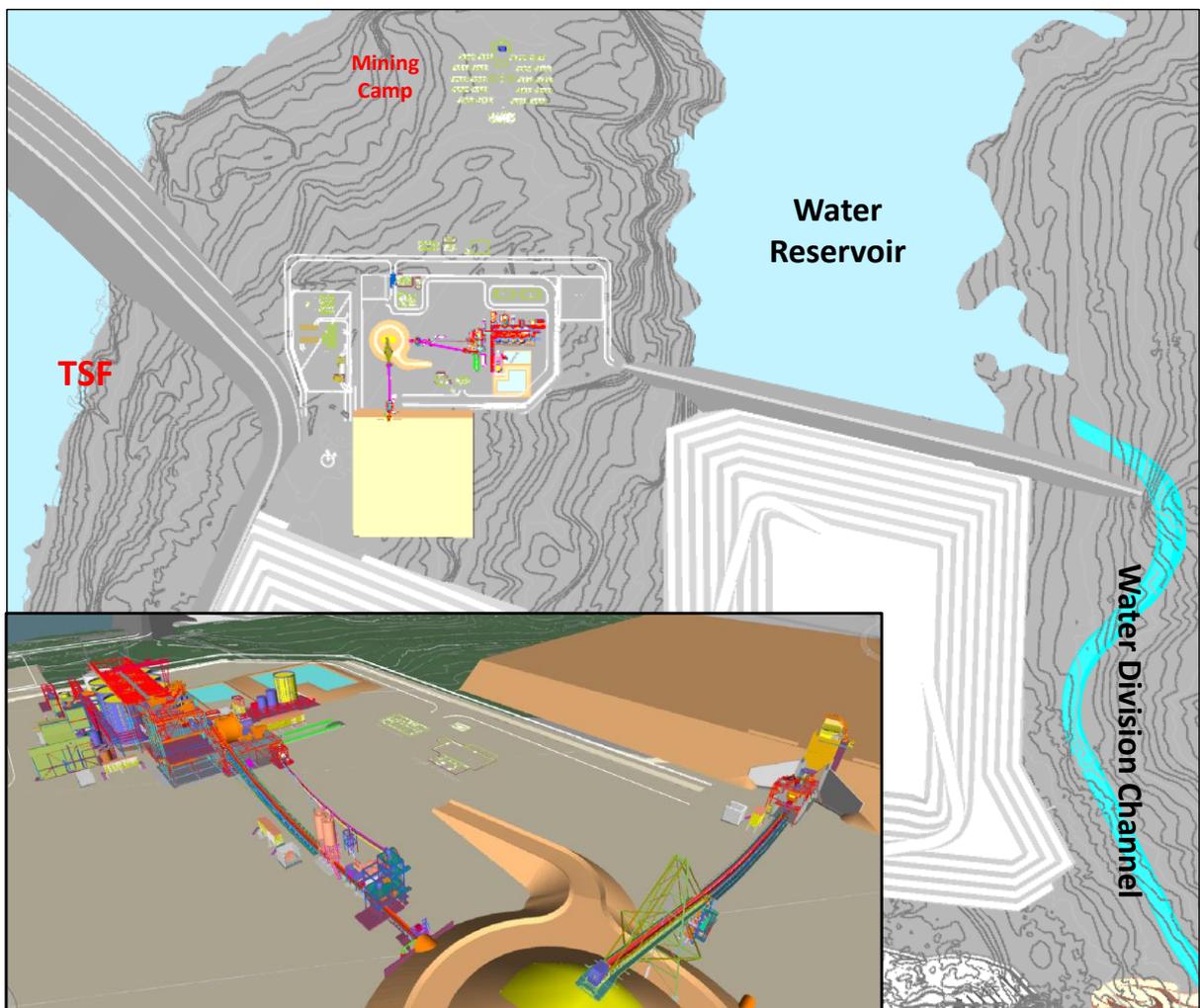


Figure 8: 3D Model of Processing Plant and part of mine site infrastructure layout

- Primero Group progressing Engineering Design and Procurement of Abujar Gold Mine processing plant.
- Mining contractors visited Abujar site as part of mining tender process.
- 20km access road upgrade nearing completion with 75% of work completed.

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Figure 10: Abujar site access road in construction

- Land acquisition for Abujar Gold Mine in final stage of public notice
- Powerline and switch yards preliminary design process completed

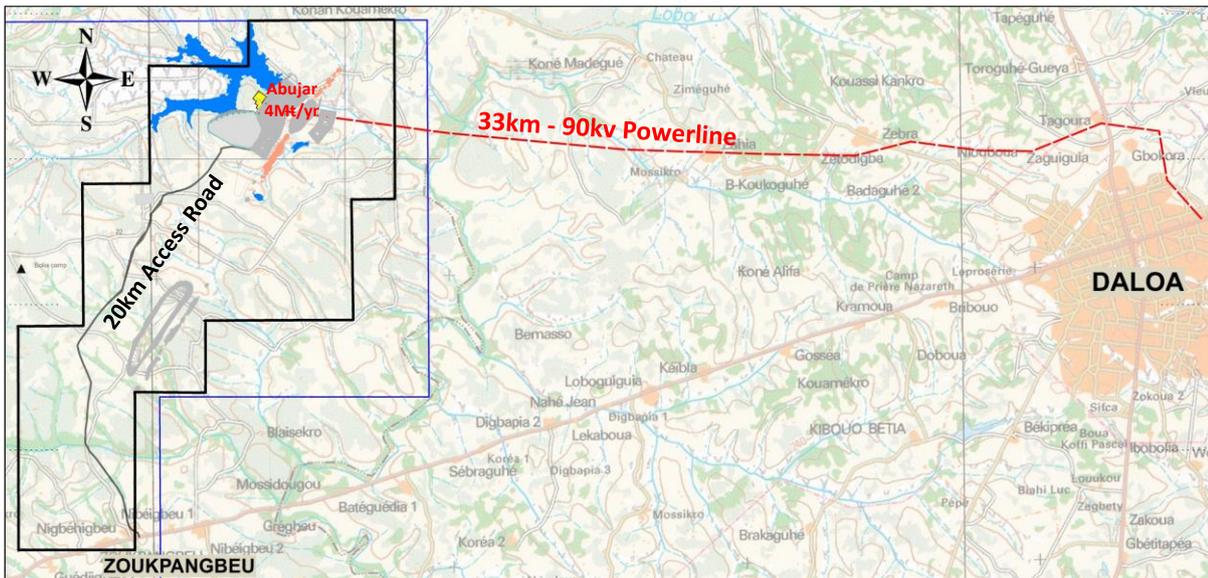


Figure 11: Mine infrastructure – National highway, powerline (to be built) and access road (in construction)

Tietto continues towards delivery of milestones during 2021 including a Definitive Study (DFS) for Abujar, which is on track for release in Q3 CY2021. The Company is negotiating the Abujar Mining Convention with the Ivorian Government, being the final regulatory step for the Company to be achieved, with all other mining and environmental approvals already secured. Tietto is targeting first gold at Abujar in Q4 CY2022 with the following timeline.

| | 2021 | | | | 2022 | | | | 2023 | | | |
|---|------|----|----|----|------|----|----|----|------|----|----|----|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Mining and environmental permits approved | √ | | | | | | | | | | | |
| PFS completed | | √ | | | | | | | | | | |
| Further resource / reserve and definition drilling | | | √ | | | | | | | | | |
| DFS Update reserves and optimisation | | | | | | | | | | | | |
| Publish DFS results | | | | | | | | | | | | |
| Award of FEED and Order Mill Package (Mill secured) | | √ | | | | | | | | | | |
| Detailed design and commencement of early works | | | | | | | | | | | | |
| Formal Investment Decision (FID) | | | | | | | | | | | | |
| Project financing | | | | | | | | | | | | |
| Debt drawdown | | | | | | | | | | | | |
| Tender Mining and contractor Mobilisation | | | | | | | | | | | | |
| Commencement of construction major works | | | | | | | | | | | | |
| Pre stripping and ore stockpiling | | | | | | | | | | | | |
| First gold and commercial production | | | | | | | | | | | | |

Mining Licence granted

During Q2 in CY2020 Tietto lodged a mining licence application for its Abujar Project which the Côte d’Ivoire’s Le Ministère des Mines, du Pétrole et de l’Energieh (Ministry of Mines, Petroleum and Energy) granted in December 2020. The licence paves the way for development of Abujar as West Africa’s next gold mine.

Following the Mining Licence application, Tietto’s Country Management team, environmental consultants and geological team met with local community leaders, landowners and farmers. These formal meetings were arranged by the Government to allow Tietto to provide interested parties with information on the proposed open pit mine development at Abujar.

A one-day conference for the Environmental and Social Impact Assessment (ESIA) study presentation and approval conference was held on 5th October 2020 () with approval announced by the Minister of Environment Ministry late in the day following a panel review meeting.

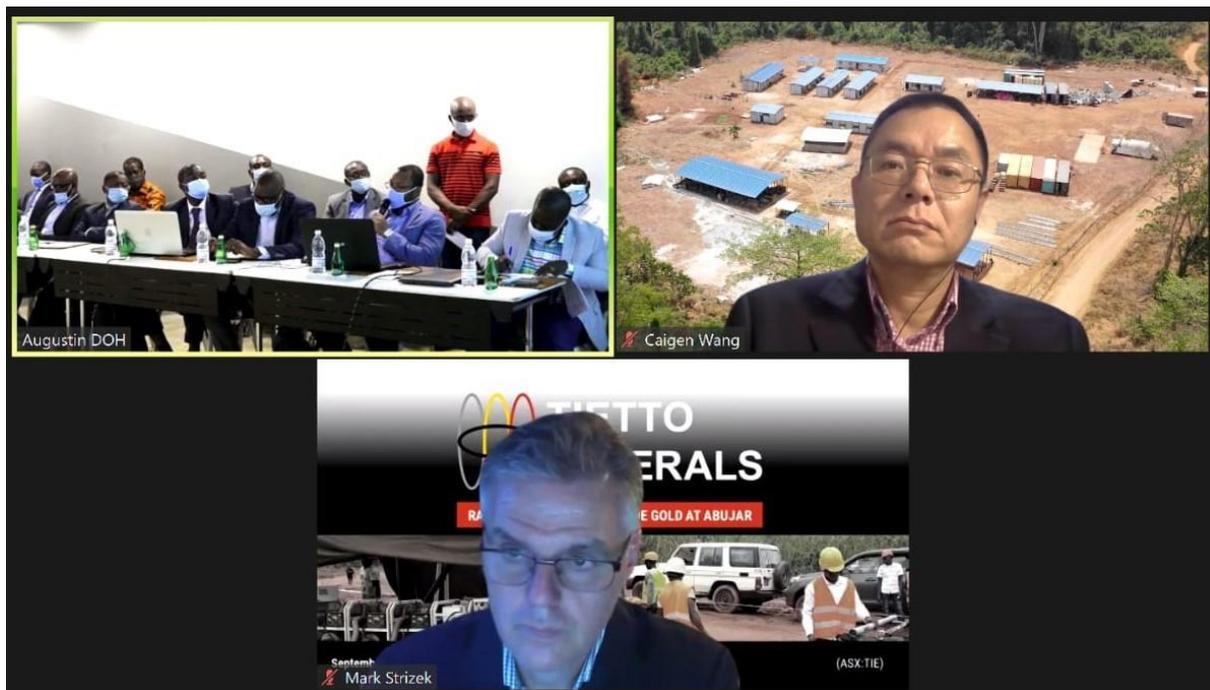


Figure 12 Tietto Executives attend remotely the environment study review and approval meeting help in Abidjan

Tietto is now working with the Ivorian Government to agree on terms and conditions for the Abujar Gold Project Mining Convention which is expected to be finalised in H2 CY21. The Mining Convention sets guidelines and criteria for mining operations and business practice during the mining licence tenure.

Engineering Design of Abujar Processing Plant

Primero Group, a wholly-owned subsidiary of ASX-listed NRW Holdings Limited, is progressing rapidly with the Engineering Design and Procurement of the Abujar Gold Mine.

Tietto selected Perth-based Primero Group as the successful engineering tenderer to provide all process and engineering design, procurement oversight, field engineering, and commissioning services required for the delivery of a fully designed, safety compliant, functional, fully operating, reliable and efficient process treatment plant for the life of the Abujar Gold Mine.

SAG Mill Acquired and Refurbished

Tietto secured a single-stage SAG mill for its Abujar Project which was originally manufactured in 2008 but never put into operation and has been in storage in Australia for the last 12 years.

Grinding company NCP International Ltd has transported the mill components to Johannesburg for a full inspection and refurbish. NCP International is on track to refurbish this unused 11.5MW single stage SAG mill for shipping to site in Q1 2022.

Mining Service Tenders

In June 2021, Tietto's site team hosted representatives from over a dozen mining contractors bidding for the Abujar open cut mining services contract.

Major access road construction

Construction of a 20km site access road linking the national highway (bitumen) which runs through the Abujar mining exploitation tenement to the proposed Abujar processing plant site is progressing well.

90kV Powerline design well advanced

A 90kv grid power extension study through the Abujar PFS and powerline corridor angle point survey have been managed by Perth based electrical engineering company ECG since late 2020. This work was completed by ECG during the June quarter. Figure 11 above shows the layout of the powerline corridor. ECG is now undertaking the 90kv grid power extension design and tender of long lead items.

Abujar Licence

In December 2020, Côte d'Ivoire's Le Ministère des Mines, du Pétrole et de l'Énergieh (Ministry of Mines, Petroleum and Energy) approved a Mining Licence for Tietto's Abujar Gold Project located at the Abujar Middle tenement. This tenement is held 100% by Tiebaya Gold Sarl (Tiebaya Gold) in which Tietto holds a 90% interest and joint venture partners Mr Henri Bamba and Mr Yao N'Kanza (B&F) holding a 5% interest each.

Pursuant to the Ivorian Mining Code, Tiebaya Gold is required to incorporate a new Ivorian company to hold the Abujar Gold Project Mining Licence in which the Ivorian Government will hold a 10% free carried interest. This would reduce Tietto's interest from 90% to 85% with B&F reducing (collectively) to 5%.

However, Tietto has reached agreement to acquire an additional 3.0% interest in the Mining Licence granted to Tiebaya Gold from B&F to increase the Company's interest from 85% to 88% in consideration for:

1. The issue of 3,750,000 ordinary shares to each of Mr Bamba and Mr N'Kanza at a deemed issue price of \$0.62 per share (B&F Shares);
2. The issue of 2,500,000 options exercisable at \$0.62 expiring three years from the date of issue to each of Mr Bamba and Mr N'Kanza (B&F Options); and
3. Cash payment of US\$200,000 to each of Mr Bamba and Mr N'Kanza.

Payment of the above consideration will occur within five business days from the date that all legal formalities to establish the effective transfer of shares in the entity holding the Mining Licence has occurred. The issue of the B&F Shares and B&F Options will be made pursuant to the Company's available capacity under ASX Listing Rule 7.1.

The Abujar Gold Project comprises three exploration licences comprising the Abujar South, Middle and North tenements. Tietto has a 100% interest in the Abujar South tenement, a 90% interest in the Abujar Middle tenement and currently a 15% interest in the Abujar North tenement through its equity interest in Gail Exploration Sarl and is working to earn an 80% interest in a future mining licence within the Abujar North tenement.

Liberia Project

Tietto resumed field exploration activities in its two fully owned gold exploration projects in Liberia in the first half of FY21 after the COVID-19 pandemic eased and domestic lockdown lifted in Liberia.

The focus of field work was on finalising diamond drilling target definition and building access roads, equipment (including diamond drill rig) and logistic mobilisation for maiden diamond drilling to commenced in Q1 2021.

COVID-19

Tietto's exploration and development activities continued at site and the company maintains COVID-19 infection protocols to protect the Company's employees workplace during FY21.

Regular shipments of supplies and fuel are being received at site. Tietto prepared for any interruption in freight movement by maintaining stockpiles of supplies, fuel and drilling consumables on site.

COMMUNITY

The Company continues working closely with local communities in fighting the COVID-19 pandemic and made a 5,000,000XOF (~A\$12,300) donation to an Ivorian food bank in July 2020. The Company also donated general supplies such as rice, cooking oils, sanitisers etc. to the villages within the Abujar Project.



Figure 13: Tietto’s five million XOF donation to Ivorian food bank



Figure 14: Donations of food stuffs to local communities

Promotion on local community’s awareness of the significance of the Abuja Gold Mine in community and regional economy was carried out extensively over the entire FY2021.

On 23 July 2020, regional government meeting was held for the future Abujar Gold Mine.

For personal use only



On 26 July 2020, presentation about the future Abujar Gold mine was delivered to a number of local communities.



On 29 July 2020, officials from the Ministry of Mine and Energy visited the Abujar project site.



On 31 August 2020, community opinion poll was carried out for the development of the future Abujar Gold Mine.



Tietto recognises the significance of local culture and customs and has always paid great respect to communities surrounding its projects. It held a libation ceremony with Zoukpangbeu community leaders on 25 April 2021 prior to the first ground disturbance for the commencement of the Abujar major access road, as shown in Figure 15.



Figure 15 Traditional libation at the Zoukpangbeu community prior to ground disturbance

CORPORATE

Share Placement and Share Purchase Plan completed

In August, Tietto announced it would raise up to \$62.5 million to continue resource growth and exploration at the Company's Abujar Gold Project. It received binding commitments for an underwritten placement of \$45.0 million and a further non-underwritten placement of \$12.5 million through the issue of approximately 92.7 million fully paid ordinary shares at \$0.62 per share to raise a total of \$57.5 million.

It also announced a share purchase plan (SPP) to raise up to \$5 million on the same terms as the placements.

Settlement of the Placement occurred in two tranches:

- In Tranche 1, the Company issued 35,200,000 Placement Shares (\$21.8 million) pursuant to Listing Rule 7.1. No shareholder approval was required for the issue of these shares.
- In Tranche 2, the Company issued 55,773,411 million Placement Shares (approx. \$34.6 million) following receipt of shareholder approval at a general meeting on 10 September 2020.

This brought the total gross proceeds raised pursuant to the Placement and SPP to \$56.6 million.

In addition to the Placement, Mr Hanjing Xu, a Non-Executive Director of Tietto agreed to subscribe to \$730,000 worth of shares and Tietto's Chairman, Mr Francis Harper agreed to subscribe to \$270,000 worth of shares at the same price in the Placement. This also received shareholder approval at the 10 September meeting.

The SPP closed on 26 August 2020, raising \$199,000 via the issue of 320,964 shares at \$0.62 per share. Hartleys Limited and Canaccord Genuity (Australia) Limited acted as Joint Lead Managers to the Placement and Underwriters to the underwritten \$45.0 million component of the Placement. The Placement was strongly subscribed by both domestic and international existing and new institutional investors.

Tietto is using funds for further exploration and resource drilling as well as fully funding its Pre-Feasibility Study and Definitive Feasibility Study for Abujar. Funds will also provide capital for long lead items associated with the proposed development of Abujar and for working capital.

Appointment of Chief Operating Officer

In January 2021, Tietto announced the appointment of Matthew Wilcox as its Chief Operating Officer. Mr Wilcox directly managed the construction of West African's (ASX:WAF) 300,000ozpa Sanbrado Gold Mine, which was completed in March 2020, ahead of schedule and under budget.

Mr Wilcox is highly experienced in the gold mining construction industry in West Africa, having spent the eight years working for Nord Gold, which operates nine gold mines globally, including three mines in Burkina Faso and one mine in Guinea. Prior to his role at West African, he was Project Director for the construction of Nord Gold's 4Mtpa Bissa Gold Project and 8Mtpa Bouly Gold Project, both located in Burkina Faso. He was General Manager of the 6Mtpa LEFA Gold Project in Guinea, and prior to joining West African was Project Director for the construction of the 12Mtpa Gross Gold Project in Siberia, Russia.

Appointment of Key Area Managers for Abujar Gold Project

In June 2021, Tietto appointed four key area managers to work on the early-stage mine development of the 3.02Moz Abujar Gold Project:

Guillaume Hubert – Earthworks Manager

Guillaume has more than 30 years' experience in major earthworks projects with the past 10 years working on West African projects. Guillaume has completed projects for Nordgold, Endeavour Mining, and most recently with West African Resources on the Sanbrado project.

Daniel Kotzee – Construction Manager

Daniel has more than 15 years' experience on West African projects. He was most recently construction manager on the Sanbrado project for West African Resources and has previously held senior roles at Nordgold and Resolute Mining.

Hesbon Okwayo – Commercial Manager

Hesbon has more than 15 years' experience in mining construction and operations. He started his career in East Africa on construction projects in Kenya and Tanzania before moving to West Africa with Lycopodium working on the Bissa Gold Project for Nordgold and the Agbou project for Endeavour. He then moved to Nordgold for the Bouly Project and most recently was Commercial Manager at West African Resources' Sanbrado project

Beatrice Godde – HSE Superintendent

Beatrice is a qualified emergency nurse with 20 years' experience in West Africa. Beatrice has held senior HSE roles for Nordgold on the Bissa and Bouly projects and West African Resources on the Sanbrado Project.

Incorporation of SMG (Société Minière du Gnaboua)

Tietto Minerals Limited through its fully owned Australian subsidiary Tietto Minerals Austar Pty Ltd and 90%-owned Ivorian subsidiary Tiebaya Gold Sarl incorporated a Côte d'Ivoire subsidiary Société Minière du Gnaboua ("SMG") with Côte d'Ivoire government and Ivorian individual partners to hold the Abujar mining licence. The share capital in SMG is:

- Tietto Minerals Austar: 88%
- Côte D'Ivoire government: 10%
- Ivorian partners: 2%

SMG's ownership of the Abujar mining licence is 100% upon completion of the Abujar mining licence transfer from temporary holding company Tiebaya Gold Sarl to SMG.

Financial Position

As of 30 June 2021, Tietto had a cash balance of A\$44M (includes \$35m in term deposits)

Mineral Resources Statement

Introduction

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

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

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

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

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

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

Annual Review

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

JORC Statement of Mineral Resources – 12 July 2021

Results of the independent Mineral Resources estimate for the Project are tabulated in the Statement of Mineral Resources below, which are reported in line with the requirements of the 2012 JORC Code; as such the Statement of Mineral Resources is suitable for public reporting. The Statement of Mineral Resources shown in Table 4.

Within AG, the Mineral Resource is reported at a cut of grade of 0.25 g/t Au within a pit shell that used a gold price of 2,000 USD per troy ounce, and 1.0 g/t Au below the pit shell. The cut off grades were based on estimated mining and processing costs and recovery factors and are detailed in JORC Table 1. It is highlighted that while a 2,000 USD per ounce pit shell was utilised the cut-off grades were estimated based on the gold price of 1,800 USD per troy ounce which is 1.25 times the consensus forecast as of June, 2021.

Within APG, the Mineral Resource is reported at a cut of grade of 0.30 g/t Au within a pit shell that used a gold price of 2,000 USD per troy ounce, and 1.0 g/t Au below the pit shell. The cut off grades were based on estimated mining and processing costs and recovery factors and are detailed in JORC Table 1. It is highlighted that while a 2,000 USD per ounces pit shell was utilised the cut-off grades were estimated based on the gold price of 1,800 USD per troy ounce which is 1.25 times the consensus forecast as of June, 2021.

There is no change to the South Gamina Resource (October 21, 2020) which is reported to a depth of 120m and not reported at depths below 120m.

Table 4: Statement of Mineral Resources by Deposit as at 12 July, 2021. Reported at 0.25 g/t Au cut off within pit shells; and 1.0 g/t Au cut off below the pit shells for AG, and reported at 0.3 g/t Au cut off within pit shells; and 1.0 g/t Au cut off below the pit shells for APG, and 0.3 g/t Au to a depth of 120m for SG.

| Area | Class | Oxide | | | Transition | | | Fresh | | | Total | | |
|--------------------|--------------|---------------|------------|-------------|---------------|------------|-------------|---------------|------------|-------------|---------------|------------|-------------|
| | | Quantity (Mt) | Au (g/t) | Au (Moz) | Quantity (Mt) | Au (g/t) | Au (Moz) | Quantity (Mt) | Au (g/t) | Au (Moz) | Quantity (Mt) | Au (g/t) | Au (Moz) |
| AG | Indicated | 0.5 | 1.2 | 0.02 | 2.1 | 1.3 | 0.09 | 32.4 | 1.5 | 1.54 | 35.0 | 1.5 | 1.65 |
| | Inferred | 0.4 | 1.0 | 0.01 | 1.7 | 0.9 | 0.05 | 13.3 | 1.7 | 0.74 | 15.3 | 1.6 | 0.80 |
| | Total | 0.9 | 1.1 | 0.03 | 3.8 | 1.1 | 0.14 | 45.6 | 1.5 | 2.28 | 50.3 | 1.5 | 2.45 |
| APG | Indicated | 0.5 | 0.7 | 0.01 | 1.9 | 0.7 | 0.05 | 6.0 | 0.7 | 0.14 | 8.4 | 0.7 | 0.20 |
| | Inferred | 1.2 | 0.7 | 0.03 | 5.2 | 0.7 | 0.11 | 22.0 | 0.7 | 0.52 | 28.4 | 0.7 | 0.67 |
| | Total | 1.7 | 0.8 | 0.04 | 7.1 | 0.7 | 0.16 | 28.0 | 0.7 | 0.67 | 36.7 | 0.7 | 0.87 |
| SG | Inferred | 0.0 | 0.7 | 0.001 | 0.10 | 0.8 | 0.001 | 0.4 | 1.6 | 0.02 | 0.5 | 1.4 | 0.02 |
| Grand Total | | 2.6 | 0.9 | 0.07 | 11.0 | 0.9 | 0.30 | 74.0 | 1.2 | 2.97 | 87.5 | 1.2 | 3.35 |

Note:

1. The Mineral Resources has been compiled under the supervision of Mr. Jeremy Clark who is a sub-consultant to RPM and a Registered Member of the Australian Institute of Mining and Metallurgy. Mr. Clark has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code.
2. All Mineral Resources figures reported in the table above represent estimates at 30 June, 2021. Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.
3. Mineral Resources are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The Joint Ore Reserves Committee Code – JORC 2012 Edition).
4. The Mineral Resources have been reported at a 100% equity stake and not factored for ownership proportions.

The total resource at AG and APG is reported at varying cut-off grades are provided in Table 5 below. However, RPM recommends that the Mineral Resource be reported using the criteria shown in Table 4. It is highlighted that Table 4 is not a Statement of Mineral Resources and does not include the use of pit shells to report the quantities rather the application of various cut off grades. As such variations with Table 9 will occur and a direct comparison is not able to be completed.

Table 5: AG and APG Mineral Resources at varying cut off grades

| COG | AG Indicated | | | AG Inferred | | | APG Indicated | | | APG Inferred | | | Total | | |
|-----|---------------|----------|----------|---------------|----------|----------|---------------|----------|----------|---------------|----------|----------|---------------|----------|----------|
| | Quantity (Mt) | Au (g/t) | Au (Moz) | Quantity (Mt) | Au (g/t) | Au (Moz) | Quantity (Mt) | Au (g/t) | Au (Moz) | Quantity (Mt) | Au (g/t) | Au (Moz) | Quantity (Mt) | Au (g/t) | Au (Moz) |
| 0.1 | 46.1 | 1.2 | 1.8 | 44.5 | 0.8 | 1.2 | 11.9 | 0.6 | 0.2 | 66.3 | 0.5 | 1.1 | 168.7 | 0.8 | 4.4 |
| 0.2 | 44.1 | 1.2 | 1.8 | 41.4 | 0.9 | 1.2 | 11.7 | 0.6 | 0.2 | 62.1 | 0.6 | 1.1 | 159.3 | 0.8 | 4.3 |
| 0.3 | 39.2 | 1.4 | 1.7 | 35.3 | 1.0 | 1.1 | 10.4 | 0.7 | 0.2 | 52.3 | 0.6 | 1.0 | 137.2 | 0.9 | 4.1 |
| 0.4 | 32.8 | 1.6 | 1.7 | 27.7 | 1.2 | 1.1 | 7.8 | 0.8 | 0.2 | 38.9 | 0.7 | 0.9 | 107.2 | 1.1 | 3.8 |
| 0.5 | 27.4 | 1.8 | 1.6 | 22.0 | 1.4 | 1.0 | 5.7 | 0.9 | 0.2 | 26.0 | 0.8 | 0.7 | 81.2 | 1.3 | 3.4 |
| 0.6 | 23.1 | 2.0 | 1.5 | 17.2 | 1.6 | 0.9 | 4.2 | 1.0 | 0.1 | 16.6 | 1.0 | 0.5 | 61.0 | 1.6 | 3.1 |
| 0.7 | 19.4 | 2.3 | 1.4 | 13.7 | 1.8 | 0.8 | 3.1 | 1.2 | 0.1 | 11.8 | 1.2 | 0.4 | 48.1 | 1.8 | 2.8 |
| 0.8 | 16.7 | 2.5 | 1.4 | 11.6 | 2.0 | 0.8 | 2.4 | 1.3 | 0.1 | 8.5 | 1.3 | 0.4 | 39.1 | 2.1 | 2.6 |
| 0.9 | 14.7 | 2.8 | 1.3 | 9.9 | 2.3 | 0.7 | 1.9 | 1.4 | 0.1 | 6.9 | 1.4 | 0.3 | 33.4 | 2.3 | 2.4 |
| 1 | 13.1 | 3.0 | 1.3 | 8.6 | 2.4 | 0.7 | 1.5 | 1.5 | 0.1 | 5.5 | 1.6 | 0.3 | 28.7 | 2.5 | 2.3 |
| 1.1 | 11.9 | 3.2 | 1.2 | 7.6 | 2.6 | 0.6 | 1.2 | 1.7 | 0.1 | 3.8 | 1.8 | 0.2 | 24.5 | 2.7 | 2.1 |
| 1.2 | 10.8 | 3.4 | 1.2 | 6.8 | 2.8 | 0.6 | 0.9 | 1.8 | 0.1 | 3.0 | 1.9 | 0.2 | 21.5 | 2.9 | 2.0 |
| 1.3 | 9.9 | 3.6 | 1.1 | 6.2 | 3.0 | 0.6 | 0.8 | 1.9 | 0.0 | 2.6 | 2.0 | 0.2 | 19.5 | 3.1 | 2.0 |
| 1.4 | 9.2 | 3.8 | 1.1 | 5.6 | 3.1 | 0.6 | 0.7 | 2.0 | 0.0 | 2.4 | 2.1 | 0.2 | 17.8 | 3.3 | 1.9 |
| 1.5 | 8.5 | 4.0 | 1.1 | 5.2 | 3.3 | 0.5 | 0.6 | 2.1 | 0.0 | 1.9 | 2.3 | 0.1 | 16.2 | 3.5 | 1.8 |
| 1.6 | 7.9 | 4.1 | 1.0 | 4.8 | 3.4 | 0.5 | 0.5 | 2.2 | 0.0 | 1.5 | 2.5 | 0.1 | 14.7 | 3.7 | 1.7 |
| 1.8 | 7.0 | 4.4 | 1.0 | 4.1 | 3.7 | 0.5 | 0.4 | 2.4 | 0.0 | 1.2 | 2.7 | 0.1 | 12.7 | 4.0 | 1.6 |
| 1.9 | 6.6 | 4.6 | 1.0 | 3.8 | 3.9 | 0.5 | 0.3 | 2.4 | 0.0 | 1.1 | 2.8 | 0.1 | 11.8 | 4.1 | 1.6 |
| 2 | 6.2 | 4.8 | 1.0 | 3.5 | 4.0 | 0.5 | 0.3 | 2.5 | 0.0 | 1.0 | 2.9 | 0.1 | 11.0 | 4.3 | 1.5 |
| 2.5 | 4.8 | 5.5 | 0.8 | 2.5 | 4.7 | 0.4 | 0.1 | 3.2 | 0.0 | 0.6 | 3.2 | 0.1 | 7.9 | 5.1 | 1.3 |
| 3 | 3.8 | 6.3 | 0.8 | 2.0 | 5.3 | 0.3 | 0.1 | 3.5 | 0.0 | 0.3 | 3.9 | 0.0 | 6.1 | 5.8 | 1.1 |

Competent Persons' Statements

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

The information in this report that relates to Mineral Resources is based on information evaluated by Mr Jeremy Clark who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM) and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Clark is an associate of RPM and he consents to the inclusion of the estimates in the report of the Mineral Resource in the form and context in which they appear.

Abujar Gold Project Ore Reserves have been declared as a Probable Ore Reserve of 15.7Mt ROM at 1.71 g/t Au for 860,000 ounces as set out in **Table 6** (refer ASX release 6 April 2021).

Please note that the Ore Reserves used the October 2020 Resource model.

Table 6: Ore Reserve Estimate as at 31 December 2020

| Deposit | Proved | | | Probable | | | Total | | |
|--------------|----------|------------|----------|-------------|------------|-------------|-------------|------------|-------------|
| | Quantity | Au | Au | Quantity | Au | Au | Quantity | Au | Au |
| | Mt | g/t | Moz | Mt | g/t | Moz | Mt | g/t | Moz |
| AG Deposit | 0 | 0.0 | 0 | 15.7 | 1.7 | 0.86 | 15.7 | 1.7 | 0.86 |
| Total | 0 | 0.0 | 0 | 15.7 | 1.7 | 0.86 | 15.7 | 1.7 | 0.86 |

Notes:

- The Ore Reserve has been compiled under the supervision of Mr. Igor Bojanic who is a full-time employee of RPM and a Fellow of the Australian Institute of Mining and Metallurgy. Mr. Bojanic has sufficient experience that is relevant to the style of mineralisation and type of deposit and mining method under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code.*
- The following marginal cut-off grades determined based on a USD 1,459 per troy ounce gold price, and costs and mining and metallurgical modifying factors estimated as part of a PFS.
Marginal cut-off grades: Oxide 0.35 g/t Au, Transition 0.35 g/t Au and Fresh 0.35 g/t Au.*
- Mineral Resources are inclusive of Ore Reserves and all Ore Reserve figures reported in the table above represent estimates at 31 December, 2020. Ore Reserve estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The quantities contained in the above table have been rounded to three significant figures to reflect the relative uncertainty of the estimate. Rounding may cause values in the table to appear to have computational errors.*
- All Ore Reserve estimates are on a dry basis.*
- The Ore Reserves have been reported at a 100% equity stake and not factored for ownership proportions.*
- The Company confirms it is not aware of any new information or data that materially affects the information included in the original announcement dated 6 April 2021. The Company confirms that all material assumptions and technical parameters underpinning the Ore Reserve continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified.*

Schedule of Tenements as at 30 June 2021

| Tenement ID | Status | Interest at beginning of quarter | Interest acquired or disposed | Interest at end of quarter |
|-------------|--------|----------------------------------|-------------------------------|----------------------------|
|-------------|--------|----------------------------------|-------------------------------|----------------------------|

Côte d'Ivoire

| Mining | | | | |
|--|----------------------------|------|---|------|
| Abujar Middle ³ – Mining | Granted during the quarter | 88% | - | 88% |
| Exploration | | | | |
| Abujar North ¹ (Zahibo License) | Granted | 15% | - | 15% |
| Abujar Middle ² (Zoukougbeu License) | Granted | 90% | - | 90% |
| Abujar South (Issia License) | Granted | 100% | - | 100% |
| Bongouanou North | Granted | 50% | - | 50% |
| Bongouanou South | Granted | 50% | - | 50% |
| Two Boundiali tenements | In application | | | |

1. Tietto has the right to acquire up to a 80% interest in the Abujar North Exploration License.
2. Tietto has 90% share capital of Tiebaya Gold which holds 100% interest of the Abujar Middle Exploration License
3. Tietto has 88% interest in the newly granted mining licence according to its JV agreement with local partners.

Liberia

| | | | | |
|----------------|---------|------|---|------|
| Dude South | Granted | 100% | - | 100% |
| Cestos Project | Granted | 100% | - | 100% |

The directors of Tietto Minerals Limited herewith submit the annual financial report of the Company consisting of Tietto Minerals Limited ("Tietto or the Company") and its controlled entities ("the Group") for the financial year ended 30 June 2021. In order to comply with the provisions of the Corporations Act 2001, the Directors' Report as follows:

DIRECTORS

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

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

INFORMATION ON DIRECTORS AND COMPANY SECRETARY

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

| | |
|---------------------------------|--|
| Name | Mr Francis Harper |
| Title | Non-Executive Chairman (appointed on 19 July 2017) |
| Experience and expertise | Mr Harper is the chairman of Tietto. He has been a director of Blackwood Capital since 2002 and prior to that spent 15 years with NM Rothschild in the US, UK and Australia in M&A and resources finance. Blackwood Capital has raised over \$1 billion for small caps since inception. Mr Harper (through Blackwood Capital) financed West African Resources (ASX: WAF) and was chairman from 2009 to 2015. |

| | |
|---------------------------------|---|
| Name | Caigen Wang |
| Title | Managing Director (appointed on 5 May 2010) |
| Experience and expertise | Dr Wang founded Tietto in 2010 following a long career as a mining engineer and mine manager in Australia and China, and, early in his career, 2 years at University of Alberta, Canada, 5 years at the Western Australian School of Mines in Kalgoorlie and 7 years before that at China University of Mining and Technology. Dr Wang is a fellow of AusIMM. |

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

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

INFORMATION ABOUT DIRECTORS AND COMPANY SECRETARY (CONTINUED)

Name **Mark Strizek**
Title **Non-Executive Director (appointed on 19 July 2017), Executive Director (appointed 1 January 2020)**
Experience and expertise Mr Strizek is a resource industry professional with over 20 years in the industry with experience in gold, base and technology metal projects. Mr Strizek has worked as an executive with management and Board responsibilities in exploration, feasibility, finance and development ready assets across Australia, West Africa, Asia and Europe. Mr Strizek was Managing Director of Vital Metals Limited, an ASX listed company from 2011 to 2019.

Name **Hanjing Xu**
Title **Non-Executive Director (appointed on 4 August 2017)**
Experience and expertise Mr Xu has enjoyed a successful career in the natural resources industry over the last 25 years.

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

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

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

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

Name **Paul Kitto**
Title **Non-Executive Director (appointed on 22 January 2019)**
Experience and expertise Dr Kitto has more than thirty years experience within the mining industry serving on a number of Board of Directors and holding senior management positions in various countries around the world predominantly in Australasia and Africa.

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

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

INFORMATION ABOUT DIRECTORS AND COMPANY SECRETARY (CONTINUED)**COMPANY SECRETARY****Matthew Foy**

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

PRINCIPAL ACTIVITIES

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

REVIEW OF OPERATIONS

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

The loss of the Group after income tax for the year was \$19,553,822 (2020: \$12,508,320).

DIVIDENDS

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

DIRECTORS' SHAREHOLDINGS

There has been no change since the year end for the Directors' shareholdings detailed in the audited remuneration report.

REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

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

SHARE OPTIONS GRANTED TO DIRECTORS AND KEY MANAGEMENT PERSONNEL

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

CHANGES IN STATE OF AFFAIRS

During the year, the Company raised \$56.6 million before costs through the placement of 91,294,375 fully paid ordinary shares at A\$0.62 per share to accelerate the Group's drill-out of the rapidly expanding Abujar Gold Project.

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

EVENTS SUBSEQUENT TO REPORTING DATE

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while there has been no negative impact for the consolidated entity up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

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

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

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

SAFETY AND ENVIRONMENTAL REGULATIONS

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

PROCEEDINGS ON BEHALF OF THE GROUP

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

SHARE OPTIONS

Share options outstanding at the date of this report:

| Type | Number | Grant date | Expiry date | Exercise price (\$) | Fair value at grant date (\$) |
|----------|-------------------|------------|-------------|---------------------|-------------------------------|
| Unlisted | 6,750,000 | 31/10/2017 | 31/12/2021 | 0.2 | 0.112 |
| Unlisted | 1,750,000 | 29/12/2017 | 31/12/2021 | 0.2 | 0.113 |
| Unlisted | 39,490,203 | 29/12/2017 | 31/12/2021 | 0.25 | Nil (free-attaching) |
| Unlisted | 7,000,000 | 27/07/2018 | 22/01/2023 | 0.3 | 0.058 |
| Unlisted | 1,000,000 | 18/10/2018 | 22/01/2022 | 0.25 | 0.034 |
| Unlisted | 1,000,000 | 13/08/2019 | 22/01/2022 | 0.25 | 0.147 |
| Unlisted | 1,000,000 | 13/08/2019 | 22/01/2023 | 0.3 | 0.161 |
| Unlisted | 2,500,000 | 13/08/2019 | 28/08/2022 | 0.1725 | 0.174 |
| Unlisted | 8,100,000 | 28/08/2019 | 28/08/2022 | 0.1725 | 0.148 |
| Unlisted | 5,000,000 | 4/06/2019 | 16/01/2023 | 0.2 | Nil (free-attaching) |
| Unlisted | 2,000,000 | 14/01/2021 | 14/02/2024 | 0.41 | 0.23 |
| Unlisted | 300,000 | 22/03/2021 | 30/07/2024 | 0.62 | 0.37 |
| | 75,890,203 | | | | |

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

Shares issued on the exercise of options

During the year, 6,976,627 ordinary shares were issued on the exercise of 3,250,000 options at \$0.2 per share, 3,400,000 options at \$0.1725 and 326,627 options at \$0.2.

Share options that expired/lapsed

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

PERFORMANCE RIGHTS

| Class | Number | Grant date | Expiry date | Exercise price \$ | Fair value at grant date (cents) |
|-------------------|-------------------|------------|-------------|----------------------|--|
| Class C Tranche 1 | 5,037,500 | 31/10/2017 | 18/01/2022 | Nil | 15 |
| Class C Tranche 2 | 2,500,000 | 13/08/2019 | 18/01/2022 | Nil | 24 |
| Class D | 250,000 | 10/09/2020 | 21/09/2024 | Nil | 56.5 |
| Class A Tranche 1 | 5,300,000 | 24/11/2020 | 24/11/2022 | Nil | 20.2 |
| Class A Tranche 2 | 100,000 | 22/12/2020 | 22/12/2022 | Nil | 25.68 |
| Class B Tranche 1 | 6,600,000 | 24/11/2020 | 24/11/2023 | Nil | 20.65 |
| Class B Tranche 2 | 150,000 | 22/12/2020 | 22/12/2023 | Nil | 25.96 |
| Class E | 1,500,000 | 14/01/2021 | 14/01/2024 | Nil | 41 |
| Class F | 1,000,000 | 14/01/2021 | 14/01/2024 | Nil | 41 |
| Class G | 200,000 | 22/03/2021 | 1/12/2023 | Nil | 37 |
| | 22,637,500 | | | | |

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

Shares issued on vesting of performance rights

250,000 shares were issued during the year upon the vesting of performance rights. Refer to Note 14 of the Notes to the Consolidated Financial Statements for further details on the shares issued.

Performance rights that expired/lapsed

No performance rights expired or lapsed during or since the end of the financial year.

DIRECTORS' MEETINGS

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

| Directors | Directors' Meetings | |
|----------------|---------------------|----------|
| | Eligible to attend | Attended |
| Francis Harper | 9 | 9 |
| Caigen Wang | 9 | 9 |
| Mark Strizek | 9 | 9 |
| Hanjing Xu | 9 | 9 |
| Paul Kitto | 9 | 9 |

INDEMNIFICATION OF DIRECTORS AND AUDITORS

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

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

Since the beginning of the financial year the Company has paid insurance premiums of \$38,000 (2020: \$20,151) in respect of directors and officers liability and corporate reimbursement, for directors and officers in the Company. The insurance premiums relate to:

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

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

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

NON-AUDIT SERVICES

During the years ended 30 June 2021 and 30 June 2020 there were no other non-audit services provided by the Company's external auditor BDO Audit (WA) Pty Ltd other than as disclosed in Note 15.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, BDO Audit (WA) Pty Ltd, to provide the directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence declaration is set out on page 50.

REMUNERATION REPORT (AUDITED)

This report, which forms part of the Directors' Report, outlines the remuneration arrangements in place for the key management personnel of Tietto Minerals Limited (the "Company") for the financial year ended 30 June 2021.

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

REMUNERATION REPORT (AUDITED) (CONTINUED)

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

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

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

Key management personnel details

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

| | |
|--|--|
| Francis Harper (appointed 19 July 2017) | Non-Executive Chairman |
| Caigen Wang (appointed on 5 May 2010) | Managing Director Executive Director, previously Non-Executive Director (resigned 31 December 2019) |
| Mark Strizek (appointed 1 January 2020) | Non-Executive Director |
| Hanjing Xu (appointed 4 August 2017) | Non-Executive Director |
| Paul Kitto (appointed 22 January 2019) | Financial Controller |
| Ting Xu (appointed 1 May 2021) | Chief Operating Officer (COO) |
| Matthew Wilcox (appointed 1 February 2021) | |

Remuneration policy and relationship between the remuneration policy and Company performance

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

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

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

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

Fixed remuneration

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

Short-term incentives

There were no bonuses which were awarded to key management personnel in relation to FY 2021 which were paid in FY 2022.

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

REMUNERATION REPORT (AUDITED) (CONTINUED)*Long-term incentives*

The value of options granted and vested during the current and previous financial years was determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at valuation date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. During the year 2,000,000 options were granted to COO and 300,000 options were granted to the Financial Controller.

The value of performance rights was determined based on trinomial pricing model, using the spot share price at grant date of respective performance rights and taking into account the terms and conditions upon which the instruments were granted. During the year the total of 15,350,000 performance rights was granted to the KMPs.

Statutory performance indicators

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

Statutory performance indicators of the Group over the last five years

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|--------------|--------------|-------------|-------------|-------------|
| Loss for the year attributable to owners of Tietto Minerals Limited (\$) | (19,590,381) | (12,495,098) | (9,899,430) | (5,529,451) | (1,095,008) |
| Loss per share (cents) | (4.51) | (4.02) | (4.32) | (3.28) | (0.89) |
| Share price at beginning of year (\$) | 0.49 | 0.17 | 0.12 | N/A | N/A |
| Share price at listing (\$) | N/A | N/A | N/A | 0.2 | N/A |
| Share price at end of year (\$) | 0.30 | 0.49 | 0.17 | 0.12 | N/A |

Key terms of executive employment contracts

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

- Effective from the date the Company successfully lists on the ASX (18 January 2018) until the agreement is validly terminated by either party in accordance with the terms of the Consultancy Agreement.
- Monthly consultancy fee of \$23,125 (excluding GST) for the provision of at least 230 days per year. The fee was increased to \$33,333 (excluding GST) from 1 June 2020. The amendment to the contract also introduced employee entitlement such as annual leave.
- At the Company's discretion and subject to obtaining applicable regulatory approvals, Multiple Resources Pty Ltd is entitled to a performance-based bonus over and above the consultancy fee. Multiple Resources Pty Ltd is also entitled to reimbursement of reasonable expenses and expenditure.
- The Company may also terminate the Consultancy Agreement by giving 6 months' written notice. Multiple Resources Pty Ltd may also terminate the Consultancy Agreement without cause.

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

- Base salary of \$251,142 per year effective from 1 January 2020, increasing to \$300,000 from 1 April 2021.
- Mr Strizek is entitled to payment by the Company of salary, holiday pay, sick pay, severance pay, long service leave or any other entitlement which an employee has in respect of his employment.
- The Company shall continue to employ the Mr. Strizek as an Executive Director for an initial term of 24 months to 31 December 2021.
- The Agreement may be terminated by the employee by giving the Company 6 weeks written notice. The Company may also terminate at any time by giving the employee one month's written notice and 3 months' salary.

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

- Base salary of \$550,000 per year effective 1 February 2021
- The Agreement may be terminated by giving the Company 3 months' notice
- The following share based payments form part of the remuneration package
 - (i) 2,000,000 options each exercisable at \$0.41, subject to 3 year continuous employment
 - (ii) 2,500,000 performance rights subject to vesting conditions associated with performance of the Abujar project.

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

- Base salary of \$155,000 per year effective 1 May 2021
- The Agreement may be terminated by giving the Company 2 months' notice
- The following share based payments form part of the remuneration package
 - (i) 300,000 options each exercisable at \$0.62 on or before the date that is three years from the date of the Probation Period
 - (ii) 200,000 Performance Rights that vest up to maximum of 100,000 Shares per year, subject to continuous employment with the Company and the KPIs.

Key terms of non-executive directors contracts:

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

REMUNERATION REPORT (AUDITED) (CONTINUED)

Key terms of executive employment contract (continued)

Remuneration of key management personnel

| 2021 | Fixed Remuneration | | | Variable Remuneration | Total | Performance related | % Performance related |
|----------------------|--------------------|-----------------|-------|-----------------------------------|-----------|---------------------|-----------------------|
| | Salary and fees | Super-annuation | Other | Share-based payments ¹ | | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | |
| Directors | | | | | | | |
| Francis Harper | 100,000 | 11,000 | - | 72,285 | 183,285 | 72,285 | 39% |
| Caigen Wang | 400,000 | - | - | 289,807 | 689,807 | 289,807 | 42% |
| Mark Strizek | 263,356 | 28,969 | - | 408,621 | 700,946 | 408,621 | 58% |
| Hanjing Xu | 60,000 | 6,600 | - | 55,898 | 122,498 | 55,898 | 46% |
| Paul Kitto | 72,000 | - | - | 159,101 | 231,101 | 159,101 | 69% |
| Executive KMP | | | | | | | |
| Matthew Wilcox | 218,750 | 10,417 | - | 251,161 | 480,328 | 251,161 | 52% |
| Ting Xu | 25,833 | 2,454 | - | 59,791 | 88,078 | 59,791 | 68% |
| | 1,139,939 | 59,440 | - | 1,296,665 | 2,496,044 | 1,296,665 | |

1. relates to 8,125,000 Tranche B and Tranche C Performance Rights issued on 31 October 2017 to Messrs Harper, Wang, Strizek and Xu, and 4,000,000 Tranche B and Tranche C Performance Rights issued to Dr Kitto on 28 August 2019 (granted on 22 January 2019) under the Company's Long Term Incentive Plan. In the current year 11,900,000 Class A and B Performance Rights were issued on 24 November 2020 to Messrs Harper, Wang, Strizek and Xu, 2,500,000 Tranche E and F Performance Rights issued on 14 January 2021 to Matthew Wilcox, 200,000 Tranche G Performance Rights issued to Ting Xu; 2,000,000 unlisted options issued to Matthew Wilcox on 14 January 2021 and 300,000 unlisted options issued to Ting Xu on 22 March 2021.

| 2020 | Fixed Remuneration | | | Variable Remuneration | Total | Performance related | % Performance related |
|-------------------------|--------------------|-----------------|-----------------------------------|-----------------------------------|-----------|---------------------|-----------------------|
| | Salary and fees | Super-annuation | Home office and private car usage | Share-based payments ² | | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | |
| Directors | | | | | | | |
| Francis Harper | 80,000 | 8,800 | - | 130,750 | 219,550 | 130,750 | 60% |
| Caigen Wang | 287,708 | - | 8,400 | 489,024 | 785,132 | 489,024 | 62% |
| Mark Strizek | 149,571 | 16,453 | - | 79,016 | 245,040 | 79,016 | 32% |
| Hanjing Xu | 54,000 | 5,940 | - | 79,016 | 138,956 | 79,016 | 57% |
| Paul Kitto ¹ | 79,500 | - | - | 672,633 | 752,133 | 672,633 | 89% |
| | 650,779 | 31,193 | 8,400 | 1,450,439 | 2,140,811 | 1,450,439 | |

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

REMUNERATION REPORT (AUDITED) (CONTINUED)**Terms and conditions of share-based payment arrangements - Performance Rights ("PR")**

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

| | Number | Grant date | Expiry date | Share price at grant date | Value | Vested | Fair value at grant date |
|---|-----------|--|-------------|---------------------------|-------------|--------|--------------------------|
| 1 | 8,125,000 | 31 Oct 2017 with various vesting conditions as below | 18/01/2022 | \$0.15 | \$1,218,750 | 100% | \$0.15 |
| 2 | 4,000,000 | 13 Aug 2019 with various vesting conditions as below | 18/01/2022 | \$0.24 | \$960,000 | 100% | \$0.24 |
| 3 | 5,300,000 | 24-Nov-20 | 24/11/2022 | \$0.37 | \$1,070,600 | - | \$0.20 |
| 3 | 6,600,000 | 24-Nov-20 | 24/11/2023 | \$0.37 | \$1,362,900 | - | \$0.21 |
| 4 | 500,000 | 10-Sep-20 | 10/09/2022 | \$0.57 | \$282,500 | 50% | \$0.57 |
| 5 | 2,500,000 | 14-Jan-21 | 14/01/2024 | \$0.41 | \$1,025,000 | 0% | \$0.41 |
| 6 | 200,000 | 22-Mar-21 | 30/06/2023 | \$0.37 | \$74,000 | 0% | \$0.37 |

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

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

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

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

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

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

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

The milestones for Tranche B and C performance rights above have been achieved and are fully vested during the year.

REMUNERATION REPORT (AUDITED) (CONTINUED)

- On 24 November 2020, the Company approved the issue 11,900,000 Performance Rights to directors under the Company's Long Term Incentive Plan.

The 11,900,000 Performance Rights were issued in two tranches and is subject to the following vesting conditions:

- 5,300,000 Tranche A Performance Rights, vesting upon the Volume Weighted Average Price (VWAP) of the Company's shares trading on the ASX over 20 consecutive trading days being at least \$1.00
 - 6,600,000 Tranche B Performance Rights, vesting upon the Volume Weighted Average Price (VWAP) of the Company's shares trading on the ASX over 20 consecutive trading days being at least \$1.50
- On 10 September 2020, the Company approved the issue 500,000 performance rights to a director.

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

- 250,000 performance rights convertible into ordinary shares upon the Company achieving an aggregate of at least 3.0M oz with cut-off grade of at least 0.4g/t within pit shell and at least 0.8g/t beyond pit shell; and
- 250,000 performance rights convertible into ordinary shares upon the Company achieving a positive pre-feasibility study on the Abujar Gold Project.

The first tranche vested during the year and have been converted into shares.

- On 14 January 2021, the Company granted 2,500,000 performance rights pursuant to the Company's Long Term Incentive Plan.

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

- 1,500,000 performance rights convertible into ordinary shares upon the Company achieving successful and safe completion of the design and construction of the Abujar Gold Mine as per the DFS, particularly the processing plant, by meeting or exceeding targets for capital cost, build time and safety performance.
 - 1,000,000 performance rights convertible into ordinary shares upon achieving successful and safe mine production, particularly the processing plant, at its design nameplate over 3 consecutive months
- On 22 March 2021, the Company granted 200,000 performance rights pursuant to Company's Long Term Incentive Plan. The options vest up to a maximum of 100,000 per year, subject to continuous employment with the Company and meeting internal KPIs.

Terms and conditions of share-based payment arrangements – Options

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

| | Number | Grant date | Expiry date | Share price at grant date | Value | Vested | Fair value at grant date |
|---|-----------|------------|-------------|---------------------------|-----------|--------|--------------------------|
| 1 | 2,000,000 | 14/01/2021 | 14/01/2023 | \$0.41 | \$464,000 | 0% | \$0.23 |
| 2 | 300,000 | 22/03/2021 | 30/07/2024 | \$0.37 | \$53,700 | 100% | \$0.18 |

- On 14 January 2021, the Company granted 2,000,000 options, exercisable at \$0.41 to Chief Operating Officer pursuant to the Company's Long Term Incentive Plan.

The options are subject to a 24 months continuous employment vesting condition.

- On 22 March 2021, the Company granted 300,000 options pursuant to Company's Long Term Incentive Plan. The options vested immediately and are exercisable at \$0.62 on or before the date that is three years from the date of the end of the Probation Period.

Voting and comments made at the Company's 2020 Annual General Meeting

At the 2020 Annual General Meeting the Company remuneration report was passed by a 99.72% requisite majority of shareholders.

REMUNERATION REPORT (AUDITED) (CONTINUED)**Key management personnel equity holdings**Fully paid ordinary shares of Tietto Minerals Limited

| | Balance at 1 July 2020 | Exercise of Performance Rights/Options ¹ | Granted on compensation | Purchased/(Sold) during the year ² | Balance on resignation | Balance at 30 June 2021 |
|----------------------|---------------------------|---|----------------------------|--|---------------------------|----------------------------|
| 2021 | No. | No. | No. | No. | No. | No. |
| Directors | | | | | | |
| Francis Harper | 10,457,546 | - | - | 435,484 | - | 10,893,030 |
| Caigen Wang | 19,165,377 | 1,625,000 | - | (5,000,000) | - | 15,790,377 |
| Mark Strizek | 1,659,135 | 250,000 | - | - | - | 1,909,135 |
| Hanjing Xu | 1,988,638 | 1,625,000 | - | 1,177,420 | - | 4,791,058 |
| Paul Kitto | 2,000,000 | - | - | - | - | 2,000,000 |
| Executive KMP | | | | | | |
| Matthew Wilcox | - | - | - | - | - | - |
| Ting Xu | - | - | - | - | - | - |
| | <u>35,270,696</u> | <u>3,500,000</u> | <u>-</u> | <u>(3,387,096)</u> | <u>-</u> | <u>35,383,600</u> |

- ¹ Caigen Wang: Conversion of 1,625,000 options exercisable at \$0.20 on 11 August 2020.
Mark Strizek: Exercise of Class D Performance Rights on 8 April 2021.
Hanjing Xu: Conversion of 1,625,000 options exercisable at \$0.2 on 18 January 2021.

- ² Caigen Wang: Sell down of shares at \$0.62 on 11 August 2020.
Francis Harper: Participation in placement for \$0.62 per share on 21 September 2020.
Hanjing Xu: Participation in placement for \$0.62 per share on 21 September 2020.

REMUNERATION REPORT (AUDITED) (CONTINUED)Options of Tietto Minerals Limited

| 2021 | Balance at 1 July 2020 No. | Granted on compensation ¹ No. | Exercised ² No. | Balance at 30 June 2021 No. | Vested and exercisable at 30 June 2021 No. |
|----------------------|----------------------------------|--|-------------------------------|-----------------------------------|---|
| Directors | | | | | |
| Francis Harper | 6,625,000 | - | - | 6,625,000 | 6,625,000 |
| Caigen Wang | 11,510,260 | | (1,625,000) | 9,885,260 | 9,885,260 |
| Mark Strizek | 1,625,000 | - | - | 1,625,000 | 1,625,000 |
| Hanjing Xu | 1,625,000 | - | (1,625,000) | - | - |
| Paul Kitto | 2,000,000 | - | - | 2,000,000 | 2,000,000 |
| Executive KMP | | | | | |
| Matthew Wilcox | - | 2,000,000 | - | 2,000,000 | - |
| Ting Xu | - | 300,000 | - | 300,000 | 300,000 |
| | <u>23,385,260</u> | <u>2,300,000</u> | <u>(3,250,000)</u> | <u>22,435,260</u> | <u>20,435,260</u> |

¹ Matthew Wilcox: Issue of 2,000,000 options as granted on 14 January 2021.
Ting Xu: Issue of 300,000 options as granted on 22 March 2021.

² Caigen Wang: Conversion of 1,625,000 options exercisable at \$0.20 on 11 August 2020.
Hanjing Xu: Conversion of 1,625,000 options exercisable at \$0.2 on 18 January 2021.

REMUNERATION REPORT (AUDITED) (CONTINUED)**Key management personnel equity holdings**Performance rights of Tietto Minerals Limited

| | Balance at 1 July 2020 | Granted on compensation | Exercised ¹ | Net other change | Balance at 30 June 2021 | Vested and exercisable at 30 June 2021 |
|----------------------|---------------------------|----------------------------|------------------------|------------------|----------------------------|--|
| 2021 | No. | No. | No. | No. | No. | No. |
| Directors | | | | | | |
| Francis Harper | 812,500 | 1,100,000 | - | - | 1,912,500 | - |
| Caigen Wang | 3,250,000 | 4,500,000 | - | - | 7,750,000 | - |
| Mark Strizek | 487,500 | 5,000,000 | (250,000) | - | 5,237,500 | - |
| Hanjing Xu | 487,500 | 900,000 | - | - | 1,387,500 | - |
| Paul Kitto | 2,500,000 | 900,000 | - | - | 3,400,000 | - |
| Executive KMP | | | | | | |
| Matthew Wilcox | - | 2,500,000 | - | - | 2,500,000 | - |
| Ting Xu | - | 200,000 | - | - | 200,000 | - |
| | <u>7,537,500</u> | <u>15,100,000</u> | <u>(250,000)</u> | <u>-</u> | <u>22,387,500</u> | <u>-</u> |

¹Mark Strizek: Conversion of vested performance rights on 8 April 2021.

Transactions with related parties

During the year, the Company made cash payment of \$183,918 to Blackwood Capital (2020: \$234,840), a company associated with the Company's Chairman, Mr Francis Harper, in relation to capital raising

During the year, the Company made cash payment of \$179,537 to Hopeview Investments Pty Ltd (2020: \$31,000), a company associated with Mr Francis Harper, in relation to capital raising.

All related party transactions are on arm's length terms. There were no other transactions with related parties during the 2020 and 2021 financial years.

Loans with related parties

There were no other loans with related parties during the 2020 and 2021 financial years.

(END OF AUDITED REMUNERATION REPORT)

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

On behalf of the Directors



Caigen Wang
Director

Dated at Perth this 30th day of September 2021

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

As lead auditor of Tietto Minerals Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

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

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



Jarrad Prue
Director

BDO Audit (WA) Pty Ltd
Perth, 30 September 2021

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 30 June 2021

| | Note | 2021 \$ | 2020 \$ |
|--|------|---------------------|---------------------|
| Revenue from continuing operations | | | |
| Interest income | | 303,455 | 91,702 |
| Other income | | - | 103,788 |
| Expenses | | | |
| Exploration expenses | 4 | (12,637,899) | (7,848,010) |
| Depreciation | 8 | (1,001,753) | (131,861) |
| Amortisation | | (23,896) | (24,181) |
| Directors' remuneration | | (941,925) | (690,372) |
| Salaries and wages | | (1,482,769) | (648,324) |
| Rental expenses | | (95,988) | (20,205) |
| Travel, meals and accommodations | | (78,632) | (173,162) |
| Business registration and compliance fees | | (120,234) | (141,787) |
| Share-based payments | 12 | (1,323,076) | (1,565,969) |
| Professional and consultants fees | | (493,680) | (523,275) |
| Net foreign exchange losses | | (99,299) | (115,821) |
| Loss on settlement of liability | | - | (189,621) |
| Interest expense | | (1,159) | (6,693) |
| Other expenses | | (1,556,967) | (624,529) |
| Loss from continuing operations before income tax | | (19,553,822) | (12,508,320) |
| Income tax expense | 5 | - | - |
| Loss from continuing operations after income tax | | (19,553,822) | (12,508,320) |
| Other comprehensive income/(loss) | | | |
| Items that may be reclassified to profit or loss: | | | |
| Revaluation gain/(loss) of financial assets at fair value through | | | |
| other comprehensive income/(loss) | | (13,000) | 13,000 |
| Foreign currency translation reserve | | 206,655 | 555,218 |
| Income tax relating to comprehensive income/(loss) | | - | - |
| Total other comprehensive income/(loss) | | 193,655 | 568,218 |
| Total comprehensive loss for the years | | (19,360,167) | (11,940,102) |
| Loss for the year is attributable to: | | | |
| Owners of the parent | | (19,590,381) | (12,495,098) |
| Non-controlling interest | | 36,559 | (13,222) |
| | | (19,553,822) | (12,508,320) |
| Total comprehensive Loss for the year is attributable to: | | | |
| Owners of the parent | | (19,391,856) | (11,927,744) |
| Non-controlling interest | | 31,689 | (12,358) |
| | | (19,360,167) | (11,940,102) |
| Loss per share for the year attributable to the owners of Tietto Minerals Limited | | | |
| Basic loss per share (cents per share) | 22 | (4.51) | (4.02) |

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Financial Position

As at 30 June 2021

| | Note | 2021 \$ | 2020 \$ |
|---|-------|-------------------|-------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 6 | 8,721,198 | 11,419,259 |
| Trade and other receivables | 7(i) | 36,722,072 | 104,710 |
| Total current assets | | 45,443,270 | 11,523,969 |
| NON-CURRENT ASSETS | | | |
| Plant and equipment | 8 | 2,955,422 | 1,089,595 |
| Trade and other receivables | 7(ii) | 4,637,429 | - |
| Financial assets at fair value through other comprehensive income | | 26,000 | 39,000 |
| Right-of-use asset | | 98,510 | 19,493 |
| Total non-current assets | | 7,717,361 | 1,148,088 |
| TOTAL ASSETS | | 53,160,631 | 12,672,057 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 9 | 4,245,839 | 591,643 |
| Lease liabilities | | 52,053 | 19,582 |
| Total current liabilities | | 4,297,892 | 611,225 |
| NON-CURRENT LIABILITIES | | | |
| Lease liabilities | | 46,701 | - |
| Total Non current liabilities | | 46,701 | - |
| TOTAL LIABILITIES | | 4,344,593 | 611,225 |
| NET ASSETS | | 48,816,039 | 12,060,832 |
| EQUITY | | | |
| Issued capital | 10 | 96,497,786 | 41,705,488 |
| Reserves | 11 | 7,864,884 | 7,368,569 |
| Accumulated losses | | (55,597,320) | (37,032,225) |
| Total equity attributable to members of the company | | 48,765,350 | 12,041,832 |
| Non-controlling interests | | 50,689 | 19,000 |
| TOATL EQUITY | | 48,816,039 | 12,060,832 |

The Consolidated Statement of Financial Position should be read in conjunction with the notes to the financial statement.

Consolidated Statement of Changes in Equity

For the Financial Year Ended 30 June 2021

| | Note | Issued capital \$ | Reserves \$ | Accumulated losses \$ | Owners of the parent \$ | Non- controlling interest \$ | Total \$ |
|--|------|----------------------|------------------|-----------------------------|-------------------------------|---------------------------------------|-------------------|
| At 1 July 2020 | | 41,705,488 | 7,368,569 | (37,032,225) | 12,041,832 | 19,000 | 12,060,832 |
| Net loss for the year | | - | - | (19,590,381) | (19,590,381) | 36,559 | (19,553,822) |
| Other comprehensive income/(loss) for the year | | - | 198,525 | - | 198,525 | (4,870) | 193,655 |
| Total comprehensive income/(loss) | | - | 198,525 | (19,590,381) | (19,391,856) | 31,689 | (19,360,167) |
| Transactions with owners in their capacity as owners: | | | | | | | |
| Issue of share capital (net of costs) | 10 | 54,792,298 | - | - | 54,792,298 | - | 54,792,298 |
| Share-based payments | 12 | - | 1,323,076 | - | 1,323,076 | - | 1,323,076 |
| Transfer from SBP reserve for securities exercised/expired | 12 | - | (1,025,286) | 1,025,286 | - | - | - |
| | | 54,792,298 | 297,790 | 1,025,286 | 56,115,374 | - | 56,115,374 |
| At 30 June 2021 | | 96,497,786 | 7,864,884 | (55,597,320) | 48,765,350 | 50,689 | 48,816,039 |
| At 1 July 2019 | | 25,981,324 | 3,183,093 | (24,537,127) | 4,627,290 | 31,358 | 4,658,648 |
| Net loss for the year | | - | - | (12,495,098) | (12,495,098) | (13,222) | (12,508,320) |
| Other comprehensive income for the year | | - | 567,354 | - | 567,354 | 864 | 568,218 |
| Total comprehensive income/(loss) | | - | 567,354 | (12,495,098) | (11,927,744) | (12,358) | (11,940,102) |
| Transactions with owners in their capacity as owners: | | | | | | | |
| Issue of share capital (net of costs) | 10 | 15,724,164 | - | - | 15,724,164 | - | 15,724,164 |
| Share-based payments | 12 | - | 3,618,122 | - | 3,618,122 | - | 3,618,122 |
| | | 15,724,164 | 3,618,122 | - | 19,342,286 | - | 19,342,286 |
| At 30 June 2020 | | 41,705,488 | 7,368,569 | (37,032,225) | 12,041,832 | 19,000 | 12,060,832 |

The Consolidated Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Cash Flows

For the Financial Year Ended 30 June 2021

| | Note | 2021 \$ | 2020 \$ |
|---|------|---------------------|--------------------|
| Cash flows from operating activities | | | |
| Payments to suppliers and employees | | (7,463,068) | (2,811,944) |
| Payments for exploration expenses | | (12,130,881) | (6,299,140) |
| Interest received | | 238,079 | 86,733 |
| COVID-19 cash flow boost received | | 50,000 | 50,000 |
| Net cash used in operating activities | 21 | <u>(19,305,870)</u> | <u>(8,974,351)</u> |
| Cash flows from investing activities | | | |
| Payments for plant and equipment | | (2,863,353) | (882,776) |
| Payments to acquire term deposits | 7(i) | (35,000,000) | - |
| Net cash used in investing activities | | <u>(37,863,353)</u> | <u>(882,776)</u> |
| Cash flows from financing activities | | | |
| Issue of share capital (net of costs) | | 54,487,299 | 16,430,610 |
| Payment of lease liability | | (24,626) | (25,435) |
| Net cash generated from financing activities | | <u>54,462,673</u> | <u>16,405,175</u> |
| Net (decrease)/increase in cash and cash equivalents | | <u>(2,706,550)</u> | <u>6,548,048</u> |
| Cash and cash equivalents at the beginning of the year | | 11,419,259 | 4,872,768 |
| Effect of exchange rate fluctuations on cash held | | 8,489 | (1,557) |
| Cash and cash equivalents at the end of the year | 6(i) | <u>8,721,198</u> | <u>11,419,259</u> |

The Consolidated Statement of Cash Flows should be read in conjunction with the notes to the financial statements.

1. GENERAL INFORMATION

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

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

| | |
|--------------------------|------------------------------------|
| Australia: | Republic of Côte d'Ivoire: |
| Unit 7, 162 Colin Street | Cocody Attoban derrière le 30 ieme |
| 162 Colin Street | arrondissement en face de l'ANSUT |
| West Perth 6005 | Abidjan |

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

2. BASIS OF PREPARATION

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

(a) Statement of Compliance

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

(b) Basis of Measurement

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

(c) Functional and Presentation Currency

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

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

(d) Significant Accounting Judgments and Key Estimates

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

2. BASIS OF PREPARATION (CONT.)

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

- (i) The fair value of share-based payments as discussed in Note 12 (Share-Based Payments). The fair values of options is calculated using Black Scholes pricing model and the fair value of performance rights is determined using the Trinomial Option Pricing Model that takes into account the term of the performance rights, share price at valuation date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option and the probability and timing of achieving milestones related to the performance rights;
 - (ii) The Probability and timing of achieving milestones related to the performance rights as discussed in Note 11 (Reserves) and Note 12 (Share-Based Payments); and
 - (iii) The disclosure of the loan from LGL Australian Holdings Pty Ltd as a contingent liability as discussed in Note 16 (Contingent Liabilities).
 - (iv) The disclosure of the payment to shareholders of Bamba & Fred Minerals Sarl (other than Tietto Minerals) as a contingent liability as discussed in Note 16 (Contingent Liabilities).
 - (v) Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to staffing and geographic regions in which the consolidated entity operates. There does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.
 - (vi) The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.
- (e) **Going concern**

The financial statements have been approved by the Directors on a going concern basis. In determining the appropriateness of the basis of preparation, the Directors have considered the impact of the COVID-19 pandemic on the position of the Group at 30 June 2021 and its operations in future periods.

3. SIGNIFANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Principles of Consolidation and Equity Accounting

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to or obtained by the Group. They are deconsolidated from the date on which the Group ceases or loses control.

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

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

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

3. SIGNIFANT ACCOUNTING POLICIES (CONT.)

(b) Financial Instruments

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

(i) Financial assets

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

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

Debt and other instruments at amortised cost.

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

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

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

Equity instruments at FVOCI

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

Financial assets at FVPL

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(ii) Financial liabilities

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

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

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

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

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

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

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

Current and non-current classification

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

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

(iii) Equity

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

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

(iv) Effective interest rate method

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(v) Impairment of Financial Instruments

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

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

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

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

(b) Impairment of Other Financial Assets

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT.)**(c) Foreign Currency****(i) Foreign Currency Transactions**

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

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

(ii) Foreign Operations

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

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

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

(d) Cash and cash equivalents

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

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

(e) Project Development and Exploration Expenditure

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

(f) Property, plant and equipment

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

Plant and equipment – 2-5 years

Motor vehicles – 3-5 years

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT.)**(g) Provisions**

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

(h) Goods and Service Tax (GST)

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

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

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

(i) Income Tax

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT.)**(j) Comparative Figures**

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

(k) Share-Based Payments

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

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

(l) Earnings per Share

Basic Earnings per share

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

Diluted earnings per share

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

(m) Segment Reporting

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT.)**(n) Income recognition**

Interest income is recognised using the effective interest method.

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

(o) Leases

The Group as lessee:

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

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

i. Lease liabilities

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

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

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

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

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is measured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of modification.

The Group did not make any such adjustments during the period.

ii. Right of use assets

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT.)**(p) New and Revised Accounting Standards and Interpretations on Issue but not yet Adopted**

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

4. EXPLORATION EXPENSE

| | 2021 | 2020 |
|--------------------------------------|-------------------|------------------|
| | \$ | \$ |
| Exploration expenses - Liberia | 841,290 | 515,486 |
| Exploration expenses - Côte d'Ivoire | 11,681,203 | 7,312,039 |
| Exploration expenses - Others | 115,406 | 20,485 |
| | <u>12,637,899</u> | <u>7,848,010</u> |

5. INCOME TAX EXPENSE

| | 2021 | 2020 |
|-------------------------------|-------------|-------------|
| | \$ | \$ |
| Tax expense comprises: | | |
| Current tax expense | - | - |
| Deferred tax expense/(income) | - | - |
| Total tax expense | <u>-</u> | <u>-</u> |

Numerical reconciliation of income tax expense and tax at the statutory

| | | |
|--|------------------|------------------|
| Loss before income tax expense | (19,553,822) | (12,508,320) |
| Tax at the statutory tax rate of 26% (2020: 27.5%) | (5,083,994) | (3,439,788) |
| Effect of tax rates in foreign jurisdiction* | - | 133,246 |
| Effect of net expenses that are not deductible in determining taxable profit | 344,249 | 430,641 |
| Effect of changes in unrecognised temporary differences | 622,215 | (9,777) |
| Effect of unused tax losses not recognised as deferred | <u>4,117,530</u> | <u>2,885,678</u> |
| Income tax expense | <u>-</u> | <u>-</u> |

The tax rate used in the above reconciliation is the corporate tax rate of 26% (2020: 27.5%) payable by Australian corporate entities on taxable profits under Australian tax law.

*The income tax rate applicable to profit income of the subsidiaries in Côte d'Ivoire and Liberia is 25% (2020: 25%).

5. INCOME TAX EXPENSE (CONT.)**Unrecognised deferred tax assets and liabilities**

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

| | 2021 | 2020 |
|---------------------------------|-------------------|-------------------|
| | \$ | \$ |
| Tax losses – revenue | 25,076,342 | 12,955,562 |
| Other temporary difference | 622,215 | 400,093 |
| | <u>25,698,557</u> | <u>13,355,655</u> |
| At tax rate of 26% (2020:27.5%) | <u>6,681,625</u> | <u>3,338,914</u> |

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

6. CASH AND CASH EQUIVALENTS

| | 2021 | 2020 |
|--------------|------------------|-------------------|
| | \$ | \$ |
| Cash at bank | 8,721,198 | 11,419,259 |
| | <u>8,721,198</u> | <u>11,419,259</u> |

The Group's exposure to interest rate risk and the effective weighted average interest rate for bank balances is disclosed in Note 13.

7. TRADE AND OTHER RECEIVABLES**(i) Current trade and other receivables**

| | 2021 | 2020 |
|---|-------------------|----------------|
| | \$ | \$ |
| Term Deposits | 35,000,000 | - |
| Prepayments | 29,187 | 13,897 |
| GST paid | 113,515 | 24,697 |
| Interest receivable | 70,345 | 4,969 |
| COVID-19 cash flow boost receivable | - | 50,000 |
| Other debtors and advances ¹ | 1,509,025 | 11,147 |
| | <u>36,722,072</u> | <u>104,710</u> |

¹ An amount of \$1,467,546 is recorded in local currency in Cote D'Ivoire representing Money held in solicitors' account for the incorporation of new Ivorian company, SML (Societe Miniere de la Lobo) to hold the Abujar Gold Project Mining Licence.

7. TRADE AND OTHER RECEIVABLES (CONT.)**(i) Current trade and other receivables (cont.)****Classification as cash equivalents**

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours' notice with no loss of interest. See Note 1 for the Group's other accounting policies on cash and cash equivalents. The Term deposits refer to the deposits of 6 months investment term maturing on 26 August 2021 and 9 November 2021.

(ii) Non-current trade and other receivables

| | 2021 | 2020 |
|-------------|------------------|-------------|
| | \$ | \$ |
| Prepayments | 4,637,429 | - |
| | <u>4,637,429</u> | <u>-</u> |

Non-current prepayment relates to progress invoices received for the mill, equipment to be used in Abujar project.

8. PLANT AND EQUIPMENT

| | 2021 | 2020 |
|---------------------------|------------------|------------------|
| | \$ | \$ |
| Assets under construction | 63,706 | 57,519 |
| Motor vehicles | 1,075,194 | 285,790 |
| Plant and equipment | 1,816,522 | 746,286 |
| | <u>2,955,422</u> | <u>1,089,595</u> |

Movement in carrying amounts of plant and equipment:

| | Leasehold improvements | Plant and equipment | Motor vehicles | Assets under construction | Total |
|------------------------------------|-----------------------------------|--------------------------------|---------------------------|--------------------------------------|--------------|
| | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2020 | - | 746,286 | 285,790 | 57,519 | 1,089,595 |
| Additions | - | 1,862,418 | 994,748 | 6,187 | 2,863,353 |
| Depreciation | - | (795,294) | (206,459) | - | (1,001,753) |
| Exchange difference | - | 3,112 | 1,115 | - | 4,227 |
| Balance at 30 June 2021 | - | 1,816,522 | 1,075,194 | 63,706 | 2,955,422 |
| Balance at 1 July 2019 | - | 68,357 | - | 57,121 | 125,478 |
| Additions | - | 813,848 | 323,720 | 398 | 1,137,966 |
| Depreciation | - | (135,919) | (37,930) | - | (173,849) |
| Balance at 30 June 2020 | - | 746,286 | 285,790 | 57,519 | 1,089,595 |

9. TRADE AND OTHER PAYABLES

| | 2021 | 2020 |
|---------------------------|------------------|----------------|
| | \$ | \$ |
| Trade payables | 3,919,324 | 242,231 |
| Other payables | 165,181 | 12,768 |
| Accrued expenses | 112,567 | 79,243 |
| Accrued drilling expenses | 48,767 | 257,401 |
| | <u>4,245,839</u> | <u>591,643</u> |

10. ISSUED CAPITAL

| | 2021 | 2020 | 2021 | 2020 |
|------------------------------|--------------------|--------------------|-------------------|-------------------|
| | Number | Number | \$ | \$ |
| Ordinary shares – fully paid | <u>456,185,456</u> | <u>356,664,454</u> | 105,077,270 | 46,850,113 |
| Less: Capital raising costs | | | (8,579,484) | (5,144,625) |
| | | | <u>96,497,786</u> | <u>41,705,488</u> |

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

10. ISSUED CAPITAL (CONT.)

Movement in fully paid ordinary shares:

| Movements in fully paid ordinary shares: | Number | \$ |
|--|---------------|-------------|
| On issue at 30 June 2019 | 264,038,358 | 26,304,618 |
| Less: Capital raising costs | - | (323,294) |
| Issued capital at 30 June 2019 | 264,038,358 | 25,981,324 |
| Tranche 2 Capital Raising Placement on 28 Aug 2019 | 4,000,002 | 600,000 |
| Conversion of Tranche A Performance Rights into Ordinary Shares on 28 Aug 2019 | 3,750,000 | - |
| Issue of employee incentive shares on 28 Aug 2019 | 500,000 | 80,000 |
| Tranche 2 Capital Raising Placement on 2 Sep 2019 | 133,333 | 20,000 |
| Exercise of Options during the year | 262,000 | 65,500 |
| Tranche 1 Capital Raising Placement on 26 Nov 2019 | 29,000,000 | 7,540,000 |
| Tranche 2 Capital Raising Placement on 17 Jan 2020 | 28,973,026 | 7,532,987 |
| Issue of shares for payment of loan on 17 Jan 2020 | 5,227,240 | 784,086 |
| Conversion of Tranche B Performance Rights into Ordinary Shares on 31 Jan 2020 | 3,962,500 | - |
| Completion of Tranche 2 Placement Shares on 19 Feb 2020 | 7,307,693 | 1,900,000 |
| Conversion of Tranche A and Tranche B Performance Rights into Ordinary Shares on 11 Mar 2020 | 8,125,000 | - |
| Issued to non-controlling interests in lieu of a JV milestone payment | 1,385,302 | 554,121 |
| On issue at 30 June 2020 | 356,664,454 | 46,850,113 |
| Less: Capital raising costs | - | (5,144,625) |
| Issued capital at 30 June 2020 | 356,664,454 | 41,705,488 |
| Tranche 1 Capital Raising Placement on 28 Aug 2020 (a) | 35,200,000 | 21,824,000 |
| Tranche 2 Capital Raising Placement on 21 Sep 2020 (a) | 55,773,411 | 34,581,000 |
| Exercise of 186,627 Options at \$0.25 on 5 August 2020 | 186,627 | 46,657 |
| Exercise of 1,625,000 Options at \$0.20 on 11 August 2020 | 1,625,000 | 325,000 |
| Exercise of 100,000 Options at \$0.25 on 21 August 2020 | 100,000 | 25,000 |
| Exercise of 40,000 Options at \$0.25 on 2 October 2020 | 40,000 | 10,000 |
| Exercise of 500,000 Options at \$0.1725 on 15 October 2020 | 500,000 | 86,250 |
| Exercise of 900,000 Options at \$0.1725 on 26 October 2020 | 900,000 | 155,250 |
| Exercise of 500,000 Options at \$0.1725 on 11 November 2020 | 500,000 | 86,250 |
| Exercise of 500,000 Options at \$0.1725 on 8 December 2020 | 500,000 | 86,250 |
| Exercise of 1,000,000 Options at \$0.1725 on 23 December 2020 | 1,000,000 | 172,500 |
| Capital raising by Share Purchase Plan on 1 September 2020 | 320,964 | 199,000 |
| Exercise of 1,625,000 Options at \$0.20 on 18 January 2021 | 1,625,000 | 325,000 |
| Exercise of performance rights on 8 April 2021 | 250,000 | - |
| Issue of 1,000,000 shares to employees on 12 April 2021 (b) | 1,000,000 | 305,000 |
| On issue at 30 June 2021 | 456,185,456 | 105,077,270 |
| Less: Capital raising costs | - | (8,579,484) |
| Issued capital at 30 June 2021 | 456,185,456 | 96,497,786 |

10. ISSUED CAPITAL (CONT.)

- (a) Completion of of Tranche 1 of \$21,824,000 capital raising announced on 11 August 2020. The Tranche 2 placement comprised the issue of 55,773,411 shares at an issue price of 62c per share to raise \$34,581,000 before costs. This placement has been made following a general meeting of shareholders held on 10 September where the placement was approved. Included within Tranche 2 are 1,653,321 shares issued at 62 cents to the value of \$1,025,059 in lieu of cash payments for exploration services performed in the year.
- (b) On 12 April 2021, the Company issued 1,000,000 fully paid ordinary shares to employees based in Cote d'Ivoire. The fair value of the shares issued was determined to be \$0.305 per share, based on the Company's share price at 12 April 2021 (the date the shares were originally granted). The value of the shares issued of \$305,000 was recognised as employee benefit expense in the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2021.

11. RESERVES

| | 2021 | 2020 |
|---|------------------|------------------|
| | \$ | \$ |
| Revaluation reserve for financial assets at fair value through other comprehensive income (a) | (99,000) | (86,000) |
| Foreign exchange reserve (b) | 760,189 | 548,664 |
| Share-based payment reserve (d) | 8,133,797 | 7,836,007 |
| Other reserve (c) | (930,102) | (930,102) |
| | <u>7,864,884</u> | <u>7,368,569</u> |

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

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

(b) Foreign exchange reserve

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

(c) Other reserve

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

(d) Share-based payment reserve

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

11. RESERVES (CONT.)

Movement is share-based payment reserve

| | Number of Unlisted Options | Number of Performance Rights | \$ |
|--|-------------------------------|------------------------------------|------------------|
| On issue at July 2019 | 51,828,830 | 17,875,000 | 4,217,885 |
| Issue of unlisted options on 28 Aug 2019 | 7,000,000 | - | - |
| Issue of unlisted options on 28 Aug 2019 | 14,000,000 | - | 2,132,153 |
| Recognition of share-based payment vesting expenses for performance rights issued on 31 Oct 2017 | - | - | 777,807 |
| Conversion of performance rights on 28 Aug 2019 | - | (3,750,000) | - |
| Recognition of share-based payment vesting expenses for unlisted options and performance rights granted on 18 Oct 2018 but issued on 28 Aug 2019 | 2,000,000 | 2,500,000 | 54,778 |
| Recognition of share-based payment vesting expenses for options and performance rights granted on 13 Aug 2019, issued on 28 Aug 2019 | - | 4,500,000 | 672,633 |
| Issue of unlisted options granted on 22 Jan 2019 but issued on 28 Aug 2019 | 2,000,000 | - | - |
| Exercise of unlisted options at \$0.25 per share during the year | (262,000) | - | - |
| Issue of unlisted options on 17 Jan 2020 | 5,000,000 | - | - |
| Conversion of performance rights on 31 January 2020 | - | (3,962,500) | - |
| Conversion of performance rights on 11 March 2020 | - | (8,125,000) | - |
| Cancellation of options and performance rights on 9 April 2020 | (1,000,000) | (1,500,000) | (19,249) |
| On issue at 30 June 2020 | 80,566,830 | 7,537,500 | 7,836,007 |

11. RESERVES (CONT.)

| | Number of Unlisted Options | Number of Performance Rights | \$ |
|---|-------------------------------|------------------------------------|------------------|
| On Issue at 1 July 2020 | 80,566,830 | 7,537,500 | 7,836,007 |
| Exercise of unlisted options during the year | (6,976,627) | | (884,042) |
| Conversion of performance rights on 8 April 2021 | - | (250,000) | (141,244) |
| Recognition of share-based payment vesting expense for options and performance rights granted on 13 Aug 2019 (Note 12(i)) | - | - | 111,880 |
| Recognition of share-based payment vesting expense for performance rights granted on 31 October 2017 (Note 12(i)) | - | - | 85,412 |
| Issue of performance rights on 24 November 2020 (Note 12(ii)) | - | 11,900,000 | 637,482 |
| Issue of performance rights on 22 December 2020 (Note 12(iii)) | - | 250,000 | 13,511 |
| Issue of performance rights on 10 September 2020 (Note 12(iv)) | - | 500,000 | 163,838 |
| Issue of Class E performance rights on 14 January 2021 | - | 1,500,000 | 93,795 |
| Issue of Class F performance rights on 14 January 2021 | - | 1,000,000 | 62,530 |
| Issue of Options exercisable at \$0.39 on 14 January 2021 | 2,000,000 | - | 94,837 |
| Issue of Options exercisable at \$0.62 on 22 March 2021 | 300,000 | - | 53,700 |
| Issue of Class G performance rights on 22 March 2021 (Note 12 (viii)) | - | 200,000 | 6,091 |
| On issue at 30 June 2021 | 75,890,203 | 22,637,500 | 8,133,797 |

12. SHARE-BASED PAYMENTS**a) Summary of expenses arising from share-based payment transactions**

| | 2021 | 2020 |
|---|-------------|-----------|
| | \$ | \$ |
| Shares issued to employees (Note 14(b)) | 305,000 | 80,000 |
| Performance rights issued to directors on 31 Oct 2017 (i) | 85,412 | 777,807 |
| Performance rights issued on 24 November 2020 (ii) | 637,482 | - |
| Performance rights Class E and F (v) | 156,325 | - |
| Options granted to employee on 18 Oct 2018 (issued on 28 Aug 2019) | - | 25,439 |
| Performance rights granted to employee on 18 Oct 2018 (issued on 28 Aug 2019) | - | 29,339 |
| Performance rights granted to director on 22 Jan 2019 (issued on 13 Aug 2019) (i) | 111,880 | 672,633 |
| Options and performance rights cancelled on termination of an employee | - | (19,249) |
| Performance rights issued during the year (iii), (iv) and (viii) | 183,440 | - |
| Options issued to employees during the year (vi) and (vii) | 148,537 | - |
| Options issued as part of capital raising costs | - | 2,132,153 |
| Expiry/conversion of options and performance rights | (1,025,286) | - |
| | 602,790 | 3,698,122 |
| Represented by | | |
| Employee benefits expense | 305,000 | - |
| Transfer from share based payment reserve for securities converted/expired | (1,025,286) | - |
| Shared-based payment expense | 1,323,076 | 1,565,969 |
| Capital raising costs | - | 2,132,153 |
| | 602,790 | 3,698,122 |

(i) Options and performance rights issued to directors and company secretary in prior years

The full details of these performance rights are outlined in 30 June 2020 annual report. The expense recognised in the year ending 30 June 2021 is as follows:

| | Value attributed | Value expensed at 30 June 2020 | Value expensed at 30 June 2021 |
|--|------------------|--------------------------------|--------------------------------|
| performance rights granted on 13 August 2019 | 600,000 | 488,120 | 111,880 |
| performance rights granted on 13 August 2019 | 360,000 | 184,513 | - |
| performance rights issued on 31 October 2017 | 755,625 | 670,213 | 85,412 |
| performance rights issued on 31 October 2017 | 463,124 | 107,594 | - |

12. SHARE-BASED PAYMENTS (CONT.)**(ii) Performance rights issued to Directors, granted on 24 November 2020**

On 24 November 2020, the Company approved the issue 11,900,000 Performance Rights to directors and the company secretary under the Company's Long Term Incentive Plan.

The 11,900,000 Performance Rights were issued in two tranches and is subject to the following vesting conditions:

- 5,300,000 Tranche A Performance Rights, vesting upon the Volume Weighted Average Price (VWAP) of the Company's shares trading on the ASX over 20 consecutive trading days being at least \$1.00.
- 6,600,000 Tranche B Performance Rights, vesting upon the Volume Weighted Average Price (VWAP) of the Company's shares trading on the ASX over 20 consecutive trading days being at least \$1.50.

The value of the performance rights was determined using Trinomial pricing model and the inputs detailed below:

| | Tranche A | Tranche B |
|---|------------------|------------------|
| Number granted | 5,300,000 | 6,600,000 |
| Expected volatility (%) | 90 | 90 |
| Risk-free interest rate (%) | 0.09 | 0.11 |
| Expected life of performance rights (years) | 2 | 3 |
| Share price at grant date (cents) | 37 | 37 |
| Fair value at grant date (cents) | 20 | 21 |
| Value attributed (\$) | 1,070,600 | 1,362,900 |
| Value expensed at 30 June 2021 | 340,641 | 296,841 |

12. SHARE-BASED PAYMENTS (CONT.)**(iii) Performance rights granted on 22 December 2020 to Company Secretary**

The 250,000 Performance Rights were issued in two tranches and subject to the following vesting conditions:

- 100,000 Tranche A Performance Rights, upon the Volume Weighted Average Price (VWAP) of the Company's shares trading on the ASX over 20 consecutive trading days being at least \$1.00
- 150,000 Tranche B Performance Rights, upon the Volume Weighted Average Price (VWAP) of the Company's shares trading on the ASX over 20 consecutive trading days being at least \$1.50

The value of the performance rights was determined using Trinomial pricing model and the inputs detailed below:

| | Tranche A | Tranche B |
|---|------------------|------------------|
| Number granted | 100,000 | 150,000 |
| Expected volatility (%) | 100 | 102 |
| Risk-free interest rate (%) | 0.09 | 0.11 |
| Expected life of performance rights (years) | 2 | 3 |
| Share price at grant date (cents) | 36 | 36 |
| Fair value at grant date (cents) | 26 | 26 |
| Value attributed (\$) | 25,680 | 38,940 |
| Value expensed at 30 June 2021 | 6,719 | 6,792 |

(iv) Performance rights issued to Director granted on 10 September 2020

On 10 September 2020, the Company approved the issue 500,000 performance rights to a director.

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

- 250,000 performance rights convertible into ordinary shares upon the Company achieving an aggregate of at least 3.0M oz with cut-off grade of at least 0.4g/t within pit shell and at least 0.8g/t beyond pit shell; and
- 250,000 performance rights convertible into ordinary shares upon the Company achieving a positive pre-feasibility study on the Abujar Gold Project.

| | Tranche A | Tranche B |
|-----------------------------------|------------------|------------------|
| Number granted | 250,000 | 250,000 |
| Share price at grant date (cents) | 57 | 57 |
| Fair value at grant date (cents) | 57 | 57 |
| Expected life | 5yrs | vested |
| Probability (%) | 100 | 100 |
| Value attributed (\$) | 141,250 | 141,250 |
| Value expensed at 30 June 2021 | 22,588 | 141,250 |
| Vested | - | 250,000 |

12. SHARE-BASED PAYMENTS (CONT.)**(v) Performance rights granted to Chief Operating Officer on 14 January 2021**

On 14 January 2021, the Company granted 2,500,000 performance rights pursuant to the Company's Long Term Incentive Plan.

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

- 1,500,000 performance rights convertible into ordinary shares upon the Company achieving successful and safe completion of the design and construction of the Abujar Gold Mine as per the DFS, particularly the processing plant, by meeting or exceeding targets for capital cost, build time and safety performance.
- 1,000,000 performance rights convertible into ordinary shares upon achieving successful and safe mine production, particularly the processing plant, at its design nameplate over 3 consecutive months.

| | Class E | Class F |
|-----------------------------------|----------------|----------------|
| Number granted | 1,500,000 | 1,000,000 |
| Share price at grant date (cents) | 41 | 41 |
| Fair value at grant date (cents) | 41 | 41 |
| Expected life | 3yrs | 3yrs |
| Probability (%) | 100 | 100 |
| Value attributed (\$) | 615,000 | 410,000 |
| Value expensed at 30 June 2021 | 93,795 | 62,530 |
| Vested | - | - |

(vi) Options granted to Chief Operating Officer on 14 January 2021

On 14 January 2021, the Company granted 2,000,000 options pursuant to the Company's Long Term Incentive Plan.

The options are subject to a 24 months continuous employment vesting condition.

The value of the options was determined using Black-Scholes pricing model and the inputs detailed below:

| | |
|---|-----------|
| Number granted | 2,000,000 |
| Expected volatility (%) | 90% |
| Risk-free interest rate (%) | 0.08% |
| Expected life of performance rights (years) | 3 |
| Share price at grant date (cents) | 41 |
| Fair value at grant date (cents) | 23 |
| Value attributed (\$) | 464,000 |
| Value expensed at 30 June 2021 | 94,837 |

(vii) Options granted to Financial Controller on 22 March 2021

On 22 March 2021, the Company granted 300,000 options pursuant to Company's Long Term Incentive Plan. The options vested immediately and are exercisable at \$0.62 on or before the date that is three years from the date of the end of the Probation Period.

The value of the options was determined using Black-Scholes pricing model and the inputs detailed below:

| | |
|-----------------------------------|--------------|
| Number granted | 300,000 |
| Expected volatility (%) | 90% |
| Risk-free interest rate (%) | 0.11% |
| Expiration date | 30 July 2024 |
| Share price at grant date (cents) | 37 |
| Fair value at grant date (cents) | 18 |
| Value attributed (\$) | 53,700 |
| Value expensed at 30 June 2021 | 53,700 |

(viii) Performance rights issued to Financial Controller on 22 March 2021

On 22 March 2021, the Company granted 200,000 performance rights pursuant to Company's Long Term Incentive Plan. The options vest up to a maximum of 100,000 per year, subject to continuous employment with the Company and meeting internal KPIs.

| | |
|---|---------|
| Number granted | 200,000 |
| Probability (%) | 100% |
| Expected life of performance rights (years) | 2 |
| Share price at grant date (cents) | 37 |
| Fair value at grant date (cents) | 37 |
| Value attributed (\$) | 74,000 |
| Value expensed at 30 June 2021 | 6,091 |

12. SHARE-BASED PAYMENTS (CONT.)

b) Reconciliation of movements of share-based payments in existence

Options

| Grant Date | Issue Date | Expiry Date | Exercise Price \$ | Balance at 1 July 2020 No | Granted No | Exercised No | Expired / Forfeited No | Balance at 30 June 2021 No | Vested and Exercisable at 30 June 2021 No | Value included in SBP Reserve at June 2021 \$ |
|-------------|-------------|-------------|----------------------|---------------------------------|---------------|-----------------|------------------------------|----------------------------------|--|--|
| 31 Oct 2017 | 31 Oct 2017 | 31 Dec 2021 | 0.20 | 6,750,000 | - | - | - | 6,750,000 | 6,750,000 | 757,743 |
| 29 Dec 2017 | 29 Dec 2017 | 31 Dec 2021 | 0.20 | 5,000,000 | - | (3,250,000) | - | 1,750,000 | 1,750,000 | 200,082 |
| 29 Dec 2017 | 29 Dec 2017 | 31 Dec 2021 | 0.20 | 39,816,830 | - | (326,627) | - | 39,490,203 | 39,490,203 | - |
| 27 Jul 2018 | 28 Aug 2019 | 22 Jan 2023 | 0.30 | 7,000,000 | - | - | - | 7,000,000 | 7,000,000 | 404,338 |
| 18 Oct 2018 | 28 Aug 2019 | 22 Jan 2022 | 0.25 | 2,000,000 | - | - | - | 2,000,000 | 2,000,000 | 307,730 |
| 22 Jan 2019 | 28 Aug 2019 | 22 Jan 2023 | 0.30 | 1,000,000 | - | - | - | 1,000,000 | 1,000,000 | 33,778 |
| 28 Aug 2019 | 28 Aug 2019 | 28 Aug 2022 | 0.1725 | 14,000,000 | - | (3,400,000) | - | 10,600,000 | 10,600,000 | 1,614,344 |
| 17 Jun 2020 | 17 Jun 2020 | 16 Jan 2023 | 0.20 | 5,000,000 | - | - | - | 5,000,000 | 5,000,000 | - |
| 14 Jan 2021 | 14 Jan 2021 | 14 Jan 2024 | 0.41 | - | 2,000,000 | - | - | 2,000,000 | - | 94,837 |
| 22 Mar 2021 | 22 Mar 2021 | 30 Jul 2024 | 0.62 | - | 300,000 | - | - | 300,000 | 300,000 | 53,700 |
| | | | | 80,566,830 | 2,300,000 | (6,976,627) | - | 75,890,203 | 73,890,203 | 3,466,552 |

Weighted average exercise price is \$0.21. Weighted average contractual life is 2 years.

| Grant Date | Issue Date | Expiry Date | Exercise Price \$ | Balance at 1 July 2019 No | Granted No | Exercised No | Expired / Forfeited No | Balance at 30 June 2020 No | Vested and Exercisable at 30 June 2020 No | Value included in SBP Reserve at June 2020 No |
|-------------|-------------|-------------|----------------------|---------------------------------|---------------|-----------------|------------------------------|----------------------------------|--|--|
| 31 Oct 2017 | 31 Oct 2017 | 31 Dec 2021 | 0.20 | 6,750,000 | - | - | - | 6,750,000 | 6,750,000 | 757,741 |
| 29 Dec 2017 | 29 Dec 2017 | 31 Dec 2021 | 0.20 | 5,000,000 | - | - | - | 5,000,000 | 5,000,000 | 566,309 |
| 29 Dec 2017 | 29 Dec 2017 | 31 Dec 2021 | 0.20 | 40,078,830 | - | (262,000) | - | 39,816,830 | 39,816,830 | - |
| 27 Jul 2018 | 28 Aug 2019 | 22 Jan 2023 | 0.30 | - | 7,000,000 | - | - | 7,000,000 | 7,000,000 | 404,338 |
| 18 Oct 2018 | 28 Aug 2019 | 22 Jan 2022 | 0.25 | - | 1,000,000 | - | - | 1,000,000 | 1,000,000 | 33,778 |
| 18 Oct 2018 | 28 Aug 2019 | 22 Jan 2023 | 0.30 | - | 1,000,000 | - | (1,000,000) | - | - | - |
| 22 Jan 2019 | 28 Aug 2019 | 22 Jan 2022 | 0.25 | - | 1,000,000 | - | - | 1,000,000 | 1,000,000 | 307,730 |
| 22 Jan 2019 | 28 Aug 2019 | 22 Jan 2023 | 0.30 | - | 1,000,000 | - | - | 1,000,000 | 1,000,000 | - |
| 28 Aug 2019 | 28 Aug 2019 | 28 Aug 2022 | 0.1725 | - | 14,000,000 | - | - | 14,000,000 | 14,000,000 | 1,614,344 |
| 17 Jun 2020 | 17 Jun 2020 | 16 Jan 2023 | 0.20 | - | 5,000,000 | - | - | 5,000,000 | 5,000,000 | - |
| | | | | 51,828,830 | 30,000,000 | (262,000) | (1,000,000) | 80,566,830 | 80,566,830 | 3,684,240 |

12. SHARE-BASED PAYMENTS (CONT.)

b) Reconciliation of movements of share-based payments in existence

Performance Rights

| Grant Date | Issue Date | Expiry Date | Balance at 1 July 2020 No | Granted No | Exercised No | Expired / Forfeited No | Balance at 30 June 2021 No | Vested and Exercisable at 30 June 2021 No | Value included in SBP Reserve at June 2021 No |
|-------------|-------------|-------------|---------------------------------|---------------|-----------------|------------------------------|-------------------------------------|--|--|
| 31 Oct 2017 | 31 Oct 2017 | 18 Jan 2022 | 5,037,500 | - | - | - | 5,037,500 | 5,037,500 | 2,681,250 |
| 22 Jan 2019 | 28 Aug 2019 | 18 Jan 2022 | 2,500,000 | - | - | - | 2,500,000 | 2,500,000 | 1,149,997 |
| 22 Oct 2020 | 22 Oct 2020 | 22 Dec 2022 | | 5,300,000 | | | 5,300,000 | | 340,641 |
| 22 Oct 2020 | 22 Oct 2020 | 22 Dec 2023 | | 6,600,000 | | | 6,600,000 | | 296,841 |
| 22 Oct 2020 | 22 Oct 2020 | 22 Dec 2022 | | 100,000 | | | 100,000 | | 6,719 |
| 22 Oct 2020 | 22 Oct 2020 | 22 Dec 2023 | | 150,000 | | | 150,000 | | 6,792 |
| 10 Sep 2020 | 10 Sep 2020 | 10 Sep 2025 | | 500,000 | | | 500,000 | 250,000 | 163,838 |
| | | | | | (250,000) | | (250,000) | | (141,244) |
| 14 Jan 2021 | 14 Jan 2021 | 14 Jan 2024 | | 2,500,000 | | | 2,500,000 | | 156,324 |
| 22 Mar 2021 | 22 Mar 2021 | 30 Jun 2023 | | 200,000 | | | 200,000 | | 6,091 |
| | | | 7,537,500 | - | (250,000) | - | 22,637,500 | 7,537,500 | 4,667,249 |

Weighted average contractual life is 1.5 years.

| Grant Date | Issue Date | Expiry Date | Balance at 1 July 2019 No | Granted No | Exercised No | Expired / Forfeited No | Balance at 30 June 2020 No | Vested and Exercisable at 30 June 2020 No | Value included in SBP Reserve at June 2020 No |
|-------------|-------------|-------------|---------------------------------|---------------|-----------------|------------------------------|-------------------------------------|--|--|
| 31 Oct 2017 | 31 Oct 2017 | 18 Jan 2022 | 17,875,000 | - | (12,837,500) | - | 5,037,500 | - | 2,595,838 |
| 18 Oct 2018 | 28 Aug 2019 | 18 Jan 2022 | 2,500,000 | - | (1,000,000) | (1,500,000) | - | - | 70,000 |
| 22 Jan 2019 | 28 Aug 2019 | 18 Jan 2022 | 4,500,000 | - | (2,000,000) | - | 2,500,000 | - | 968,120 |
| | | | 24,875,000 | - | (15,837,500) | (1,500,000) | 7,537,500 | - | 3,633,958 |

13. FINANCIAL INSTRUMENTS**Financial risk management objectives**

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

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

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

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

Foreign currency risk

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

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

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

| | Assets | | Liabilities | |
|------------------------|----------------|----------------|-------------|------------------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ |
| UK pound sterling | 4,349 | 4,504 | - | - |
| Euro | 1,096 | 83,114 | - | - |
| US dollars | 459,647 | 160,744 | - | - |
| Chinese Yuan Renminbi | - | - | - | (219,335) |
| West African CFA franc | 371,341 | 29,274 | - | - |
| | <u>836,433</u> | <u>277,636</u> | <u>-</u> | <u>(219,335)</u> |

13. FINANCIAL INSTRUMENTS (CONT)**Foreign currency sensitivity analysis**

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

At reporting date, if the Australian dollar was 10% stronger and all other variables were constant, the Group's net loss would have increased by \$12,342 (2020: net loss would have increased by \$5,142) with a corresponding decrease in equity. Where the Australian dollar weakened, there would be an equal and opposite impact on the loss after tax and equity.

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

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

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

| | Weighted Average Effective Interest Rate | | Variable Interest Rate | | Fixed Interest Rate | |
|------------------|--|------|------------------------|-----------|---------------------|------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Financial assets | % | % | \$ | \$ | \$ | \$ |
| Cash at bank | - | 0.77 | - | 1,349,772 | - | - |
| Term Deposits | 0.41 | - | - | - | 35,000,000 | - |
| | | | - | 1,349,772 | 35,000,000 | - |

Interest rate sensitivity analysis

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

At reporting date, if interest rates had been 100 basis points higher and all other variables were constant, the Group's net loss after tax would have increased by \$619,500 (2020: \$13,498) with a corresponding increase in equity. Where interest rates decreased, there would be an equal and opposite impact on the loss after tax and equity.

Liquidity risk

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

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

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

13. FINANCIAL INSTRUMENTS (CONT.)

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

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

| 2021 | Carrying amount | Less than 1 month | 1 month to 1 year | > 1 year | Total |
|------------------------------|-----------------|-------------------|-------------------|----------|------------|
| | \$ | \$ | \$ | \$ | \$ |
| Financial assets | | | | | |
| Non-interest bearing | 12,765,224 | 12,765,224 | - | - | 12,765,224 |
| Variable interest rate | - | - | - | - | - |
| Fixed interest rate | 35,000,000 | - | 35,000,000 | - | 35,000,000 |
| | 47,765,224 | 12,765,224 | 35,000,000 | - | 47,765,224 |
| Financial liabilities | | | | | |
| Non-interest bearing | 4,245,839 | 4,245,839 | - | - | 4,245,839 |
| Lease liabilities | 98,753 | 4,338 | 47,715 | 46,701 | 98,754 |
| | 4,344,592 | 4,250,177 | 47,715 | 46,701 | 4,344,593 |

Fair value of financial assets and liabilities

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

Credit risk

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

As at 30 June 2021, the Group is unaware of any information which would cause it to believe that these financial assets are not fully recoverable.

13. FINANCIAL INSTRUMENTS (CONT)**Capital management**

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

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

14. KEY MANAGEMENT PERSONNEL DISCLOSURES

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

| | 2021 | 2020 |
|------------------------------|------------------|------------------|
| | \$ | \$ |
| Short term employee benefits | 1,139,939 | 650,779 |
| Post employment benefits | 59,440 | 31,193 |
| Other benefits | - | 8,400 |
| Share-based payments | 1,296,665 | 1,450,439 |
| Total remuneration | <u>2,496,044</u> | <u>2,140,811</u> |

15. REMUNERATION OF AUDITORS

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

| | 2021 | 2020 |
|--|---------------|---------------|
| | \$ | \$ |
| Audit and review of the financial statements | 53,612 | 48,763 |
| Taxation services | 5,150 | - |
| | <u>58,762</u> | <u>48,763</u> |

16. CONTINGENT LIABILITIES

The Group had contingent liabilities of USD 1,500,000 as at 30 June 2021 and as at 30 June 2020 (AUD 2,180,955 as at 30 June 2020). This amount resulted from the termination a loan agreement between LGL Australian Holdings Pty Ltd and the Group, due to the farm-in agreement for the Abujar project not being executed.

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

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

In accordance with the Partnership Agreement between the Group and Bamba & Fred Minerals Sarl ("B&F"), the Group has an obligation to pay the shareholders of B&F (other than Tietto Minerals) USD\$250,000 upon each discovery of 500,000 ounces of gold to a maximum USD\$1,500,000 upon the discovery of total 3,000,000 ounces of gold, as defined by the standard "indicated" category of the JORC code. USD\$250,000 has been paid via issue of shares during the previous year. The remaining contingent obligation at 30 June 2021 is USD\$1,250,000.

During the year Tietto had reached agreement to acquire an additional 3% interest in Mining Licence granted to Tiebaya Gold from B&F to increase the Company's interest from 85% to 88% in consideration for:

- The issue of 3,750,000 ordinary shares to each Mr Bamba and Mr N'Kanza at deemed issue price of \$0.62 per share
- The issue of 2,500,00 options exercisable at \$0.62 expiring three years from the date of issue to each Mr Bamba and Mr N'Kanza; and
- Cash payment of US\$200,000 to each Mr Bamba and Mr N'Kanza.

Payment of the above consideration is contingent upon all legal formalities to establish the effective transfer of shares and incorporation of a Cote D'Ivoire Subsidiary Society Miniere du Gnaboua (SMG).

17. SEGMENT INFORMATION

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

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

The following table presents the revenue and results information regarding the segment information provided to the Board of Directors for the year ended 30 June 2021.

Continuing Operations

| | Administration Australia \$ | Exploration Liberia \$ | Exploration Côte D'Ivoire \$ | Intersegment Eliminations \$ | Total \$ |
|-------------------------|-----------------------------------|------------------------------|------------------------------------|------------------------------------|--------------|
| 2021 | | | | | |
| Segment income | 303,455 | - | - | - | 303,455 |
| Segment expenditure | (5,004,390) | (1,223,415) | (13,629,472) | - | (19,857,277) |
| Net loss after tax | (4,700,935) | (1,223,415) | (13,629,472) | - | (19,553,822) |
| Depreciation | (705,507) | - | (296,246) | - | (1,001,753) |
| Exploration expenditure | (115,406) | (841,290) | (11,681,203) | - | (12,637,899) |
| Non-current assets | 4,207,280 | - | 3,558,045 | (47,964) | 7,717,361 |
| Segment assets | 64,739,232 | 72,185 | 7,712,435 | (19,363,221) | 53,160,631 |
| Segment liabilities | (3,577,147) | (4,829,075) | (19,102,177) | 31,852,991 | 4,344,592 |
| 2020 | | | | | |
| Segment income | 195,490 | - | - | - | 195,490 |
| Segment expenditure | (8,471,093) | (766,155) | (8,100,910) | 4,634,348 | (12,703,810) |
| Net loss after tax | (8,275,603) | (766,155) | (8,100,910) | 4,634,348 | (12,508,320) |
| Depreciation | (122,448) | - | (9,413) | - | (131,861) |
| Exploration expenditure | (20,485) | (515,486) | (7,312,039) | - | (7,848,010) |
| Non-current assets | 1,045,003 | - | 151,049 | (47,964) | 1,148,088 |
| Segment assets | 16,013,383 | 9,723 | 185,775 | (3,536,824) | 12,672,057 |
| Segment liabilities | (419,542) | (4,053,899) | (19,102,177) | 22,964,393 | (611,225) |

18. COMMITMENTS

| | 2021 \$ | 2020 \$ |
|---|------------------|------------|
| Committed at reporting date but not recognised as liabilities, payable: | | |
| Within one year | 3,748,211 | - |
| After one year but not more than five years | - | - |
| | <u>3,748,211</u> | <u>-</u> |

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

19. RELATED PARTIES

Transactions with related parties

During the year the Company made cash payment of \$183,918 to Blackwood Capital (2020: \$234,840), a company associated with the Company's Chairman, Mr Francis Harper, in relation to capital raising

During the year the Company made cash payment of \$179,537 to Hopeview Investments Pty Ltd (2020: \$31,000), a company associated with Mr Francis Harper, in relation to capital raising.

All related party transactions are on arm's length terms. There were no other transactions with related parties during the 2020 and 2021 financial years.

Loans with related parties

There were no loans with related parties during the 2021 and 2020 financial years.

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20. PARENT ENTITY INFORMATION

Investment in controlled entities

| Name | Principal Activities | Country of Incorporation | Ownership of interest | |
|---|----------------------|--------------------------|-----------------------|--------|
| | | | 2021 % | 2020 % |
| Tietto Minerals (Liberia) Limited | Exploration | Liberia | 100 | 100 |
| Tietto Minerals (Côte d'Ivoire) Limited | Exploration | Ivory Coast | 100 | 100 |
| Tietto Minerals Austar Pty Ltd | Exploration | Australia | 100 | 100 |
| Bamba & Fred Minerals SARL | Exploration | Ivory Coast | 50 | 50 |
| Tiebaya Gold SARL | Exploration | Ivory Coast | 90 | 90 |

As at, and throughout the financial years ending 30 June 2021 and 30 June 2020, the parent entity of the Group was Tietto Minerals Limited.

| | 2021 | 2020 |
|--|---------------------|---------------------|
| | \$ | \$ |
| Result of parent entity | | |
| Loss for the year | (13,028,035) | (11,812,848) |
| Other comprehensive gain/(loss) | (13,000) | 13,000 |
| Total comprehensive loss for the year | <u>(13,041,035)</u> | <u>(11,799,848)</u> |
| Financial position of parent entity at year end | | |
| Total current assets | 48,234,137 | 11,480,050 |
| Total non-current assets | 4,159,416 | 997,139 |
| Total assets | <u>52,393,553</u> | <u>12,477,189</u> |
| Total current liabilities | 3,577,515 | 419,542 |
| Total non-current liabilities | - | - |
| Total liabilities | <u>3,577,515</u> | <u>419,542</u> |
| Net assets | <u>0</u> | <u>0</u> |
| Share capital | 96,497,786 | 41,705,488 |
| Revaluation reserve | (99,000) | (86,000) |
| Options reserve | 8,133,801 | 7,836,007 |
| Other reserve | (644,910) | (644,910) |
| Accumulated losses | (55,071,638) | (36,752,938) |
| Total equity | <u>48,816,039</u> | <u>12,057,647</u> |

20. PARENT ENTITY INFORMATION (CONT.)**Parent entity capital commitments for acquisition for property, plant and equipment**

There are no contracted capital commitments of the parent entity at year end, other than as disclosed in note 18.

Parent entity guarantees in respect of the debts of its subsidiaries

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

21. CASH FLOW INFORMATION

| | 2021 | 2020 |
|--|---------------------|--------------------|
| | \$ | \$ |
| Reconciliation of cash flows used in operating activities with loss after tax is as follows: | | |
| Loss after tax | (19,553,822) | (12,508,320) |
| Adjustment for: | | |
| Foreign currency exchange differences | 193,662 | 572,059 |
| Depreciation | 1,001,753 | 131,861 |
| Amortisation | 23,895 | 24,181 |
| Share-based payments expense | 1,323,080 | 1,565,969 |
| Shares issued to employees | 305,000 | |
| Exploration expenditure not paid via cash | - | 1,149,086 |
| Loss on settlement of liability | - | 189,621 |
| Interest expense in investing and financing activities | 1,159 | 6,693 |
| Operating loss before working capital changes | <u>(16,705,273)</u> | <u>(8,868,850)</u> |
| (Increase)/Decrease in receivables | (6,254,789) | (36,735) |
| (Decrease)/Increase in trade and other payables | <u>3,654,192</u> | <u>(68,766)</u> |
| Net cash used in operating activities | <u>(19,305,870)</u> | <u>(8,974,351)</u> |

Non-cash investing activities during the current or prior financial years are as disclosed in the above. Non-cash financing transactions during the current and prior financial years are detailed in Note 10 and Note 12.

22. LOSS PER SHARE

| | 2021 | 2020 |
|---|---------------|---------------|
| Basic loss per share (cents per share) | (4.51) | (4.02) |
| | \$ | \$ |
| Loss after income tax attributable to the owners of Tietto Minerals Limited | (19,590,381) | (12,495,098) |
| | Number | Number |
| Weighted average number of ordinary shares | 434,327,669 | 310,561,902 |

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

23. EVENTS SUBSEQUENT TO REPORTING DATE

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while there has been no negative impact for the consolidated entity up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

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

Directors' Declaration

The directors of the Company declare that:

- 1) The attached financial statements notes thereto comply with the Corporations Act 2001, The Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements ; and
 - a) Comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Notes 2 and 3 to the financial statements;
 - b) Give a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
- 2) There are reasonable grounds to believe that the group will be able to pay its debts as and when they become due and payable.
- 3) The directors have been given the declarations required by section 295A of the Corporation Act 2001.

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

On behalf of the Directors



Caigen Wang
Managing Director

Dated at Perth this 30th day of September 2021

INDEPENDENT AUDITOR'S REPORT

To the members of Tietto Minerals Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Tietto Minerals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

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

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

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

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Key audit matters

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

Accounting for share-based payments

| Key audit matter | How the matter was addressed in our audit |
|---|--|
| <p>As disclosed in Note 12 to the financial report, the Group has granted a number of equity instruments, which have been accounted for as share-based payments in accordance with AASB 2 Share-based Payment.</p> <p>Refer to Note 2(d) and Note 3(k) of the financial report for a description of the accounting policy and significant estimates and judgements applied to these arrangements.</p> <p>Share-based payments are a complex accounting area and due to the complex and judgemental estimates used in determining the fair value of share-based payments consider the accounting of the share-based payments to be a key audit matter.</p> | <p>Our procedures included, but were not limited:</p> <ul style="list-style-type: none"> • Holding discussions with management to understand the share-based payment arrangements in place; • Reviewing relevant supporting documentation to obtain an understanding of the contractual nature and terms and conditions of the share-based payment arrangements; • Reviewing management’s determination of the fair value of the share-based payments granted, considering the appropriateness of the valuation models used; • Assessing the reasonableness of the valuation assumptions and inputs using our internal valuation specialists where deemed necessary; • Evaluating management’s assessment of the probability and timing of achieving non-market performance conditions relating to performance rights; • Assessing the allocation of the share-based payment expense over the expected vesting periods; and • Assessing the adequacy and completeness of the related disclosures in Note 2(d), Note 3(k) and Note 12 to the financial report. |

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

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Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 39 to 48 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Tietto Minerals Limited, for the year ended 30 June 2021, complies with section 300A of the Corporations Act 2001.

Responsibilities

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

BDO Audit (WA) Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'J Prue', is written over the printed name.

Jarrad Prue

Director

Perth, 30 September 2021

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Information as at 26 August 2021

(a) Distribution of Shareholders

| Category (size of holding) | Holders | Number of Shares | % Issued Share Capital |
|----------------------------|--------------|--------------------|------------------------|
| 1 – 1,000 | 79 | 21,066 | 0.00% |
| 1,001 – 5,000 | 427 | 1,251,117 | 0.27% |
| 5,001 – 10,000 | 266 | 2,221,893 | 0.49% |
| 10,001 – 100,000 | 869 | 35,257,470 | 7.73% |
| 100,001 – and over | 320 | 417,433,910 | 91.51% |
| Total | 1,961 | 456,185,456 | 100.00% |

The number of shareholdings held in less than marketable parcels is **138**.

(b) Voting rights

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

Ordinary Shares

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

Options

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

Performance Rights

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

(c) 20 Largest Shareholders — Ordinary Shares as at 26 August 2021

| Rank | Name | Ordinary Shares Held | % of Issued Capital |
|------|---|----------------------|---------------------|
| 1 | HONGKONG AUSINO INVESTMENT LIMITED | 44,418,059 | 9.74% |
| 2 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 31,372,987 | 6.88% |
| 3 | 5013423 ONTARIO CORP | 26,269,690 | 5.76% |
| 4 | CITICORP NOMINEES PTY LIMITED | 23,942,623 | 5.25% |
| 5 | INNER MONGOLIA GEOLOGICAL & MINERALS EXPLORATION CO LTD | 23,448,312 | 5.14% |
| 6 | BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP> | 22,939,471 | 5.03% |
| 7 | MR QIXIAN WU | 16,721,269 | 3.67% |
| 8 | PHILLIP PERRY | 16,715,802 | 3.66% |
| 9 | DR CAIGEN WANG | 10,408,557 | 2.28% |
| 10 | FRANCIS HARPER | 9,457,546 | 2.07% |
| 11 | BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C> | 8,997,850 | 1.97% |
| 12 | HAYES INVESTMENTS CO PTY LTD | 7,493,779 | 1.64% |

| Rank | Name | Ordinary Shares Held | % of Issued Capital |
|------|---|----------------------|---------------------|
| 13 | BNP PARIBAS NOMS PTY LTD <DRP> | 7,336,070 | 1.61% |
| 14 | JSR NOMINEES PTY LTD <RICHARDSON SUPER FUND A/C> | 6,148,245 | 1.35% |
| 15 | MS JIAN ZHAO | 5,381,820 | 1.18% |
| 16 | XU SUPERANNUATION FUND PTY LTD <XU FAMILY S/F A/C> | 4,791,058 | 1.05% |
| 17 | MR JUNYUAN YU | 4,011,492 | 0.88% |
| 18 | KALIN AUSTRALIA PTY LTD <W & Z FAMILY A/C> | 4,011,491 | 0.88% |
| 19 | MANDEL PTY LTD <MANDEL SUPER FUND A/C> | 3,700,000 | 0.81% |
| 20 | MR JEFFREY MICHAEL WILSON | 3,650,000 | 0.80% |
| | Total | 281,216,121 | 61.65% |
| | Balance of register | 174,969,335 | 38.35% |
| | Grand total | 456,185,456 | 100.00% |

(d) Securities Subject to Escrow

No securities are currently subject to any escrow provisions

(e) On-market Buy-Back

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

(f) Substantial Shareholders

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

| Name | Number of Shares Held | Percentage Held |
|--------------------------------|-----------------------|-----------------|
| HONGKONG AUSINO INVESTMENT LTD | 44,418,059 | 9.74% |
| 5013423 ONTARIO CORP | 26,269,690 | 5.76% |

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

As at 26 August 2021 the following classes of unquoted securities had holders with greater than 20% of the class on issue.

| | % Interest |
|--|------------|
| Options exercisable at 17.25¢ on or before 28 August 2022 | |
| Francis Harper | 23.58% |
| Stuart Richardson | 23.58% |
| Options exercisable at 20¢ on or before 31 December 2021 | |
| Francis Harper Pty Ltd <Francis Harper S/Fund A/C> | 48.53% |
| JSR Nominees Pty Ltd <Richardson Super Fund A/C> | 29.41% |
| Options exercisable at 25¢ on or before 31 December 2021 | |
| Caigen Wang | 21.40% |
| Options exercisable at 25¢ on or before 22 January 2022 | |
| Precambrian Pty Ltd <Kitto and Shepherd S/F A/C> | 50.00% |
| Mathieu Ageneau | 50.00% |
| Options exercisable at 30¢ on or before 22 January 2023 | |
| Hongkong Ausino Investment Ltd | 87.50% |
| Options exercisable at 20¢ on or before 16 January 2023 | |
| Hongkong Ausino Investment Ltd | 100.00% |
| Options exercisable at 39¢ on or before 21 May 2024 | |
| Matthew Wilcox<Wilcox Family A/C> | 100.00% |
| Options exercisable at 62¢ on or before 1 August 2024 | |
| Ting Xu | 100.00% |
| Class A Performance Rights | |
| Caigen Wang | 37.04% |
| Mark Strizek | 37.04% |
| Class B Performance Rights | |
| Caigen Wang | 37.04% |
| Mark Strizek | 37.04% |
| Class C Performance Rights | |
| Caigen Wang | 43.12% |
| Paul Kitto | 26.53% |
| Class D Performance Rights | |
| Mark Strizek | 100.00% |
| Class E Performance Rights | |
| Matthew Wilcox<Wilcox Family A/C> | 100.00% |
| Class F Performance Rights | |
| Matthew Wilcox<Wilcox Family A/C> | 100.00% |
| Class G Performance Rights | |
| Ting Xu | 100.00% |

Corporate Governance

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