

# **Tantalum International Limited**

ACN 086 594 498

## **Financial Report**

**30 June 2022**

Contents

DIRECTORS' REPORT ..... 1

AUDITOR'S INDEPENDENCE DECLARATION ..... 4

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME..... 5

STATEMENT OF FINANCIAL POSITION ..... 6

STATEMENT OF CASH FLOWS..... 7

STATEMENT OF CHANGES IN EQUITY ..... 8

NOTES TO THE FINANCIAL STATEMENTS ..... 9

DIRECTORS' DECLARATION ..... 25

INDEPENDENT AUDITOR'S REPORT ..... 26

# TANTALUM INTERNATIONAL LIMITED

ACN:086 594 498

## CORPORATE DIRECTORY

<b>DIRECTORS</b>	Michael Rosenstreich Rowan Caren Ayman Ayyash John Kenny
<b>COMPANY SECRETARY</b>	Rowan Caren
<b>REGISTERED OFFICE</b>	Suite 1, 9 Havelock Street West Perth, Western Australia 6005 Australia
<b>TELEPHONE</b>	+61 (0)8 6147 8100
<b>E-MAIL</b>	<a href="mailto:rowan.caren@dabinett.com.au">rowan.caren@dabinett.com.au</a>
<b>WEBSITE</b>	<a href="https://tantalumint.wixsite.com/tantalumint">https://tantalumint.wixsite.com/tantalumint</a>
<b>AUDITORS</b>	Criterion Audit Pty Ltd Suite 2, 642 Newcastle Street LEEDERVILLE WA 6008 T: 08 9466 9009 Australia
<b>SHARE REGISTRY</b>	Automic Registry Services Pty Ltd Level 2 267 St Georges Terrace Perth Western Australia 6000 Australia  PO Box 2226, Strawberry Hills, NSW 2012 Website: <a href="http://www.automic.com.au">www.automic.com.au</a>

# DIRECTORS' REPORT

Your Directors present their report with respect to the results of Tantalum International Limited ("Tantalum" or "the Company") for the year ended 30 June 2022 ("the Balance Date") and the state of affairs of the Company.

## DIRECTORS

The names of the Directors in office at any time during or since the end of the year are as below. Directors were in office for this entire period unless otherwise stated.

Mr Michael Rosenstreich  
Mr Rowan Caren  
Mr Ayman Ayyash  
Mr John Kenny  
Mr Richard Beale (resigned 16 July 2021)

### *Names, qualifications, experience and special responsibilities*

#### **Michael Rosenstreich – Chairman and Managing Director** **BSC (Hons), MEE, FAusIMM, MAICD**

Mr Rosenstreich has a technical background and has worked in corporate finance and management of listed companies over the past 30 years.

#### **Rowan Caren – Director and Company Secretary** **BCom, CA**

Mr Caren was employed by the chartered accountancy firm PricewaterhouseCoopers in Australia and overseas for six years and has been directly involved in the minerals exploration industry for a further 20 years. He also provides company secretarial and corporate advisory services to several exploration companies and is a member of Chartered Accountants Australia and New Zealand.

#### **Ayman Ayyash – Director**

Mr Ayyash is a businessman based in Amman, Jordan.

#### **John Kenny – Director** **BCom (Hons) LLB**

Mr Kenny is a corporate and resources lawyer with a specialised interest in venture capital, initial public offerings and merger acquisitions.

### *Interest in Shares of the Company and related bodies corporate*

As at the date of this report, the interest of the directors in the shares of Tantalum International Limited were:

	<b>Number of Ordinary Shares</b>	<b>Number of Preference Shares</b>
Mr M Rosenstreich	-	1
Mr R Caren	430,739	1
Mr A Ayyash	236,112	1
Mr J Kenny	12,785,152	-

## OPTIONS

At the date of this report, there are no options on issue.

# DIRECTORS' REPORT

## MEETINGS OF DIRECTORS

During the financial year, 6 meetings of directors were held by way of circular resolution. Attendances by each director during the year were as follows:

Name	Meetings/Resolutions Attended	Meetings/Resolutions Eligible to Attend
M Rosenstreich	6	6
R Caren	6	6
A Ayyash	6	6
J Kenny	6	6
R Beale	1	1

## PRINCIPAL ACTIVITIES

The principal activities of the Company during the year were focused on pursuing the arbitration action against the Arab Republic of Egypt ("Egypt") in relation to the alleged expropriation (amongst other claims) of the Company's 50% interest in the Abu Dabbab Tantalum-Tin-Feldspar project (the Project), located in southern Egypt. The Company was able to achieve a settlement of the arbitration action during the year.

## RESULTS

The operating profit of the Company after providing for income tax amounted to \$20,831,272 (2021: loss of \$342,125).

### *Review of Operations*

The principal activities of the Company during the half-year were focused on resolving the arbitration action against the Arab Republic of Egypt ("Egypt") in relation to the alleged expropriation (amongst other claims) of the Company's 50% interest in the Abu Dabbab Tantalum-Tin-Feldspar project (the Project), located in southern Egypt. There were no significant changes in the nature of the Company's principal activity during the year other than as noted below.

- The Company, Emerge Gaming Limited and the Arab Republic of Egypt, following a successful process of negotiation, signed a binding agreement to settle their dispute, with the Claimants agreeing to withdraw their claims in return for a cash settlement from Egypt of US\$31,690,000, before Egyptian stamp duty of US\$760,585.
- As part of the settlement terms, the Company has agreed to forgive all loans due from Tantalum Egypt JSC and Egypt, which together totalled US\$12,598,330. Non-recovery of the balance of these loans has been fully provided for in prior years.
- After stamp duty, payment of amounts due to the arbitration funding entities, Emerge Gaming Limited (in respect of the Co-claimant fee) and the negotiating consultant who led negotiations with the Arab Republic of Egypt on the Company and Emerge Gaming's behalf, the Company retained proceeds of US\$17,524,686.
- A dividend to preference shareholders was paid for a total amount of \$2,251,356, franked to 38.33%.
- An interim dividend to ordinary shareholders of \$16,914,011, representing 12.38 cents per share, franked to 38.33% was paid.
- A return of capital to ordinary shareholders of \$829,122, representing 0.607 cents per share, was paid.

### *Financial Position*

The Company had a net deficit of \$219,699 at 30 June 2021 which has improved by \$836,781 to a surplus of \$617,082 at 30 June 2022. As at the Reporting Date the Company had a working capital surplus of \$617,082 (2021: deficit of \$199,543).

## DIVIDENDS

A dividend to preference shareholders was paid for a total amount of \$2,251,356, franked to 38.33%.

An interim dividend to ordinary shareholders of \$16,914,011, representing 12.38 cents per share, franked to 38.33% was paid.

## SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company occurred during the financial year, other than as described elsewhere in this report.

# DIRECTORS' REPORT

## SIGNIFICANT EVENTS AFTER THE BALANCE DATE

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

## FUTURE DEVELOPMENTS

The Company intends to pay a final dividend to ordinary shareholders this year.

Directors will then seek to liquidate the Company.

## ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company's operations are not currently subject to any significant environmental regulations.

## INDEMNITY AND INSURANCE OF OFFICERS

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

- The Company has entered into "Deeds of Indemnity, Access and Insurance" with directors and officers in which the Company agrees to indemnify the directors and officers in respect of certain liabilities incurred by the director or officer while acting in their capacity for the Company and to insure the director or officer against certain risks they are exposed to as a director or officer of the Company.

## PROCEEDINGS ON BEHALF OF COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. No proceedings have been brought or intervened in or on behalf of the Company with leave of the court under section 237 of the *Corporations Act 2001*.

## NON-AUDIT SERVICES

No non-audit services were provided by the Company's auditor, Criterion Audit Pty Ltd.

## AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* for the year ended 30 June 2022 has been received and can be found on page 4.

Signed in accordance with a resolution of the Board of Directors made pursuant to s.298(2) of the Corporations Act 2001 (Cth).



R. CAREN  
Director

Dated this 20<sup>th</sup> day of October 2022.

Criterion Audit Pty Ltd

ABN 85 165 181 822

PO Box 233 LEEDERVILLE WA 6902

Suite 2, 642 Newcastle Street  
LEEDERVILLE WA 6007

Phone: 9466 9009

To The Board of Directors

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

As lead audit director for the audit of the financial statements of Tantalum International Limited for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully

*Criterion Audit Pty Ltd*

**CRITERION AUDIT PTY LTD**  
**Chartered Accountants**

*Elizabeth Louwrens*

**ELIZABETH LOUWRENS CA**  
**Director**

DATED at PERTH this 20<sup>th</sup> day of October 2022

**STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 \$	2021 \$
<b>Continuing Operations</b>			
Other income	3(a)	43,254,551	30,152
<b>Total income - continuing operations</b>		<u>43,254,551</u>	<u>30,152</u>
Expenses related to settlement of arbitration		(15,832,217)	-
Payment of co-claimant fee to Emerge Gaming Limited		(2,895,827)	-
Administration expense		(61,031)	(39,359)
Legal fees		(188,998)	(333,143)
Employee benefits expense	3(d)	(47,000)	-
Foreign exchange (losses) / gains		(31,052)	225
<b>Total expenses</b>		<u>(19,056,125)</u>	<u>(372,277)</u>
<b>Profit/(loss) before income tax from continuing operations</b>		24,198,426	(342,125)
Income tax expense	4	(3,367,154)	-
<b>Profit/(Loss) after income tax for the year from continuing operations</b>		<u>20,831,272</u>	<u>(342,125)</u>
<b>Profit/(Loss) for the Year</b>		<u>20,831,272</u>	<u>(342,125)</u>
<b>Other comprehensive income, net of income tax</b>			
Exchange rate differences on translating foreign operations		-	-
Total other comprehensive income		-	-
<b>Total comprehensive profit (loss) for the year</b>		<u>20,831,272</u>	<u>(342,125)</u>
<b>Profit is attributable to:</b>			
Members of the parent		20,831,272	(342,125)
Non-controlling interest		-	-
		<u>20,831,272</u>	<u>(342,125)</u>
<b>Earnings per share</b>			
From continuing operations			
Basic earnings per share (cents per share)	5	15.25	(0.25)
Diluted earnings per share (cents per share)	5	<u>15.25</u>	<u>(0.25)</u>

The accompanying notes form an integral part of this Statement of Profit or Loss and Other Comprehensive Income.



**STATEMENT OF FINANCIAL POSITION**  
AS AT 30 JUNE 2022

	Note	2022 \$	2021 \$
<b>Current Assets</b>			
Cash and cash equivalents	6	4,117,154	103,110
Trade and other receivables	7	183	73,013
<b>Total Current Assets</b>		<u>4,117,337</u>	<u>176,123</u>
<b>Total Assets</b>		<u>4,117,337</u>	<u>176,123</u>
<b>Current Liabilities</b>			
Trade and other payables	8	133,101	375,666
Provisions	9	3,367,154	-
<b>Total Current Liabilities</b>		<u>3,500,255</u>	<u>375,666</u>
<b>Non-Current Liabilities</b>			
Loans and borrowings	10	-	20,156
<b>Total Non-Current Liabilities</b>		<u>-</u>	<u>20,156</u>
<b>Total Liabilities</b>		<u>3,500,255</u>	<u>395,822</u>
<b>Net Assets / (Deficit)</b>		<u>617,082</u>	<u>(219,699)</u>
<b>Equity</b>			
Contributed equity	11	653	829,775
Reserves	13(a)	5,105	5,105
Accumulated losses	13(b)	611,324	(1,054,579)
<b>Total Equity</b>		<u>617,082</u>	<u>(219,699)</u>

The accompanying notes form an integral part of this Statement of Financial Position.

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 \$	2021 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(466,764)	(65,280)
Payment of co-claimant fee to Emerge Gaming Limited		(2,895,827)	-
Expenses related to settlement of arbitration		(15,832,217)	-
Other income		43,254,551	30,152
		<hr/>	<hr/>
<b>Net cash flows used in operating activities</b>	6	24,059,743	(35,128)
		<hr/>	<hr/>
<b>Cash flows from financing activities</b>			
Dividends paid		(19,165,369)	-
Advance from arbitration funder		-	43,549
Return of capital		(829,122)	-
Repayment of borrowing		(20,156)	-
		<hr/>	<hr/>
<b>Net cash provided by financing activities</b>		(20,014,647)	43,549
		<hr/>	<hr/>
<b>Net increase in cash held</b>		4,045,096	8,421
<b>Net foreign exchange differences</b>		(31,052)	-
		<hr/>	<hr/>
<b>Cash and cash equivalents at beginning of the year</b>		103,110	94,689
		<hr/>	<hr/>
<b>Cash and cash equivalents at end of the year</b>	6	4,117,154	103,110
		<hr/>	<hr/>

The accompanying notes form an integral part of this Statement of Cash Flows.

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	Notes	Issued Capital \$	Retained Earnings / (Accumulated Losses) \$	SBP reserve \$	Total Equity \$
<b>As at 1 July 2020</b>		829,775	(712,454)	5,105	122,426
Loss for the year		-	(342,125)	-	(342,125)
Total comprehensive loss for the year		-	(342,125)	-	(342,125)
Transactions with owners in their capacity as owners					
<b>Balance at 30 June 2021</b>		829,775	(1,054,579)	5,105	(219,699)
Profit for the year		-	20,831,272	-	20,831,272
Total comprehensive profit for the year		-	20,831,272	-	20,831,272
Transactions with owners in their capacity as owners					
Return of capital		(829,122)	-	-	(829,122)
Dividend to ordinary shareholders	12		(16,914,013)	-	(16,914,013)
Dividend to preference shareholders	12	-	(2,251,356)	-	(2,251,356)
<b>Balance at 30 June 2022</b>		653	611,324	5,105	617,082

The accompanying notes form an integral part of this Statement of Changes in Equity.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2022

### 1 CORPORATE INFORMATION

The financial report of Tantalum International Limited for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of the directors on 20th October 2022.

Tantalum International Limited is a company limited by shares incorporated in Australia. The nature of the operations and principal activities of the Company was to pursue an arbitration action against the Arab Republic of Egypt.

The Company, Emerge Gaming Limited and the Arab Republic of Egypt, following a successful process of negotiation, signed a binding agreement to settle their dispute, with the Claimants agreeing to withdraw their claims in return for a cash settlement from Egypt of US\$31,690,000, before Egyptian stamp duty of US\$760,585.

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and applicable Australian Accounting Standards.

The financial statements have been prepared on the basis of historical cost as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise noted. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2, leasing transactions that are within the scope of AASB 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 2 or value in use in AASB 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

For the purpose of preparing the financial statements, the entity is a for-profit entity.

#### (b) Going Concern

The financial report has been prepared on a going concern basis which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. Whilst the Directors have prepared the financial report on a going concern basis, it is intended that shareholder approval for a Members Voluntary Liquidation will be sought within 12 months of this financial report. Therefore, for this reporting date the going concern basis is considered to be appropriate. At this time, the Directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report at 31 December 2022.

As at 30 June 2022, the Company had available cash and cash equivalents of \$4,117,154 and had a net cash inflow from operating activities of \$24,059,743.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**(c) Statement of Compliance**

Compliance with Australian Accounting Standards ensures the financial report, the financial statements and notes comply with International Financial Reporting Standards ("IFRS").

**(d) New Standards and Interpretations Adopted**

*Standards and Interpretations applicable to 30 June 2022*

In the year ended 30 June 2022, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Company accounting policies.

*Standards and Interpretations in issue not yet adopted*

The Directors have also reviewed all Standards and Interpretations in issue but not yet adopted for the year ended 30 June 2022. As a result of this review the Directors have determined that there is no material impact, of the Standards and Interpretations in issue but not yet adopted on the Company and, therefore, no change is necessary to Company accounting policies.

**(e) Cash and cash equivalents**

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity 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 outstanding bank overdrafts.

**(f) Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

**(g) Recoverable amount of assets**

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

**(h) Trade and other payables**

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

**(i) Loans and borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**(j) Contributed equity**

Ordinary share capital is recognised at the fair value of the consideration received. Any transaction costs arising on the issue of shares are recognised directly in equity as a reduction of the share proceeds received.

**(k) Share-based payment transactions**

The Company provides remuneration to employees (including directors) of the Company in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted.

**(l) Revenue Recognition**

The entity recognises revenue as follows:

*Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

**(m) Income tax**

In principle, deferred income tax is provided on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for the financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2022

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of profit or loss and other comprehensive income.

#### **(n) Investments and other financial assets**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

##### *Financial assets at fair value through profit or loss*

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

##### *Financial assets at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income include equity investments which the Company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

##### *Impairment of financial assets*

The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**(o) Other taxes**

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Cash flows are included in the Cash Flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

**(p) Segment information**

Operating segments have been identified on the basis of internal reports about components of the Company that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. The chief operating decision maker has been identified as the board of directors of the Company.

**(q) Critical accounting judgements and key sources of estimation uncertainty**

In the application of Australian Accounting Standards management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates. The 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 if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years. There were no critical accounting judgments or key sources of estimation uncertainty with a significant risk of material adjustment in the next year.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

**(r) Financial risk management policy**

Details of the Company's financial risk management policy are set out in Note 21.

**(s) Dividends**

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

**(t) Comparative figures**

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



**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2022

**3 REVENUES, OTHER INCOME AND EXPENSES**

	2022 \$	2021 \$
<b>Revenue and expenses from continuing operations</b>		
<b>(a) Other income</b>		
Settlement proceeds from arbitration action	44,179,562	-
Stamp duty deducted by Arab Republic of Egypt	(1,060,344)	-
Net proceeds from settlements of arbitration action	43,119,218	-
Refund of ICSID tribunal fee	135,333	-
Sundry income	-	30,152
	43,254,551	30,152
<b>(b) Administration expenses</b>		
Included in administration expenses:		
Consultancy expenses	14,051	21,532

**4 INCOME TAX**

	2022 \$	2021 \$
--	------------	------------

Major components of income tax expense for the years ended 30 June 2022 and 2021 are:

**Income statement**

A reconciliation of income tax expense (benefit) applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the company's effective income tax rate for the years ended 30 June 2022 and 2021 is as follows:

Accounting profit before tax from continuing operations	24,198,426	(342,125)
Accounting profit before income tax	24,198,426	(342,125)
At the statutory income tax rate of 30% (2021: 30%)	7,259,528	(102,638)
Add:		
Tax assessable income not recognised in accounts	3,421,811	-
Non-deductible expenses	6,002,532	-
Temporary differences and losses not recognised	12,900	102,638
Less:		
Non-assessable income	(13,294,469)	-
Tax losses utilised not previously brought to account as a deferred tax asset	(35,148)	-
At effective income tax rate 13.9% (2021: 0%)	3,367,154	-
<b>Unrecognised deferred tax assets</b>		
Deferred tax assets have not been recognised in respect of the following items		
Trade and other payables	39,930	112,700
Tax losses	-	103,798
Unrecognised deferred tax assets	39,930	216,498

The tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2022

**5 EARNINGS PER SHARE**

	<b>2022</b>	2021
	<b>cents</b>	cents
Basic earnings per share		
From continuing operations	<b>15.25</b>	(0.25)
From discontinued operations	-	-
Total basic earnings per share	<b>15.25</b>	(0.25)
Diluted earnings per share		
From continuing operations	<b>15.25</b>	(0.25)
From discontinued operations	-	-
Total diluted earnings per share	<b>15.25</b>	(0.25)

The following reflects the income and share data used in the basic and diluted earnings per share computations:

**(a) Reconciliation of earnings used in calculating earnings per share**

	\$	\$
Gain / (Loss) attributable to ordinary equity holders of the Company from continuing operations used in the calculation of basic earnings per share and diluted earnings per share	<b>20,831,272</b>	(342,125)

**(b) Weighted average number of shares used in the denominator**

	Shares	Shares
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	<b>136,593,577</b>	136,593,577
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	<b>136,593,577</b>	136,593,577

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2022

**6 CASH AND CASH EQUIVALENTS**

Cash at bank and in hand earns interest at floating rates based on daily bank rates. The fair value of cash and cash equivalents is \$4,117,154 (2021: \$103,110).

	2022 \$	2021 \$
<b>Reconciliation of cash</b>		
Cash	<u>4,117,154</u>	103,110
<b>Reconciliation of profit from ordinary activities after income tax to net cash used in operating activities</b>		
Operating profit after income tax	20,831,272	(342,125)
Adjustments for:		
Gain on GST related to arbitration funding	-	(30,152)
Advance from arbitration funder expended	-	(43,549)
Foreign exchange on bank balances	31,052	-
Changes in assets and liabilities :		
Increase in trade and other receivables	72,830	50,655
Increase in provisions	3,367,154	-
Decrease (increase) in trade and other payables	(242,565)	330,043
Net cash used in operating activities	<u>24,059,743</u>	<u>(35,128)</u>

**Non-cash transactions**

During the 2022 financial year, the Company did not enter into any non-cash investing and financing activities which are not reflected in the statement of cash flows.

**7 TRADE AND OTHER RECEIVABLES (CURRENT)**

	2022 \$	2021 \$
<b>Trade and other receivables</b>		
Other receivables	<u>183</u>	73,013
	<u>183</u>	<u>73,013</u>

- (i) Other receivables relate to GST receivable from the Australian Taxation Office.

**8 TRADE AND OTHER PAYABLES (CURRENT)**

	2022 \$	2021 \$
<b>Trade and other payables</b>		
Trade payables and accruals	<u>133,101</u>	375,666
	<u>133,101</u>	<u>375,666</u>

- (1) Trade payables and accruals are non-interest bearing and are normally settled on repayment terms between 7 and 30 days. The accruals include the balance of the Co-Claimant fee due and payable to Emerge Gaming Limited.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**9 PROVISIONS**

	<b>2022</b>	<b>2021</b>
	\$	\$
Provision for income tax	<b>3,367,154</b>	-
	<b>3,367,154</b>	-

This provision relates to the Company's estimated tax payable for the year.

**10 LOANS AND BORROWINGS**

	<b>2022</b>	<b>2021</b>
	\$	\$
Loan from Emerge Gaming Limited	-	20,156
	-	20,156

The loan which was interest free and unsecured was repaid during the year.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2022

**11 CONTRIBUTED EQUITY**

**Shares on issue**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Ordinary shares fully paid	<b>653</b>	829,775
Class A Preference shares	-	-

Fully paid ordinary shares carry one vote per share and carry the right to dividends. Issued capital has no par value.

A return of capital equivalent to \$0.00607 per share was paid during the year.

Class A Preference Shares have no voting rights. Each Preference Share entitled the holder to 1.7% of the total compensation arising from the arbitration with the Arab Republic of Egypt. Following settlement of the arbitration with the Arab Republic of Egypt, a final preference dividend was declared during the year.

	<b>Number of Ordinary Shares</b>	<b>\$</b>
Balance at 1 July 2020	136,593,577	829,775
Balance at 30 June 2021	136,593,577	829,775
Return of capital	-	(829,122)
<b>Balance at 30 June 2022</b>	<b>136,593,577</b>	<b>653</b>

	<b>Number of Class A Preference Shares</b>	<b>\$</b>
Balance at 1 July 2020	3	-
Balance at 30 June 2021	3	-
<b>Balance at 30 June 2022</b>	<b>3</b>	<b>-</b>

There are no unissued ordinary shares of Tantalum International Limited under option.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2022

**12 DIVIDENDS**

Dividends paid during the financial year were as follows:

	2022 \$	2021 \$
Interim dividend to ordinary shareholders for the year ended 30 June 2022 of 12.38 cents (2021: Nil) per ordinary share	16,914,013	-
Final dividend to Class A Preference shareholders for the year ended 30 June 2022 of \$750,452 (2021: \$Nil) per preference	2,251,356	-
	<u>19,165,369</u>	<u>-</u>

On 15 September 2021 the directors declared an interim dividend for the year ending 30 June 2022 of 12.38 cents per ordinary share to be paid on 6 October 2021. The Directors also declared a final dividend in respect of the Class A Preference shares of \$750,452 per share.

**13 RESERVES AND ACCUMULATED LOSSES**

**(a) Reserves**

	2022 \$	2021 \$
Share Based Payments reserve	5,105	5,105
	<u>5,105</u>	<u>5,105</u>

	Share based payment reserve \$	Total \$
At 1 July 2020	5,105	5,105
At 30 June 2021	5,105	5,105
At 30 June 2022	5,105	5,105

**Nature and purpose of reserves**

*Share Based Payments reserve*

The share-based payments reserve is used to recognise the grant date fair value of securities issued to directors, employees and consultants.

**(b) Retained Earnings / (Accumulated Losses)**

	2022 \$	2021 \$
Movement in retained earnings / (accumulated losses) were as follows:		
Balance 1 July	(1,054,579)	(712,454)
Net profit (loss) for the year	20,831,272	(342,125)
Dividends paid	(19,165,369)	-
Balance 30 June	<u>611,324</u>	<u>(1,054,579)</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**14 EXPENDITURE COMMITMENTS**

**(a) Lease expenditure commitments**

The Company has no lease expenditure commitments.

**(b) Exploration expenditure commitments**

The Company has no minimum exploration expenditure commitments in respect to any mining tenements or projects.

**(c) Bank guarantee**

There are no bank guarantees of the Company at 30 June 2022.

**(d) Capital Commitments**

There are no capital commitments of the Company at 30 June 2022.

**15 CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

**(a) Contingent Liabilities**

The Company did not have any contingent liabilities as at Balance Date.

**(b) Contingent Assets**

The Company did not have any contingent assets as at Balance Date

**16 SUBSEQUENT EVENTS**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2022

**17 REMUNERATION OF AUDITORS**

The auditor of Tantalum International Limited is Criterion Audit Pty Ltd.

	2022 \$	2021 \$
Amounts received or due and receivable by Criterion Audit for:		
• an audit or review of the financial report of the entity	<b>12,000</b>	2,300
	<b>12,000</b>	2,300
Amounts received by auditors other than Criterion Audit for:		
• an audit or review of the financial report of the entity	-	-
	-	-
	<b>12,000</b>	2,300

**18 RELATED PARTY DISCLOSURES**

There were no transactions with related parties during the relevant financial year, other than the following.

Pursuant to the terms and conditions of the Class A Preference Shares, the holder of those shares is entitled to 1.7% of the total compensation in respect of the legal claims against the Government of Egypt in relation to the Abu Dabbab Tantalum-Tin-Feldspar Project (Legal Claims).

Following receipt of the proceeds of the Settlement, dividends were payable to the holders of the Class A Preference Shares in accordance with their terms. The dividends to preference shareholders were franked in accordance with the rules set out in the Income Tax Assessment Act 1997.

Following receipt of the proceeds of the Settlement, a partially franked final dividend of \$750,452 per Class A preference share, being the AUD equivalent of US\$538,730 at the exchange rate applicable at the date of the settlement funds being converted, was paid. An imputation credit of \$123,293 per preference share was attributed to the final preference dividend.

**19 KEY MANAGEMENT PERSONNEL COMPENSATION**

**(a) Details of key management personnel**

M Rosenstreich	Director
R Caren	Director and Company Secretary
A Ayyash	Director
J Kenny	Director (appointed 29 June 2021)
R Beale	Director (appointed 29 June 2021, resigned 16 July 2021)

**(b) Compensation of key management personnel**

Mr Beale was entitled to a directors fee of \$10,000, inclusive of superannuation, in respect of the period of his directorship (appointed 29 June 2021, resigned 16 July 2021).

Mr Kenny (appointed 29 June 2021) was entitled to a directors fee of \$10,000 for the period to 30 September 2021 and \$9,000 per quarter thereafter.

Mr Rosenstreich, Mr Caren and Mr Ayyash did not receive directors fees.



**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2022

**19 KEY MANAGEMENT PERSONNEL COMPENSATION - contd**

Key Management Personnel - 30 June 2022	Short-term Benefits Cash, salary and commissions	Share-based Payment Shares	Post- employment Benefits	Total	Remuneration consisting of shares and options for the year
	\$	\$	\$	\$	%
<b>Directors</b>					
M Rosenstreich	-	-	-	-	0%
R Caren	-	-	-	-	0%
A Ayyash	-	-	-	-	0%
J Kenny	37,000	-	-	37,000	0%
R Beale	10,000	-	-	10,000	0%
<b>Total</b>	<b>47,000</b>	<b>-</b>	<b>-</b>	<b>47,000</b>	

Key Management Personnel - 30 June 2021	Short-term Benefits Cash, salary and commissions	Share-based Payment Shares and Options	Post- employment Benefits	Total	Remuneration consisting of shares and options for the year
	\$	\$	\$	\$	%
<b>Non-Executive Directors</b>					
Mr M Rosenstreich	-	-	-	-	0.00%
Mr R Caren	-	-	-	-	0.00%
Mr A Ayyash	-	-	-	-	0.00%
Mr J Kenny	-	-	-	-	0.00%
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

**(c) Other transactions with key management personnel**

There were no other transactions with key management personnel.

**20 SEGMENT INFORMATION**

**(a) Reportable segments**

The Company operates predominantly in the industry of pursuing its legal rights.

Information reported to the Company's chief operating decision maker for the purpose of resource allocation and assessment of segment performance is focussed on settlement of the arbitration action against the Arab Republic of Egypt and thenceforth in resolving outstanding matters related thereto. The Company's only reportable segment under AASB 8 is corporate.

The corporate segment relates only to the operations of the corporate head office in Perth, Western Australia.

**(b) Geographical information**

The Company's geographical areas are determined based on the location of the Company's assets and operations. The entire continuing operations relate to the corporate segment which is based in Australia.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2022

**21 FINANCIAL INSTRUMENTS**

**(a) Financial risk management policy**

The Company's management of financial risk is aimed at ensuring net cash flows are sufficient to:

- meet all financial commitments as and when they fall due, and
- maintain the capacity to fund its forecast project development and exploration strategies.

The Company continually monitors and tests its forecast financial position against these criteria. The Company's principal financial instruments comprise cash and restricted cash. The main purpose of these financial instruments is to raise finance for the Company operations. The Company has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Company's financial instruments presently are foreign currency risk, credit risk, security risk and liquidity risk.

The Company uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate, foreign exchange and commodity prices. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

**(b) Interest Rate Risk**

The Company is not exposed to interest rate risk as none of the assets or liabilities are interest bearing.

**(c) Fair values**

Set out below is a comparison by category of carrying amounts and fair values of all of the Company's financial instruments recognised in the financial statements.

	Carrying Amount		Fair Value	
	2022	2021	2022	2021
	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash	4,117,154	103,110	4,117,154	103,110
<b>Financial Liabilities</b>				
Trade and other payables	133,101	375,666	133,101	375,666
Loans and borrowings - non current	-	20,156	-	20,156

Cash, cash equivalents and other assets: The carrying amount approximates fair value because of their short term to maturity.

Trade receivables and trade creditors: The carrying amount approximates fair value.

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2022

**21 FINANCIAL INSTRUMENTS - contd**

**Fair value hierarchy as at 30 June 2022**

	\$	\$	\$	\$
Cash	4,117,154	-	-	4,117,154
<b>Total</b>	<u>4,117,154</u>	<u>0</u>	<u>-</u>	<u>4,117,154</u>
<b>Financial liabilities</b>				
Trade and other payables	-	133,101	-	133,101
<b>Total</b>	<u>-</u>	<u>133,101</u>	<u>-</u>	<u>133,101</u>

**(d) Credit risk**

Credit risk arises from the financial assets of the Company, which comprise cash and cash equivalents, and trade and other receivables. The Company's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

The Company does not hold any credit derivatives to offset its credit exposure.

In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the Company.

**(e) Liquidity risk**

The Company's liquidity position is managed to ensure sufficient funds are available to meet financial commitments in a timely and cost-effective manner.

The Company continually reviews its liquidity position including cash flow forecast to determine the forecast liquidity position and maintain appropriate liquidity levels.

In addition to commitment disclosure in Note 13, the table below reflects the contractual maturity of financial instruments as at 30 June. Cash flows for financial instruments are presented on an undiscounted basis.

<b>2022</b>	<b>Aging analysis between</b>				<b>Currency</b>	
	<b>Total</b>	<b>&lt;30 days</b>	<b>30-60 days</b>	<b>&gt;60 days</b>	<b>AUD</b>	<b>Other</b>
	\$	\$	\$	\$	\$	\$
Cash & cash equivalents	(4,117,154)	(4,117,154)	-	-	(3,253,562)	(863,592)
Trade and Other Payables	133,101	133,101	-	-	129,506	3,595
<b>Total</b>	<b>(3,984,053)</b>	<b>(3,984,053)</b>	<b>-</b>	<b>-</b>	<b>(3,124,056)</b>	<b>(859,997)</b>
<b>2021</b>	<b>Aging analysis between</b>				<b>Currency</b>	
	<b>Total</b>	<b>&lt;30 days</b>	<b>30-60 days</b>	<b>&gt;60 days</b>	<b>AUD</b>	<b>Other</b>
	\$	\$	\$	\$	\$	\$
Cash & cash equivalents	(103,110)	(103,110)	-	-	(94,197)	(8,913)
Trade and Other Payables	375,666	-	-	-	2,074	373,592
Loans and borrowings - non current	20,156	-	-	20,156	20,156	-
<b>Total</b>	<b>292,712</b>	<b>(103,110)</b>	<b>-</b>	<b>20,156</b>	<b>(71,967)</b>	<b>364,679</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2022

**21 FINANCIAL INSTRUMENTS - contd**

**(f) Capital management policy**

The Board's policy is to preserve its capital base as much as possible so as to maintain investor, creditor and market confidence and to sustain future development of the business.

There were no changes in the Company's approach to capital management during the year, other than that Company has been able to rely upon equity to finance its capital management, rather than short term debt finance.

The Company is not subject to externally imposed capital requirements.

**(g) Foreign Exchange Risk**

The Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income can be affected by movements in exchange rates. The Company also has transactional currency exposures. Such exposure arises from transactions denominated in currencies other than the functional currency of the entity. Exposure to foreign currency risk throughout the current year primarily arose from Company transactions and balances denominated in USD. It has not been the Company's policy to enter into any hedging or derivative transactions to manage foreign currency risk, however this policy may be re-assessed as foreign currency transactions increase.

	2022	2021
<b>Financial Assets</b>		
<b>US\$</b>		
Cash and cash equivalents	594,248	12,756
	<u>594,248</u>	<u>12,756</u>
<b>Financial Liabilities</b>		
<b>US\$</b>		
	<u>-</u>	<u>-</u>
<b>Net exposure</b>	<u>594,248</u>	<u>12,756</u>

**Judgements of reasonably possible movements**

	<b>Post Tax Loss (Higher)/Lower</b>		<b>Equity Higher/(Lower)</b>	
	2022	2021	2022	2021
	\$	\$	\$	\$
AUD/USD +10%	86,260	1,697	86,260	1,276
AUD/USD -10%	(86,260)	(1,697)	(86,260)	(1,276)

**(h) Equity price risk**

The Company is not exposed to equity price risks arising from equity.

# DIRECTORS' DECLARATION

The directors of Tantalum International Limited declare that:

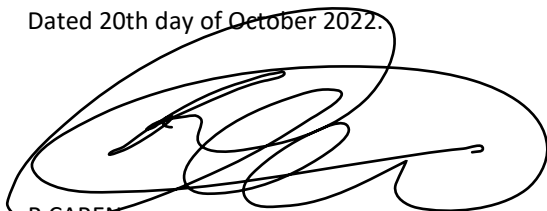
- (a) in the directors' opinion, the financial statements and notes on pages 5 to 25 are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its performance, for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001;

and

- (c) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors pursuant to Section 295(5) of the *Corporations Act 2001*.

Dated 20th day of October 2022.

A large, stylized handwritten signature in black ink, appearing to be 'R. Caren', is written over the text 'Dated 20th day of October 2022.' and extends downwards towards the name 'R. CAREN'.

R. CAREN  
Director

Criterion Audit Pty Limited

ABN 85 165 181 822

PO Box 233 LEEDERVILLE WA 6902

Suite 2, 642 Newcastle Street  
LEEDERVILLE WA 6007

Phone: 9466 9009

## **Independent Auditor's Report**

### **To the Members of Tantalum International Limited**

#### **Report on the Audit of the Financial Report**

##### **Opinion**

We have audited the financial report of Tantalum International Limited ("the Company"), which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- a) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- b) 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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (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.

## **Other Information**

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

Our opinion on the financial report does not cover the other information and accordingly 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 Company 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 Company 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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards.

*Criterion Audit Pty Ltd*

**CRITERION AUDIT PTY LIMITED**

*ELIZABETH LOUWRENS*

**ELIZABETH LOUWRENS CA**  
**Director**

DATED at PERTH this 20<sup>th</sup> day of October 2022