TANGA RESOURCES

ABN 41 141 940 230

2021 ANNUAL REPORT

Corporate Directory

Directors

Andrew Pardey	Non-Executive Chairman
Christopher van Wijk	Executive Director – Technical
Steven Michael	Non-Executive Director

Joint Company Secretaries

Stuart McKenzie
Christopher Knee

Registered Office & Principal Place of Business

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Auditors

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Level 11, 12-14 The Esplanade
Perth WA 6000
Telephone 08 9322 2022

Share Registry

Automic Group
Level 2
267 St Georges Terrace
Perth WA 6000

Telephone: 1300 288 664
Website: automicgroup.com.au

Securities Exchange Listing

Tanga Resources Limited is listed on the Australian Securities Exchange Limited ("ASX")
Home Exchange: Perth, Western Australia
ASX Code: TRL

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BASIS OF PREPARATION

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the **Group**) consisting of Tanga Resources Limited (**Tanga**) and the entities it controlled at the end of, or during, the year ended 30 June 2021. Tanga is a Company limited by shares that is incorporated and domiciled in Australia.

REVIEW OF OPERATIONS

In September 2020, the Group completed the acquisition of Glomin Services Ltd (**Glomin**), a key transaction that repositioned Tanga as a Côte d'Ivoire focused gold explorer. While the Group's primary focus is on gold exploration in Côte d'Ivoire, exploration work at the Damaran Gold Project located in Namibia continued, with results of a large soil sampling program confirming the excellent prospectivity at the project.

Exploration – Côte d'Ivoire

Pursuant to the transaction with Glomin, Tanga became a party to three joint venture agreements – one with Predictive Discovery Limited (ASX: PDI) (**Predictive**) and two with private Côte d'Ivoire explorer, West African Venture Investments.

Under the three joint venture agreements, Tanga can earn an 80% interest in three gold projects located in Côte d'Ivoire (the **Côte d'Ivoire Projects**) subject to meeting the minimum expenditure commitments of $901,054 in total across all granted tenements (Figure 1). The Côte d'Ivoire Projects, which comprise the Bouaflé Project, the Mankono Project and the Issia and Bocanda Projects, cover 3,038 km^2 of highly prospective Birimian Greenstone terrain in southern Côte d'Ivoire.

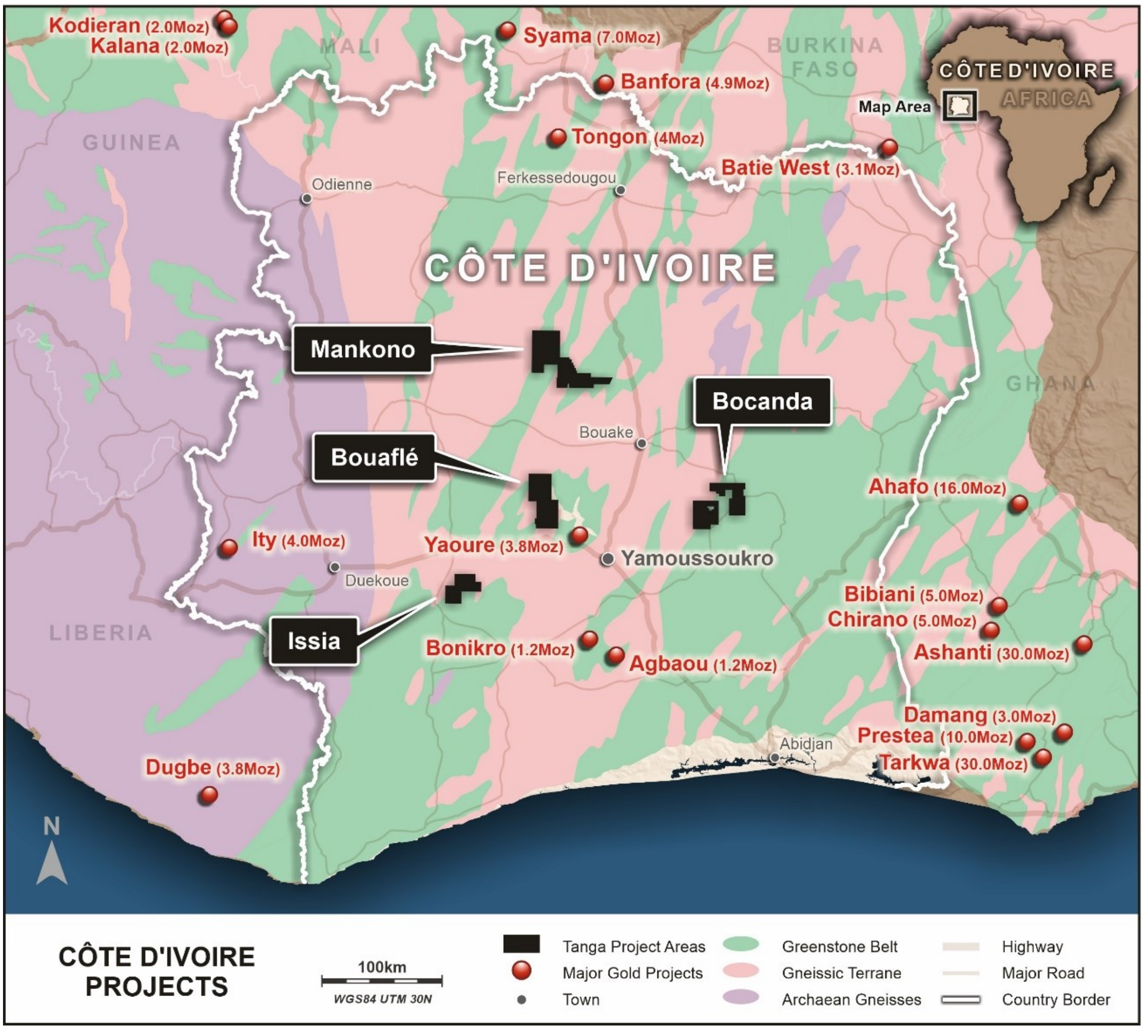

Figure 1. Location of Côte D'Ivoire Projects

The Group's focus at the Côte d'Ivoire Projects has been to comprehensively review the datasets from each project and carry out systematic exploration to identify priority targets for follow up drilling. This work has entailed stream sediment sampling, termite mound sampling, broader gold and multi-element geochemical sampling and regolith mapping.

Bouaflé Project

The Bouaflé Project comprises two licences – Bouaflé North and Bouaflé South (**Bouaflé Project Licences**) – covering an area of 742km^2. The Bouaflé Project Licences are located on the Bouaflé greenstone belt which hosts the Yaouré deposit, owned by Perseus Mining and currently under construction, and contains measured and indicated resources of 2.1Moz at 1.37g/t Au including an underground resource of 595koz at 6.2g/t Au.

The Group completed a review of data on its Bouaflé Project located in Côte d'Ivoire (**Bouaflé**). The data review at Bouaflé, was based on an extensive data set that comprised:

- 18,300 soil samples which outline anomalous gold in soil over a strike length of 17 kilometres;
- 994 aircore holes, 85 reverse circulation holes and nine diamond drill holes, for a total of over 80,000m of drilling; and
- High resolution airborne magnetic and radiometric data over 16,500 line kilometres.

The review found a number of high-grade gold intercepts that had not been previously reported, including:

- 23m at 2.5 g/t gold from 92m in hole BFRC069;
- 9m at 4.3 g/t gold from 132m in hole BFRC060;
- 12m at 5.6 g/t gold from 48m in hole BFAC627;
- 16m at 2.3 g/t gold from 8m in hole BFAC980; and
- 8m at 9.4g/t gold from 4m in hole BFAC933.

Previous work at Bouaflé included the collection of approximately 23,500 soil samples that delineated a 17km long gold in soil anomaly, supported by numerous high-grade aircore and RC drill intersections. Importantly for Tanga, many of these have not been adequately followed up and present as targets for further exploration and drilling.

Figure 2 shows the location of some of the better gold intercepts at the Bouaflé Project.

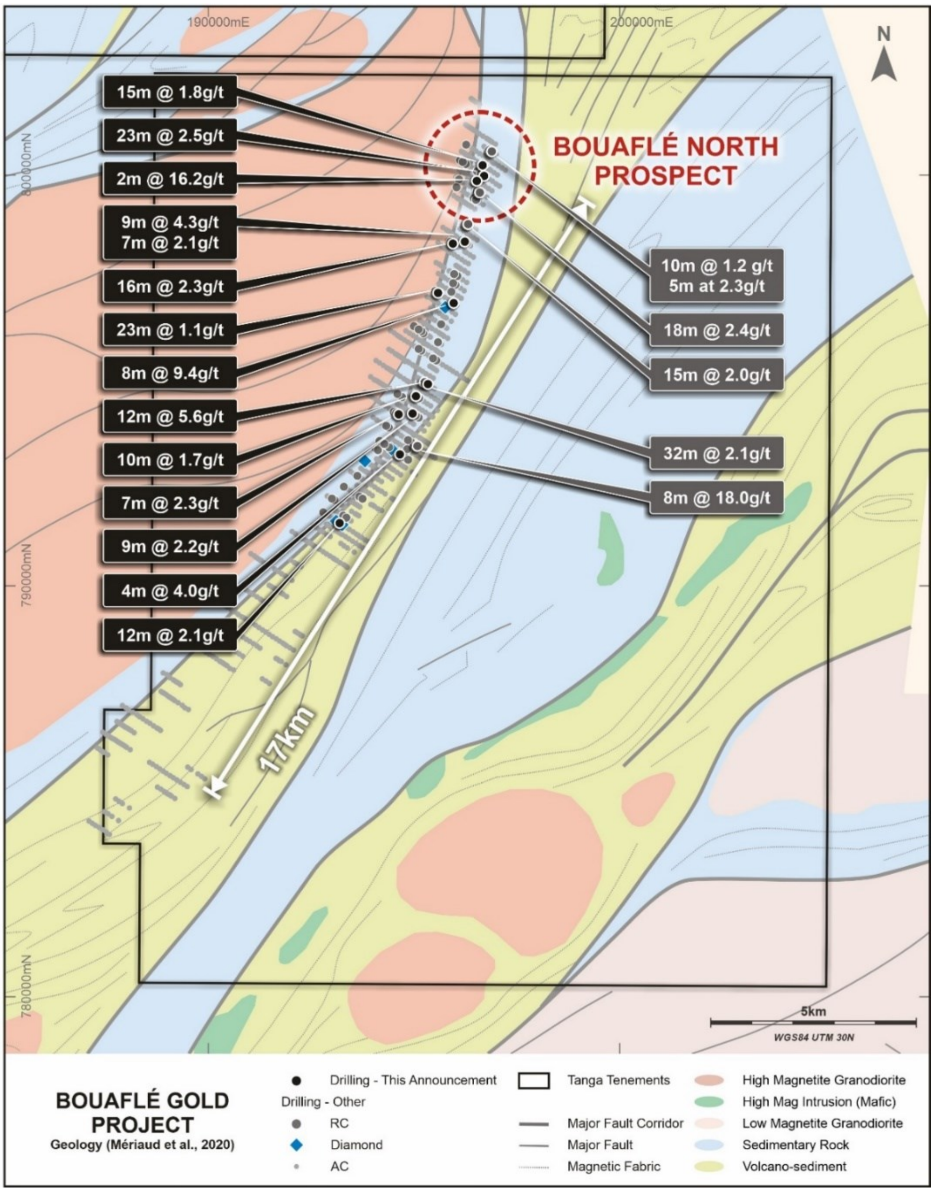

Figure 2 – Selected significant intercepts from previous drilling at Bouaflé

Mankono Project

The Mankono Project covers three exploration licences – Mankono West, Mankono East and Tieningboue – over an area of 1,170 km^2.

The Mankono West and Mankono East licenses have seen a large amount of historical work, with extensive soil sampling, initially on an 800m x 100m reconnaissance grid and then infilled to a detailed 200m x 50m soil grid over a central gold-bearing granitic intrusion. The soil sampling highlighted a zone of anomalous gold in soil, with seven samples running over 1.0 g/t gold in soils, with a peak value of 7.1 g/t gold in soil.

The dataset at Mankono includes a high-resolution airborne magnetic and radiometric survey in 2010 which covered over 8,500 line kilometres and produced a very high definition magnetic image and allows for direct interpretation of the geology and the structural features of interest. Follow up aircore drilling delivered a number of significant intercepts (Figure 3), including[2]:

- 8m at 5.11 g/t from 12m in hole MKAC198;
- 4m at 9.23 g/t from 16m in hole MKAC582;
- 8m at 3.08 g/t from 4m in hole MKAC651;

- 8m at 2.73 g/t from 16m in hole MKAC636; and
- 12m at 1.43 g/t from 12m in hole MKAC214.

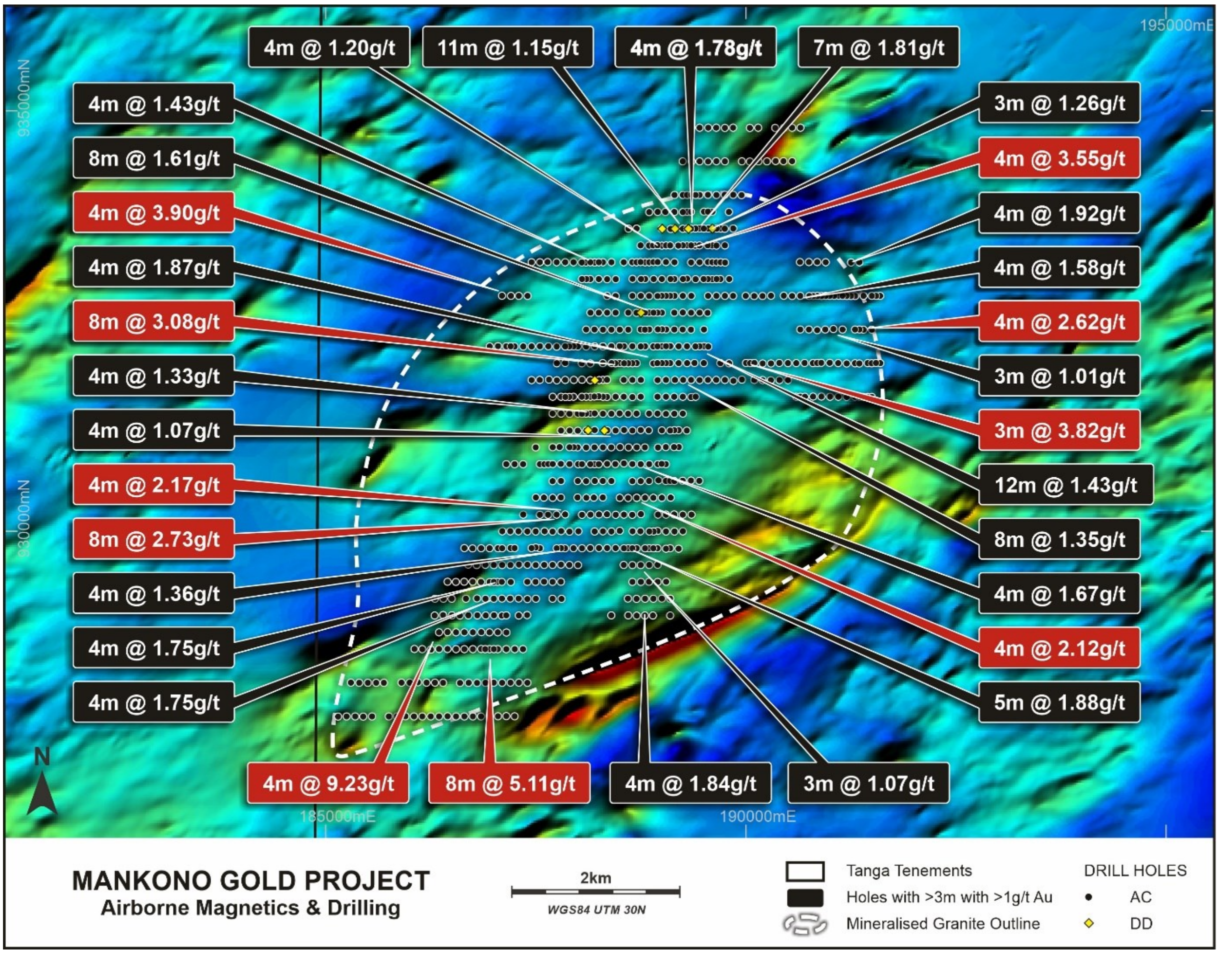

Figure 3 – Significant aircore drilling intercepts at Mankono (>3m length and >1g/t Au)

The Group completed a regional termite mound sampling program over the entire Mankono Ouest permit. Gold assay results received to date (further gold and multi-element assay results are pending) highlighted two significant and coherent gold anomalies at +10ppb, the most notable of which is a new anomaly, originating in the southern part of the permit which was not previously covered by soil sampling and runs north-south along over 6 km of strike (Figure 4).

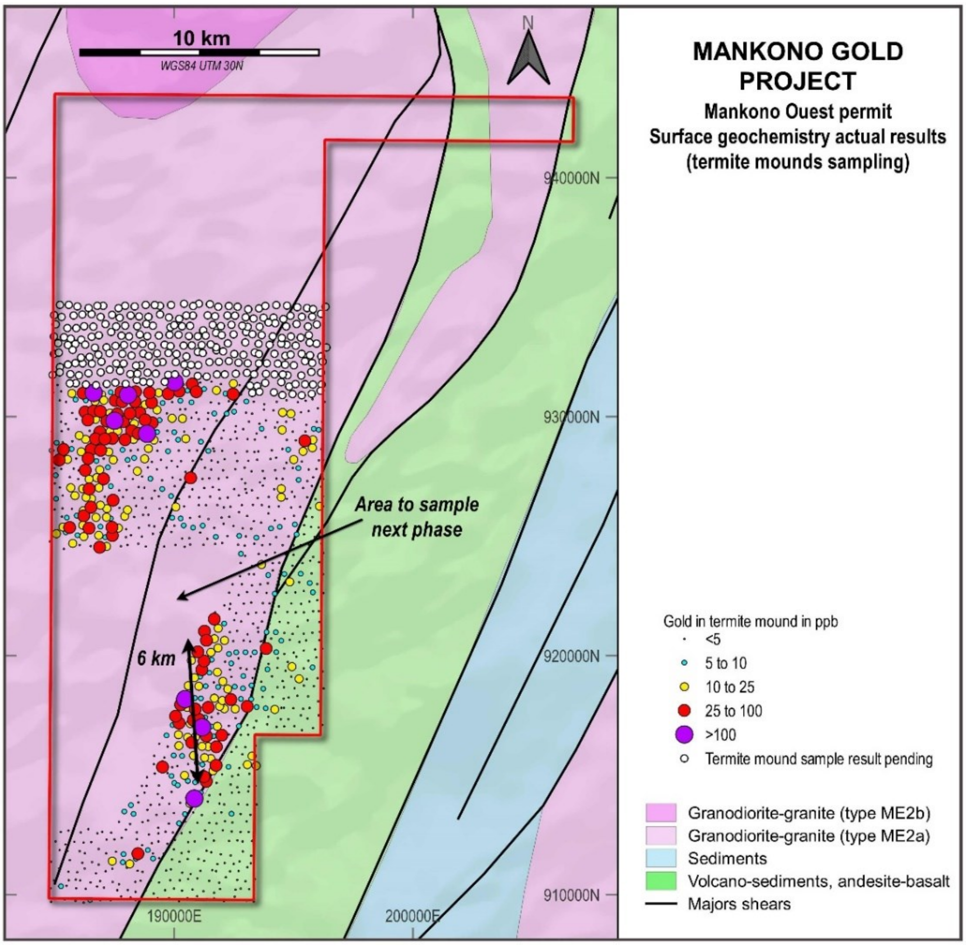

Figure 4 – Au in termite mounds samples collected during the Quarter, Mankono Project

The second anomaly corresponds closely to that identified from historical soil sampling. Sampling of the "gap" between both of these anomalies, even where historical soil sampling has been completed, with results pending.

Bocanda and Issia Projects

The Bocanda and Issia Projects cover an area of 750 km^2 and were selected by Predictive using its in-house targeting system known as Predictore^{TM}. The projects straddle a major geological contact separating greenstone from granite and representing the western edge of the largest greenstone belt in Côte d'Ivoire, which is also the southern extension of Burkina Faso's Hounde belt, which is host to several large gold deposits.

Results from a recently completed stream sediment sampling program have outlined three sizeable zones with the potential to host gold mineralisation. To date, 129 stream sediment samples have been assayed for gold, with 38 samples having reported gold values above 1 ppb Au, including eleven with gold values above 3ppb Au, with a peak value at 23 ppb Au (see Figure 5).

Three zones of high potential to host gold mineralisation were identified from the interpretation of the stream sediment sample results, covering a surface area of approximately 123 km^2 of the total permit surface area (727km^2). These elongated zones are also coherent with the regional structural orientations.

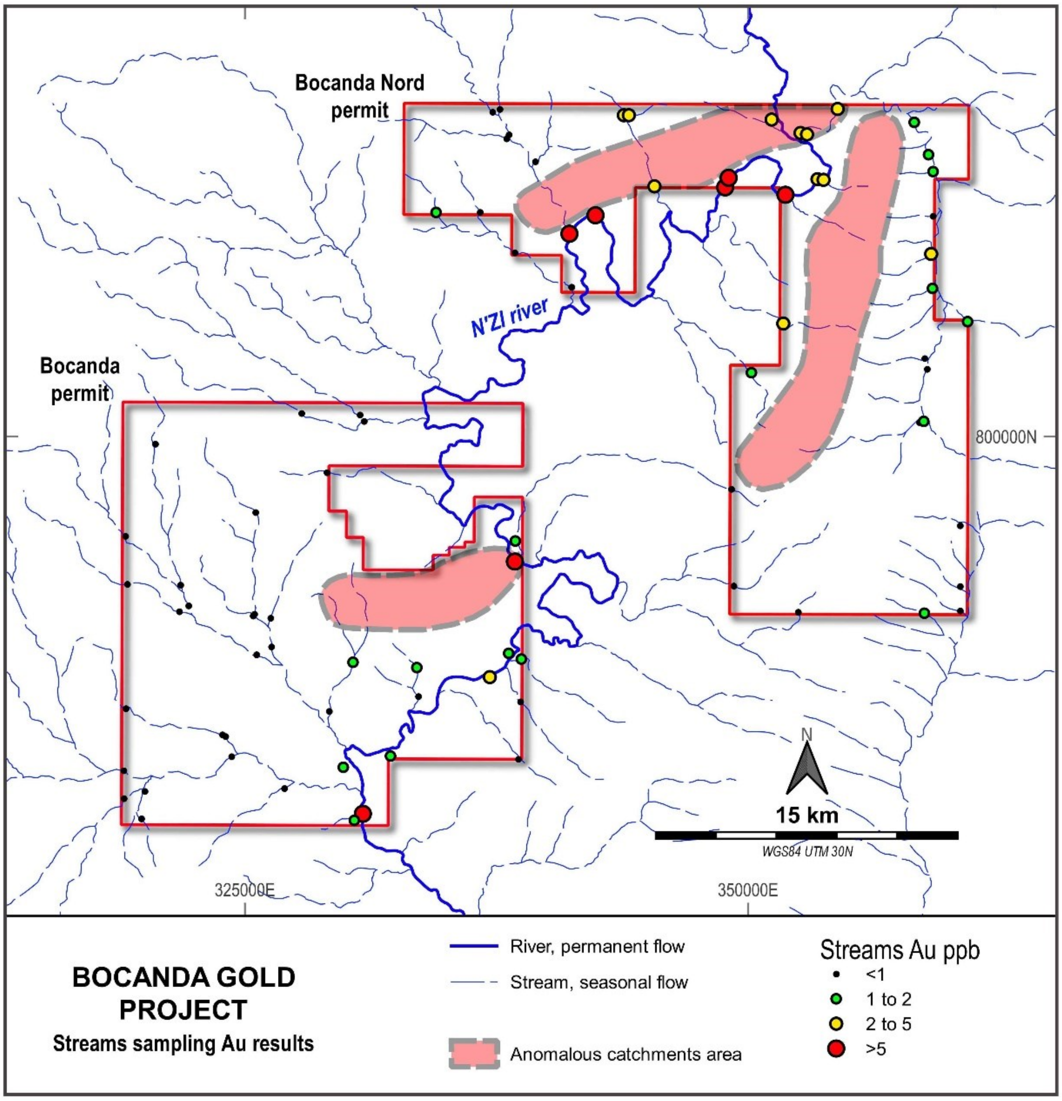

Figure 5 – Stream sampling results and outlined anomalous zones for follow up

A follow-up termite mound sampling program has been carried out over a regional grid of 400m x 400m to cover these target zones. Sampling commenced at the end of July and first assays received to date indicate the presence of in situ gold anomalism, with results up to 36 ppb Au. The results of multi-element assays expected in the December quarter.

Exploration – Namibia

Results of a recently completed soil sampling program has unlocked two new major surface gold anomalies on Tanga's Damaran Gold Project, located in Namibia. Damaran comprises 11 exploration permits totalling 2,724km^2 and includes the Okambahe exploration permit (**Okambahe Permit**) and the Ondundu North exploration permit (**Ondundu North Permit**).

At the Okombahe Permit, an exceptional +3km long anomaly with gold-in-soil values up to 3,330 ppb gold was identified. An initial program of 1,245 soil samples were collected over a regional grid on a 500m spacing to cover the Okombahe Permit followed by an infill soil program over a grid of 100m x 25m on the main part of the gold anomaly identified from the regional sampling with a further 1,691 samples collected. Samples were analysed for both gold and multi-elements using aqua regia digestion.

The initial gold results defined several anomalies, including a significant zone of +3km long of coherent anomalism at +7ppb gold (Figure 6).

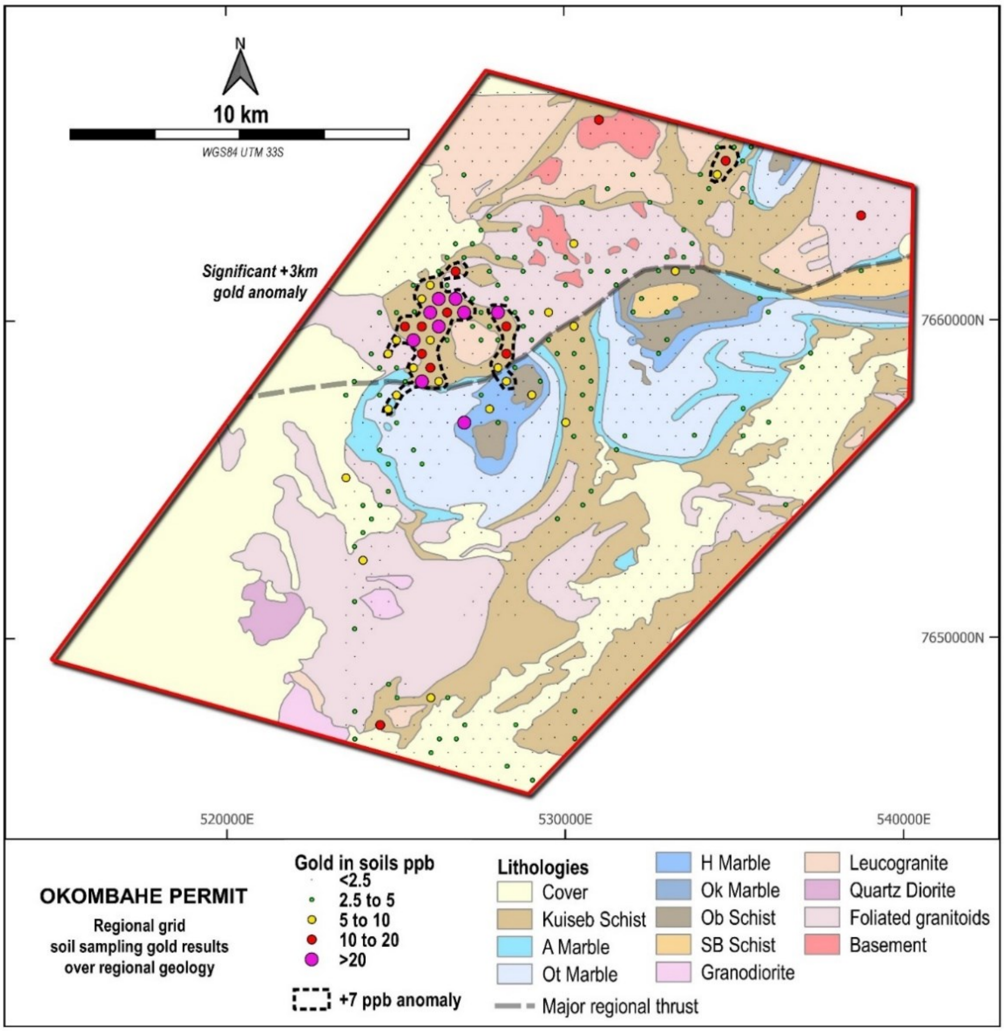

Figure 6 – Regional grid soil sampling gold results on the Okombahe Permit

Follow up soil sampling program results were outstanding, returning coherent zones at +250 ppb gold anomalism with a peak value at 3,330 ppb gold. These infill results highlight the presence of a potential new gold system on the Okombahe Permit.

At the Ondundu North Permit, a total of 567 soil samples were collected over a regional grid of 500m spacing.

Two +7ppb gold in soil anomalies have been outlined from the results received to date, with further results still pending (Figure 7). Both of these anomalies are located on the southern edge of the permit and are open to the south. The central anomaly, of +2km long, with a peak value of 70 ppb gold, is very significant as it is located on top of the regional fold hinge which hosts B2 Gold's Ondundu deposit located approximately 12km to the south.

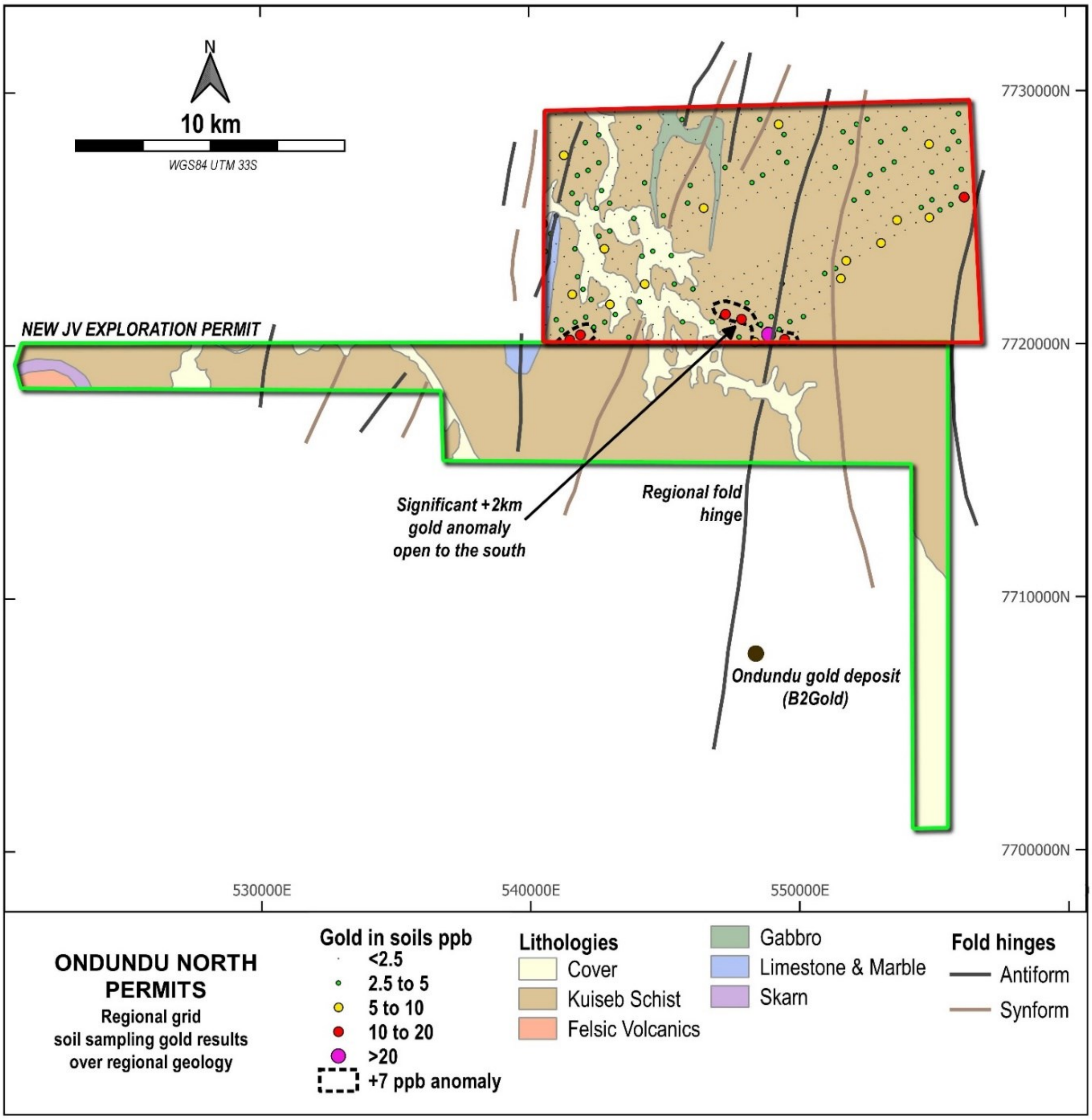

Figure 7 – Soil sampling gold results on the Ondundu North permit and new JV permit

As a result, Tanga has entered into an agreement, under which it has an exclusive option to acquire the New Ondundu Permit for US$90,000. The New Ondundu Permit covers an area of approximately 138km^2 and extends the strike potential of the actual gold anomaly along the fold hinge of 4.5km.

Directors

The names and details of the Tanga's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Mr Andrew Pardey – Non-Executive Chairman – appointed 28 September 2020

Mr. Pardey has over 30 years in the mining industry with experience in exploration, project development, construction and operations. Between February 2015 and December 2019, he was Chief Executive Officer of Centamin Plc which holds the Tier 1 Sukari Gold Mine. Andrew also served as General Manager Operations at Sukari before his previous appointment as Chief Operating Officer in May 2012. He was a major driving force in bringing Sukari into production, having joined during the mine's construction phase, and was instrumental in the successful transition of the operation through construction and into production.

Andrew holds a BSc in Geology and has also previously held senior positions in Africa, Australia and other parts of the world including with Guinor Gold Corporation and Ashanti Goldfields, now AngloGold Ashanti.

Other current directorships:	Predictive Discovery Limited (Non-Executive Director)
	Marvel Gold Limited (Non-Executive Director)
Former directorships in last 3 years:	Centamin PLC
Committees:	None

Mr Christopher van Wijk – Executive Director Technical – appointed 09 April 2020

Mr van Wijk is an experienced Geologist, specialising in project evaluation and project generation. Chris brings to his role in Tanga a wealth of relevant experience including Base metal and Gold exploration in Africa, Europe, the Americas and Australia as well as joint venture management and project evaluation for major mining companies including BHP, IAMGOLD, First Quantum Minerals and Fortescue Metals Group. Chris has managed various successful exploration projects including the Scoping Study at Mont Nimba in Guinea for BHP Billiton and the Resource drilling at Sentinel in Zambia for First Quantum. Chris has a Master of Science in Ore Deposit Geology from the University of Western Australia and is a member of the AUSIMM.

Other current directorships:	Marvel Gold Limited (Executive Director – Exploration)
Former directorships in last 3 years:	Indiana Resources Limited (Managing Director)
Committees:	None

Mr Steven Michael – Non- Executive Director – appointed 08 September 2020

Mr Michael has over 25 years' experience in the global resources sector, specialising in corporate finance and equity capital markets. He is currently a Managing Director at FTI Consulting, an independent global business advisory firm. He has previously worked in the natural resources division of Macquarie Bank, Rothschild and Royal Bank of Canada.

Other current directorships:	Predictive Discovery Limited (Non-Executive Director)
Former directorships in last 3 years:	Arrow Minerals Limited (Non-Executive Director)
Committees:	None

Mr Nigel Lafferty - Non-Executive Chairman – Resigned 28 September 2020

Mr Lafferty holds a Bachelor of Business and is a member of Chartered Accountants Australia & New Zealand. He has over 25 years' experience in advising on accounting, finance, corporate governance, and planning matters. Mr Lafferty is Director of SLS Accounting, as well as holding Board positions on a number of client private companies.

Other current directorships:	None
Former directorships in last 3 years:	None
***Committees*:**	None

Mr Matthew Bowles – resigned 08 September 2020

Mr Bowles is a senior corporate finance executive with extensive corporate advisory, private equity and capital markets experience within the resources sector. He has a depth of experience in domestic and cross border financing, joint venture and M&A transactions in Africa, the Americas and Australia.

Other current directorships:	Alto Metals Limited
Former directorships in last 3 years:	None
***Committees*:**	None

Joint Company Secretaries

Stuart McKenzie – Appointed 07 August 2020

Mr McKenzie has over 30 years of experience in senior commercial roles. He was previously Company Secretary with Anvil Mining Limited for six years, prior to which he held senior positions with Ok Tedi Mining Limited, Ernst and Young and HSBC. Mr McKenzie is the current company secretary of Matador Mining Limited, Lotus Resources Limited, Superior Lake Resources Limited and Marvel Gold Limited.

Christopher Knee – Appointed 07 August 2020

Mr Knee is a qualified Chartered Accountant with 15 years' experience in a range of senior finance roles in the resources industry with projects in Africa, Canada and Central Asia. Chris has a range of experience across a variety of disciplines, including joint ventures, international tax structuring, finance transactions, accounting and compliance. Chris is currently an Executive Director of Superior Lake Resources Limited and CFO of Marvel Gold Limited and Lotus Resources Limited.

Directors' Interests in the Shares and Options of Tanga

As at the date of this report, the interests of each Director in the shares and options of Tanga Resources Limited is:

Director	Shares	Options
Andrew Pardey	2,000,000	8,755,098
Steven Michael	-	1,683,672
Christopher Van Wijk	166,667	8,755,098

Directors' Meetings

The number of meetings of Tanga's Board of Directors and of each Board committee held during the year ended 30 June 2021, and the numbers of meetings attended by each Director were as follows:

Director	Directors' Meetings	
	A	B
Andrew Pardey	2	2
Steven Michael	4	4
Christopher Van Wijk	5	5
Matthew Bowles	2	2
Nigel Lafferty	4	4

A = Number of meetings attended
B = Number of meetings held during the time the Director held office.
There were no committee meetings held during the year.

Principal Activities

The principal activities of the Group during the financial period were gold and base metals exploration and evaluation in Namibia and Cote d'lvoire.

Results of Operations

A summary of results for 2021 is as follows:

	2021 $	2020 $
Net loss before income tax	(2,164,647)	(772,448)
attributable to:		
Employee expenses	(247,032)	(415,920)
Administration expenses	(512,030)	(232,232)
Exploration impairment	(1,470,081)	-
Share based payments	(514,523)	(35,000

Dividends

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

Covid-19

The COVID-19 outbreak has developed rapidly in 2021, with a significant number of infections. Measures taken by various governments to contain the virus have affected economic activity. The Group has taken a number of measures to monitor and prevent the effects of the COVID-19 virus such as safety and health measures staff and contractors (like social distancing and working from home).

At this stage, the impact on the business and results is limited. The Group will continue to follow the various national institutes policies and advice.

Significant Changes in the State of Affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Group other than those referred to in this financial report.

Significant Events After Balance Date

Other than disclosed in this financial report, there are no matters or circumstances which have arisen since 30 June 2021 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2021, of the Group;
- the results of those operations, in financial years subsequent to 30 June 2021, of the Group; or
- the state of affairs, in financial years subsequent to 30 June 2021, of the Group.

Likely Developments and Expected Results

The Group will continue to pursue and further the exploration of its projects in Côte d'Ivoire and Namibia. Further comments on likely developments in the operations of the Group are included in this report under Review and Results of Operations.

Environmental Regulation and Performance

The Group's environmental obligations are regulated under Côte d'Ivoire & Namibian legislation. Performance with respect to environmental obligations is monitored by the Board of Directors and may be subject to government agency audits and site inspections. No environmental breaches have been notified by any government agency during the year ended 30 June 2021.

Proceedings on Behalf of the Group

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

Options

At the date of this report, the unissued ordinary shares of Tanga under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
23 November 2020	30 September 2024	$0.05	19,174,483
23 November 2020	30 September 2024	$0.10	19,174,483
			38,348,966

Option holders do not have any rights to participate in any issue of shares or other interests of the Group or any other entity.

For details of options issued to Directors and Key Management Personnel (**KMP**) as remuneration, refer to the remuneration report.

During the year ended 30 June 2021, no ordinary shares of Tanga were issued for the exercise of options granted for remuneration. No further shares have been issued since year-end. No amounts are unpaid on any of the shares.

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate. During the year the following options lapsed (2020: 14,500,000 lapsed):

Grant Date	Date of Expiry	Exercise Price	Number under Option
7 June 2017	07 June 2021	$0.80	500,000
7 June 2017	07 June 2021	$1.00	500,000
24 October 2018	24 October 2020	$0.20	14,167,724
7 December 2017	26 November 2020	$0. 25	2,525,000
			17,692,724

Indemnification and Insurance of Directors and Officers

During the year ended 30 June 2021, the Group paid a premium to insure the Directors and Officers of the Group against any liability incurred as a Director or Officer to the extent permitted by the *Corporations Act 2001*.

The liabilities insured include the costs that may be incurred in defending proceedings that may be brought against the Directors and officers but does not include liabilities that arise from conduct involving a wilful breach of duty by the Officers or the improper use by the Officers of their position, or of information, to gain advantage for themselves or someone else or to cause detriment to the Group.

The Group has not entered into any agreement with its current auditors indemnifying them against claims by a third party arising from their position as auditor.

Non-Audit Services

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group.

Details of the amounts paid or payable to the auditor, Pitcher Partners BA&A Pty Ltd, for the audit and non-audit services provided during the year are set out in note 17.

There were no non-audit services paid to the auditors during the year, or prior year.

Auditor's Independence Declaration

The copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 22.

Rounding

Tanga is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off to the nearest dollar in accordance with the instrument.

Remuneration Report (Audited)

This remuneration report, which forms part of the Directors' report, sets out remuneration information for Tanga's Non-Executive Directors, Executive Directors and KMP for the year ended 30 June 2021. The information in the remuneration report has been audited as required by Section 308(3C) of the *Corporations Act 2001*.

KMP are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group, including Directors of the Group and other Executives. KMP comprise the Directors and Executives of the Group who have the ability to influence the financial and operating decisions.

The KMP of Tanga for 2021 were:

Andrew Pardey	Non-Executive Chairman - appointed 28 September 2020
Christopher van Wijk	Executive Director - Technical
Steven Michael	Non-Executive Director - appointed 8 September 2020
Stuart McKenzie	Company Secretary / Commercial Manager – appointed 7 August 2020
Christopher Knee	Company Secretary / Chief Financial Officer – appointed 7 August 2020
Nigel Lafferty	Chairman/Non-Executive Director – resigned 28 September 2020
Matthew Bowles	CEO / Managing Director – resigned 8 September 2020

Compensation levels for Directors and KMP of the Group are competitively set to attract and retain appropriately qualified and experienced Directors and Executives. The Board is responsible for compensation policies and practices. The Board, where appropriate, seeks independent advice on remuneration policies and practices, including compensation packages and terms of employment.

There is no direct link between remuneration paid to any Non-Executive and Executive Directors and corporate performance. The Board has considered the stage of Group's exploration activity and the financial performance of the Group does not reflect the geological results of the exploration activities.

There are no termination or retirement benefits for Non-Executive Directors (other than statutory superannuation).

The Group did not employ the services of remuneration consultants during the financial year ended 30 June 2021.

Service Agreements

The Group has service or consulting agreements with each of its Executive Directors. The principal terms of the executive service agreements existing at reporting date are set out below:

Christopher van Wijk – Technical Director – appointed 9 April 2020

The Group has an executive consultancy services agreement with Mr van Wijk for his role as Technical Director of the Group which commenced 9 April 2020 and continues until terminated under the termination provisions outlined below. The principal terms of this agreement are as followed:

a) a base consultancy fee of $120,000 per annum plus GST;
b) Either party may terminate the agreement with not less than three months' notice; and
c) No termination payments other than statutory entitlements.

Remuneration Report (Audited) (cont'd)

Matthew Bowles – CEO/Managing Director – resigned 8 September 2020

The Group had an executive services agreement with Mr Matthew Bowles for his role as Chief Executive Officer and Managing Director of the Group which commenced 1 July 2017 and continued until his resignation on 8 September 2020. The principal terms of this agreement are as followed:

a) a base salary of $240,000 per annum plus statutory superannuation;
b) the issue of 500,000 unlisted options exercisable at $0.80 each (post-share consolidation), with an expiry date of four years from issue, which have been issued;
c) the issue of 500,000 unlisted options exercisable at $1.00 each (post-share consolidation), with an expiry date of four years from issue, which have been issued;
d) under a letter of agreement entered into between the Group and Mr Bowles, which amended termination provisions of his services agreement. His termination payments were agreed to be a payment of one month in lieu of notice and one month accrued annual leave.

Non-Executive Directors

The Non-Executive Directors are entitled to receive a fixed fee for their services of $36,000 - $50,000 per annum (plus statutory superannuation). All Directors are entitled to have premiums on indemnity insurance paid by the Group.

Remuneration levels for Directors, secretaries, senior managers of the Group are competitively set to attract and retain appropriately qualified and experienced directors and senior Executives.

Other KMP

Joint Company Secretaries Mr McKenzie and Mr Knee are employed under a shared services agreement as contractors. Under the shared services agreement they charge a portion of their time to the Group based on their services. The shared services arrangement may be terminated by either party on 90 days' notice.

Remuneration structure

The compensation structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The remuneration structures take into account:

- the capability and experience of the Directors and Executives;
- the Directors and Executives' ability to control the relevant segment's performance;
- the Group's performance including:
  - the Group's operational and financial performance;
  - the scale and complexity of operations; and
  - the growth in share price and returns on shareholder wealth.

Remuneration packages may include a mix of fixed and variable remuneration, short and long-term performance-based incentives and are reviewed on an annual basis. The following incentive based remuneration was paid during the current financial year (2020: NIL):

Remuneration Report (Audited) (cont'd)

	Date of Expiry	Exercise Price	Number under Option
Directors			
23 November 2020	30 September 2024	$0.05	10,438,770
23 November 2020	30 September 2024	$0.10	10,438,770
Other KMP			
23 November 2020	30 September 2024	$0.05	1,683,673
23 November 2020	30 September 2024	$0.10	1,683,673
			24,244,886

Tanga intends to implement both a short term and long term incentive structure in the 2022 financial year to align KMP's remuneration with shareholder value.

Fair value of options granted

The fair value of services received in return for the share options granted is measured by reference to the fair value of options granted. The estimate of the fair value of the services is measured based on a Black-Scholes option valuation methodology.

The assumptions used for the options valuation are as follows:

	Director and KMP options	Director and KMP options
Underlying share price	$0.05	$0.05
Exercise price	$0.05	$0.10
Valuation date	23/11/20	23/11/20
Vesting date	23/11/20	23/11/20
Expiry date	30/09/24	30/09/24
Risk free rate	0.11%	0.11%
Volatility	62%	62%
Life of Options in years	3.85	3.85
Number of Options	12,122,443	12,122,443
Valuation per Option	$0.023	$0.014
Amount expensed during the year	$277,863	$168,470

Statutory key performance measures

The Group aims to align KMP remuneration to the 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*. These are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to KMP's, as outlined below. As a consequence, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

Group performance metric	2021	2020	2019	2018	2017
Company share price (ASX:TRL)	$0.041	$0.022	$0.020	$0.007	$0.02
Company loss after tax	2,166,510	772,448	8,100,029	1,771,340	2,498,977

Remuneration Report (Audited) (cont'd)

Remuneration of Key Management Personnel

2021	**Short-term Benefits**			**Post-employment benefits**	**Share-based Payment**		**% of Shares to Total Remuneration**
Name	**Salary and Fees**	**Cash Bonus**	**Non-Monetary Benefit**	**Super-annuation**	**Options**	**Total**	**Shares**
	$	**$**	**$**	**$**	**$**	**$**	**%**
Directors							
A Pardey[1]	45,000	-	-	-	161,176	**206,176**	78%
S Michaels[2]	26,100	-	-	-	30,995	**57,095**	54%
C van Wijk[2]	115,550	-	-	-	161,176	**276,726**	58%
N Lafferty[3]	18,000	-	-	855	30,995	**49,850**	62%
M Bowles[4]	63,000	-	-	5,985	-	**68,985**	-
Executives							
S McKenzie[5]	41,506	-	-	-	30,995	**72,501**	43%
C Knee[5]	39,107	-	-	-	30,995	**70,102**	44%
Total	**348,264**	**-**	**-**	**6,840**	**446,332**	**801,436**	**-**

[1] Appointed 28 September 2020
[2] Appointed 08 September 2020
[3] Resigned 28 September 2020
[4] Resigned 08 September 2020
[5] Appointed 08 August 2020
[6] Appointed 9 April 2020

Remuneration Report (Audited) (cont'd)

Remuneration of Key Management Personnel

2020	Short-term Benefits			Post-employment benefits	Share-based Payment		% of Shares to Total Remuneration
Name	Salary and Fees $	Cash Bonus $	Non-Monetary Benefit $	Super-annuation $	Options $	Total $	Shares %
Directors							
N Lafferty	33,913	-	-	3,228	-	**37,141**	-
M Bowles[4]	240,000	-	-	22,800	-	**262,800**	-
C van Wijk[1]	35,000	-	-	-	-	**35,000**	-
J Jones[2]	15,000	-	-	1,425	-	**16,425**	-
J Stockley[3]	115,500	-	-	-	-	**115,500**	-
N Lafferty	33,913	-	-	-	-	**33,913,**	-
Totals	**473,362**	**-**	**-**	**27,453**	**-**	**500,779**	**-**

[1]Appointed 09 April 2020

[2]Resigned 29 November 2019

[3]Resigned 08 September 2020

[4]Resigned 28 September 2020

Remuneration Report (Audited) (cont'd)

KMP Options issued as Remuneration									
2021	**Balance at beginning of the year**	**Granted as remuneration**			**Options Exercised**	**Net change other**	**Balance at the end of the year**	**Vested and exercisable**	**Unvested**
		Issue Date	**No.**	**Value**					
Directors	-								
A Pardey[1]	-	23 Nov 20	8,755,098	$161,176	-	-	8,755,098	8,755,098	-
S Michael[2]	-	23 Nov 20	1,683,672	$30,995	-	-	1,683,672	1,683,672	-
C Van Wijk	-	23 Nov 20	8,755,098	$161,176	-	-	8,755,098	8,755,098	-
N Lafferty[3]	601,986	23 Nov 20	1,683,672	$30,995	-	(2,285,658)[6]	-	-	-
M Bowles[4]	2,000,000	-	-	-	-	(2,000,000)[6]	-	-	-
Other KMP									
S McKenzie[5]	-	23 Nov 20	1,683,672	$30,995	-	-	1,683,672	1,683,672	-
C Knee[5]	-	23 Nov 20	1,683,674	$30,995	-	-	1,683,672	1,683,672	-
Total	**2,601,986**	**-**	**24,244,886**	**446,332**	**-**	**(4,285,658)**	**22,561,212**	**22,561,212**	**-**

[1] Appointed 28 September 2020
[2] Appointed 08 September 2020
[3] Resigned 28 September 2020
[4] Resigned 08 September 2020
[5] Appointed 08 August 2020
[6] Options held on the date of resignation

The assumptions used for the fair value of options granted are set out on page 16.

Remuneration Report (Audited) (cont'd)

KMP Options issued as Remuneration									
2020	**Balance at beginning of the year**	**Granted as remuneration**			**Options Exercised**	**Net change other**	**Balance at the end of the year**	**Vested and exercisable**	**Unvested**
		Issue Date	**No.**	**Value**					
Directors									
N Lafferty	12,039,735	-	-	-	-	(11,437,749)	601,986	601,986	-
M Bowles	40,000,000	-	-	-	-	(38,000,000)	2,000,000	2,000,000	-
C van Wijk[1]	-	-	-	-	-	-	-	-	-
J Jones[2]	8,648,570	-	-	-	-	(8,648,750)	-	-	-
J Stockley[3]	18,000,000	-	-	-	-	(18,000,000)	-	-	-
Total	**78,688,305**	**-**	**-**	**-**	**-**	**(76,086,499)**	**2,601,986**	**2,601,986**	**-**

[1]Appointed 09 April 2020
[2]Resigned 29 November 2019
[3]Resigned 09 April 2020

Remuneration Report (Audited) (cont'd)

Shareholdings						
	Balance 1 July 2020	**Granted as remuneration**	**Options exercised**	**Net change other**	**Holdings upon retirement**	**Balance 30 June 2021**
Directors						
A Pardey[1]	-	-	-	2,000,000	-	2,000,000
S Michael[2]	-	-	-	-	-	-
C van Wijk	-	-	-	166,667	-	166,667
M Bowles[3]	500,000	-	-	-	(500,000)	-
N Lafferty[4]	5,030,258	-	-	-	(5,030,258)	-
KMP						
S McKenzie[5]	-	-	-	346,664	-	346,664
C Knee[5]	-	-	-	166,667	-	166,667
TOTAL	**5,530,258**	**-**	**-**	**2,679,998**	**(5,530,258)**	**2,679,998**

[1] Appointed 28 September 2020
[2] Appointed 08 September 2020
[3] Resigned 08 October 2020
[4] Resigned 08 September 2020
[5] Appointed 08 August 2020

Remuneration Report (Audited) (cont'd)

Other KMP transactions

Mr. Pardey and Mr. van Wijk and both Directors of Marvel Gold Limited (**Marvel**) an ASX listed company that has a Shared Services Agreement with Tanga. Under this arrangement Marvel provides company secretarial, accounting and administration services. Payments made under these arrangements for the year are set out below.

	2021	2020
	$	$
Related party transactions		
Payments to Marvel Gold Limited (ex-GST)	103,427	-
Amounts outstanding at 30 June (ex-GST)	18,646	-

End of Remuneration Report
Signed in accordance with a resolution of the Directors.

Andrew Pardey
Chairman
Perth, 30 September 2021

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF TANGA RESOURCES LIMITED

In relation to the independent audit for the year ended 30 June 2021, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of Tanga Resources Limited and the entities it controlled during the year.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD

Paul Mulligan

PAUL MULLIGAN
Executive Director
Perth, 30 September 2021

Tanga and the Board are committed to achieving and demonstrating the highest standards of corporate governance. Tanga has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

The 2021 corporate governance statement is dated as at 30 June 2021 and reflects the corporate governance practices in place throughout the 2021 financial year. The 2021 corporate governance statement was approved by the Board on 30 September 2021. A description of the Group's current corporate governance practices is set out in the Group's corporate governance statement which can be viewed on Tanga's website at www.tangaresources.com.au.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2021

	Notes	Consolidated 2021 $	2020 $
Continuing operations:			
Interest income		585	790
Other income		227,965	58,460
Foreign currency exchange gains / (loss)		578,928	33,596
Corporate expenses		(200,047)	(199,164)
Director and employee expenses	3	(247,032)	(380,920)
Share based payments		(514,523)	(35,000)
Exploration expenses not capitalised		-	(12,674)
Impairment of exploration and evaluation assets	8	(1,470,081)	-
Depreciation expense	3	(28,412)	(5,304)
Administration expenses	3	(512,030)	(232,232)
Loss before income tax		**(2,164,647)**	**(772,448)**
Income tax expense	5	(1,863)	-
Total loss for the year		**(2,166,510)**	**(772,448)**
Other comprehensive loss			
Items that may be reclassified through profit or loss in future:			
Movement in currency translation of foreign operations		(332,522)	(126,727)
		(332,522)	(126,727)
Items that will not be reclassified through profit or loss in future:			
Changes in the fair value of financial assets carried at fair value through other comprehensive income, net of tax		1,800	4,275
		1,800	4,275
Other comprehensive loss for the year, net of tax		**(330,722)**	**(122,452)**
Total comprehensive loss for the year		**(2,497,232)**	**(894,900)**
Earnings per share		**cents**	**cents**
- basic and diluted loss per share	16	(0.77)	(0.88)

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

Consolidated Statement of Financial Position

At 30 June 2021

	Notes	Consolidated 2021 $	2020 $
ASSETS			
Current Assets			
Cash and cash equivalents	6	5,181,004	626,994
Prepayments		14,529	15,274
Trade and other receivables	7	74,267	40,543
Total Current Assets		**5,269,800**	**682,811**
Non-Current Assets			
Exploration and evaluation	8	3,169,496	2,755,544
Financial assets held at fair value through other comprehensive income	9	8,325	6,525
Property, plant and equipment	10	35,070	37,372
Total Non-Current Assets		**3,212,891**	**2,799,441**
TOTAL ASSETS		**8,482,691**	**3,482,252**
LIABILITIES			
Current Liabilities			
Trade and other payables	12	189,733	188,831
Provisions		2,394	21,900
Total Current Liabilities		**192,127**	**210,731**
TOTAL LIABILITIES		**192,127**	**210,731**
NET ASSETS		**8,290,564**	**3,271,521**
EQUITY			
Contributed equity	13	32,938,439	26,131,846
Reserves	14	608,537	1,418,513
Accumulated losses	15	(25,256,412)	(24,278,838)
TOTAL EQUITY		**8,290,564**	**3,271,521**

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

Consolidated Statement of Changes in Equity

At 30 June 2021

	Note	Issued Capital	Share-based payment reserve	Foreign currency translation reserve	Financial asset at FVOCI reserve	Accumulated losses	Total equity
		$	$	$	$	$	$
At 30 June 2019		**24,031,206**	**1,188,876**	**352,089**	**-**	**(23,506,390)**	**2,065,781**
Total comprehensive loss for the year							
Loss for the year		-	-	-	-	(772,448)	(772,448)
Other comprehensive loss for the year		-	-	(126,727)	4,275	-	(122,452)
Total comprehensive loss for the year		-	-	(126,727)	4,275	(772,448)	(894,900)
Transactions with owners, recorded directly in equity							
Issue of shares		2,135,154	-	-	-	-	2,135,154
Transaction costs of share issue		(34,514)	-	-	-	-	(34,514)
Total transaction with equity holders		2,100,640	-	-	-	-	2,100,640
At 30 June 2020		**26,131,846**	**1,188,876**	**225,362**	**4,275**	**(24,278,838)**	**3,271,521**
Total comprehensive loss for the year							
Loss for the year		-	-	-	-	(2,166,510)	(2,166,510)
Reclassification to profit and loss on abandonment of exploration activities		-	-	(578,928)	-	-	(578,928)
Foreign exchange translation differences		-	-	246,406	-	-	246,406
Other comprehensive loss for the year		-	-	-	1,800	-	1,800
Total comprehensive loss for the year		-	-	(332,522)	1,800	(2,166,510)	(2,497,232)
Transactions with owners, recorded directly in equity							
Issue of shares		7,300,002	-	-	-	-	7,300,002
Transaction costs of share issue		(493,409)	-	-	-	-	(493,409)
Roll up with minority SH		-	-	-	3,641	-	3,641
Share based payments		-	706,041	-	-	-	706,041
Expiry of Employee Share Scheme options		-	(1,188,936)	-	-	1,188,936	-
At 30 June 2021		**32,938,439**	**705,981**	**(107,160)**	**9,716**	**(25,256,412)**	**8,290,564**

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2021

	Notes	Consolidated 2021 $	Consolidated 2020 $
Cash flows from operating activities			
Payments to suppliers and employees		(692,161)	(789,998)
Other income		30,000	21,439
Interest income		585	105
Net cash flows used in operating activities	24	**(661,576)**	**(768,454)**
Cash flows from investing activities			
Payment for property, plant and equipment		(26,110)	(21,919)
Exploration expenditure		(1,718,336)	(1,317,041)
Net cash flows used in investing activities		**(1,744,446)**	**(1,338,960)**
Cash flows from financing activities			
Proceeds from issue of shares	13	7,268,643	2,094,394
Proceeds received for shares not yet issued			35,000
Payments for capital raising	13	(301,981)	(34,514)
Net cash flows provided by financing activities		**6,966,752**	**2,094,880**
Net (decrease) / increase in cash and cash equivalents		4,560,730	(12,534)
Cash and cash equivalents at beginning of year		626,994	658,111
Effect of foreign currency translation on cash		(6,720)	(18,583)
Cash and cash equivalents at end of year	6	**5,181,004**	**626,994**

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

1. Corporate Information

The financial report of Tanga Resources Limited (**Tanga**) and its controlled entities (**Group**) for the year ended 30 June 2021 was authorised for issue in accordance with a resolution of the Directors on 30 September 2021.

Tanga is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange.

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below and have been applied consistently to all periods presented in the consolidated financial statements and by all entities in the Group.

2. Summary of significant accounting policies

Statement of Compliance

These are for-profit general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board, and the *Corporations Act 2001*.

Compliance with IFRS

The consolidated financial statements of Tanga also comply with International Financial Reporting Standards (**IFRS**) (including Interpretations) issued by the International Accounting Standards Board (**IASB**).

Going concern

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Directors have reviewed the business outlook and the assets and liabilities of the Group and are of the opinion that the use of the going concern basis of accounting is appropriate.

The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, nor the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

Adoption of new and revised standards

The accounting standards and interpretations relevant to the operations of the Group are consistent with those of the previous financial year. There are some amendments and interpretations effective for the first time from 1 July 2020, though they did not have any impact on the current period or any prior period and is not likely to affect future periods.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Accounting standards issued but not yet effective

The Australian Accounting Standards Board (AASB) has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of these new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below.

2. Summary of significant accounting policies (continued)

AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018 – 2020 and Other Amendments

(i) AASB 1 – simplifies the application by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences;
(ii) AASB 3 – updates references to the Conceptual Framework for Financial Reporting;
(iii) AASB 9 – clarifies the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability;
(iv) AASB 116 – requires an entity to recognise the sales proceeds from selling items produced while preparing PP&E for its intended use and the related cost in profit or loss, instead of deducting the amounts received from the cost of the asset;
(v) AASB 137 – specifies the costs that an entity includes when assessing whether a contract will be loss making; and
(vi) AASB 141 – removes the requirement to exclude cash flows from taxation when measuring fair value, thereby aligning the fair value measurement requirements in AASB 141 with those in other Australian Accounting Standards.

AASB 2020-3 mandatorily applies to annual reporting periods commencing on or after 1 January 2022 and will be first applied by the Group in the financial year commencing 1 July 2022.

The likely impact of this accounting standard on the financial statements of the Group has not been determined.

AASB 2014-10: Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, AASB 2015-10: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and AASB 2017-5: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

AASB 2014-10 amends AASB 10: Consolidated Financial Statements and AASB 128: Investments in Associates and Joint Ventures to clarify the accounting for the sale or contribution of assets between an investor and its associate or joint venture by requiring:

(i) a full gain or loss to be recognised when a transaction involves a business, whether it is housed in a subsidiary or not; and
(ii) a partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

These amending standards mandatorily apply to annual reporting periods commencing on or after 1 January 2022 and will be first applied by the Group in the financial year commencing 1 July 2022.

The likely impact of this accounting standard on the financial statements of the Group has not been determined.

AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current, AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date

AASB 2020-1 amends AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It requires a liability to be classified as current when entities do not have a substantive right to defer settlement at the end of the reporting period.

AASB 2020-6 defers the mandatory effective date of amendments that were originally made in AASB 2020-1 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2023 instead of 1 January 2022. They will first be applied by the Group in the financial year commencing 1 July 2023.
The likely impact of this accounting standard on the financial statements of the Group has not been determined.

AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates

2. **Summary of significant accounting policies (continued)**

AASB 2020-1 amends AASB 7 Financial Instruments: Disclosures, AASB 101 Presentation of Financial Statements, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, AASB 134 Interim Financial Reporting and AASB Practice Statement 2 Making Materiality Judgements. The main amendments relate to:

(i) AASB 7 – clarifies that information about measurement bases for financial instruments is expected to be material to an entity's financial statements;
(ii) AASB 101 – requires entities to disclose their material accounting policy information rather than their significant accounting policies;
(iii) AASB 108 – clarifies how entities should distinguish changes in accounting policies and changes in accounting estimates;
(iv) AASB 134 – to identify material accounting policy information as a component of a complete set of financial statements; and
(v) AASB Practice Statement 2 – to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

AASB 2021-2 mandatorily applies to annual reporting periods commencing on or after 1 January 2023 and will be first applied by the Group in the financial year commencing 1 July 2023.

The likely impact of this accounting standard on the financial statements of the Group has not been determined.

Basis of preparation

Historical Cost Convention

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (**AASB**) and the *Corporations Act 2001*.

The financial report covers Tanga and its subsidiaries and has been prepared in Australian dollars. Tanga is a listed public company, incorporated and domiciled in Australia.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

2. Summary of significant accounting policies (continued)

Critical Accounting Judgements and Estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

Financial statement area	Judgements and estimates made
Carrying amount of exploration and evaluation asset	The group assesses impairment at each reporting date by evaluating conditions specific to each area of interest. Where these assessments indicate existence of an impairment trigger, an impairment testing is performed on each such area of interest. The management considers various factors in assessing existing of impairment indicators including currency of exploration rights, historical results of exploration and evaluation activities, technical estimates and commercial feasibility.
Deferred tax asset	An estimate of the probability of Group's ability to recoup deferred tax asset from future taxable profits are made as at each reporting date. Deferred tax asset (in excess of deferred tax liability) on tax losses and temporary deductible differences are recognised to the extent that sufficient future taxable profits are probable in the same tax jurisdiction in which those tax losses and deductible temporary differences arise.

(a) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Group as at 30 June 2021 and the results of all subsidiaries for the year then ended. Tanga and its subsidiaries together are referred to in this financial report as the Group.

Subsidiaries are entities controlled by the Tanga. Consolidation accounting is applied for all of the wholly owned subsidiaries. Control is achieved when Tanga:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstance indicate that there changes to one or more of the three elements of control listed above.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.
Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

2. Summary of significant accounting policies (continued)

(b) Functional and presentation of currency

The consolidated financial statements are presented in Australian dollars, which is the Group's functional and presentation currency. The functional currency of the subsidiaries are Tanzanian Shillings, Namibian Dollars and United States dollars.

The assets and liabilities of the Group's foreign operations are expressed in Australian dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation, all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

(c) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement, within finance costs. All other foreign exchange gains and losses are presented in the income statement on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(d) Revenue recognition

Interest income is recognised as it accrues applying the effective interest rate.

(e) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2. Summary of significant accounting policies (continued)

Deferred income taxes are recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements, except where it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(f) Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(g) Cash and cash equivalents

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

(h) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

2. Summary of significant accounting policies (continued)

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. A provision for doubtful receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the profit or loss.

(i) Exploration and evaluation expenditure

Exploration and evaluation expenditure, including the costs of acquiring licences and permits are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the group has obtained the legal rights to explore an area are recognised in profit or loss.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

(i) the expenditures are expected to be recouped through successful development and exploitation or from sale of the area of interest; or

(ii) activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of minerals in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mineral property and development assets within property, plant and equipment.

When an area of interest is abandoned or the Directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision is made.

2. Summary of significant accounting policies (continued)

(j) Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, or in the case of certain leased plant and equipment, the shorter lease term as follows:

- Motor vehicles 3 – 5 years
- Office and computer equipment 3 – 5 years
- Furniture, fittings and equipment 3 – 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

(l) Employee benefits

Short –term Obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees’ services up to the end of reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable. All other short-term employee benefit obligations are presented as payables.

Other Long-term Obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

2. Summary of significant accounting policies (continued)

(m) Equity

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

(n) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group, 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 and excluding treasury shares.

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 additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(o) Goods and Services Tax (GST) / Value Added Tax (VAT)

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

Receivables and payables are stated inclusive of the amount of GST/VAT receivable or payable. The net amount of GST/VAT recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

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

(p) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15.63.

2. Summary of significant accounting policies (continued)

Equity instruments at fair value through other comprehensive income (FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under this category, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. On 1 July 2018, the Group elected to make the irrevocable election to classify the equity instruments held in ASX listed company Alcidion Group Limited at FVOCI.

Classification and subsequent measurement

Financial assets

Financial assets are subsequently measured at:

— amortised cost; or

— fair value through other comprehensive income; or

— fair value through profit or loss

On the basis of the two primary criteria:

— the contractual cash flow characteristics of the financial asset; and

— the business model for managing the financial assets

A financial asset is subsequently measured at amortised cost when it meets the following conditions:

— the financial asset is managed solely to collect contractual cash flows; and

— the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates

A financial asset is subsequently measured at fair value through other comprehensive income when it meets the following conditions:

— the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principle amount outstanding on specified dates; and

— the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

Financial liabilities

Financial liabilities are subsequently measured at:

— amortised cost; or

— fair value through profit or loss

A financial liability is measured at fair value through profit and loss if the financial liability is:

— a contingent consideration of an acquirer in a business combination to which AASB 3 applies

— held for trading; or

— initially designated as at fair value through profit or loss

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over in profit or loss over the relevant period.

2. **Summary of significant accounting policies (continued)**

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

— incurred for the purpose of repurchasing or repaying in the near term;

— part of a portfolio where there is an actual pattern of short-term profit taking; or

— a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship)

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for derecognition of a financial asset:

— the right to receive cash flows from the asset has been expired or been transferred;

— all risk and rewards of ownership of the asset have been substantially transferred; and

— the entity no longer controls the asset (i.e. it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

2. Summary of significant accounting policies (continued)

Impairment of financial assets

An impairment loss is recognised for the expected credit losses on financial assets when there is an increased probability that the counterparty will be unable to settle an instrument's contractual cash flows on the contractual due dates, a reduction in the amounts expected to be recovered, or both. The probability of default and expected amounts recoverable are assessed using reasonable and supportable past and forward-looking information that is available without undue cost or effort. The expected credit loss is a probability-weighted amount determined from a range of outcomes and takes into account the time value of money.

For trade receivables, material expected credit losses are measured by applying an expected loss rate to the gross carrying amount. The expected loss rate comprises the risk of a default occurring and the expected cash flows on default based on the aging of the receivable. The *r*isk of a default occurring always takes into consideration all possible default events over the expected life of those receivables ("the lifetime expected

credit losses"). Different provision rates and periods are used based on groupings of historic credit loss experience by product type, customer type and location.

For intercompany loans that are repayable on demand, expected credit losses are based on the assumption that repayment of the loan is demanded at the reporting date. If the subsidiary does not have sufficient accessible highly liquid assets in order to repay the loan if demanded at the reporting date, an expected credit loss is calculated. This is calculated based on the expected cash flows arising from the subsidiary and weighted for probability likelihood variations in cash flows.

(q) Share-based payments

The cost of equity-settled transactions with employees / consultants / suppliers is measured by reference to the fair value at the date at which they are granted. The fair value is determined using the Binomial Tree and Black–Scholes Option Pricing models, taking into account the terms and conditions upon which options were granted.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Group ('market conditions').

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees / consultants / suppliers become fully entitled to the equity instrument ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects the extent to which the vesting period has expired and the number of equity instrument that, in the opinion of the Directors of the group, will ultimately vest. This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for equity instrument that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the equity instrument is recognised immediately. However, if a new equity instrument is substituted for the cancelled equity instrument and designated as a replacement equity instrument on the date that it is granted, the cancelled and new equity instrument are treated as if they were a modification of the original equity instrument, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

2. Summary of significant accounting policies (continued)

(r) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquire and the equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their fair value at the acquisition date.

(s) Rounding

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off to the nearest dollar in accordance with the instrument.

(t) Other income

Interest income is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received, and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs it is compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

All revenue is stated net of the amount of goods and services tax (GST).

		Consolidated 2021 $	Consolidated 2020 $
3.	**Revenue and Expenses**		
	Included in the loss for the period are:		
	Depreciation expense	28,412	5,304
	Share based payments	514,523	35,000
	Administration Expenses:		
	- Accounting & bookkeeping	75,347	68,629
	- Insurance	20,783	34,533
	- Travel & accommodation	86,161	29,835
	- Office short-term rent expenses	54,471	37,529
	- IT	9,527	14,955
	- Conferences	-	7,106
	- Subscriptions	11,535	13,235
	- Advertising	18,856	-
	- ASX / compliance / company secretarial	129,887	-
	- Other administration costs	105,463	26,410
	Total administration expenses	**512,030**	**232,232**
	Director and employee expenses:		
	- Salaries & fees	159,844	354,347
	- Superannuation contributions	87,188	26,573
	Total director and employee expenses	**247,032**	**380,920**

4. Segment information

The Group operated in the following business segments during the year (2020: one segment - mineral exploration in Africa).

	Cote d'Ivoire	Namibia	Corporate	Total
Other income	-	-	228,550	228,550
Foreign currency gain	-	-	578,928	578,928
Depreciation and amortisation	-	(27,996)	(417)	(28,412)
Employee expenses	-	(5,995)	(241,037)	(247,032)
Share based payments	-	-	(514,523)	(514,523)
Exploration expenses	-	-	-	-
Impairment of exploration	-	(1,470,081)	-	(1,470,081)
Other expenses	-	(166,048)	(547,892)	(713,940)
Segment loss	-	(1,670,119)	(496,390)	(2,166,510)
Segment assets	361,040	1,620,179	6,862,511	8,482,690
Segment liabilities	-	(1,626)	(190,501)	(192,127)
Additions to PP&E	-	-	21,919	21,919

	Consolidated 2021 $	Consolidated 2020 $
5. Income Tax Expense		
Major components of income tax expense are as follows:		
Income statement		
Current income tax		
- Current income tax expense (benefit)	(148,353)	(192,983)
- Current income tax expense (benefit) not recognised	150,216	192,983
Deferred income tax		
- Relating to origination and reversal of temporary differences	321,317	445,342
- Deferred income tax expense (benefit) not recognised	(321,317)	(445,342)
Income tax expense reported in Consolidated Statement of Profit or Loss and Other Comprehensive Income	**1,863**	-

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 Group's effective income tax rate for the

Deferred income tax		
- Accounting profit (loss) before tax from continuing operations	(2,166,510)	(445,342)
Income tax expense reported in Consolidated Statement of Profit or Loss and Other Comprehensive Income	-	-

A reconciliation of income tax expense applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the Group's effective income tax rate for the years ended 30 June 2021 and 30 June 2020 is as follows:

Accounting loss from continuing operations before income tax	**(2,166,510)**	**(772,448)**
At the statutory income tax rate of 30% (2020: 27.5 %)	(649,953)	(231,734)
Add		
- Non-deductible expenses	492,089	33,895
- Tax loss not brought to account as a deferred tax asset	159,727	197,839
Income tax benefit reported in income statement	**1,863**	-

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:		
- Current tax	321,317	445,342
- Accumulated tax losses	1,702,831	1,257,489
Potential unrecognised tax benefit at 30 June (2020: 30.0 %)	**2,024,148**	**1,702,831**

The Group has total carried forward tax losses of $6,223,811 (2020: $5,676,103) available for offset against future assessable income of the Group. The tax losses do not expire under current 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 Group can utilise benefits.

		Consolidated 2021 $	Consolidated 2020 $
6.	**Cash and cash equivalents**		
	Cash at bank and on hand	5,181,004	276,284
	Deposits at call	-	350,710
		5,181,004	**626,994**

The weighted average interest rate for the period was 0% (2020: 0.1%)

Reconciliation of cash

Cash at the end of the financial year as shown in the Consolidated Statement of Cash Flows is reconciled to items in the Consolidated Statement of Financial Position as follows:

Cash and cash equivalents	5,181,004	626,994
	5,181,004	**626,994**

7.	**Trade and other receivables**		
	Current		
	GST receivable	74,267	17,180
	Other receivables	-	23,363
		74,267	**40,543**

8.	**Exploration and evaluation**		
	Opening balance	2,755,544	1,576,694
	Expenditure incurred during the year	1,436,304	1,252,714
	Acquisition of Investments	-	-
	Impairment of exploration and evaluation assets [1]	(1,470,081)	-
	Effect of exchange rate movements	447,729	(73,864)
	Closing balance	**3,169,496**	**2,755,544**

[1] The Directors' assessment of whether any triggers of impairment for the Group's exploration and evaluation assets existed as at 30 June 2021 was after consideration factors such as prevailing market conditions; previous expenditure for exploration work carried out on the tenements; maintaining rights to tenure; and the potential for mineralisation based on the Group's and independent geological reports.

The ultimate value of these assets is dependent upon recoupment by commercial development or the sale of the whole or part of the Group's interests in these exploration properties for an amount at least equal to the carrying value.

8. Exploration and evaluation (continued)

The Group has reviewed its existing tenements and have ceased further exploration and evaluation for the following projects in Namibia; Joumbira, Coldstone, Owamba and Anastasia. Capitalised amounts in relation to these projects have therefore been impaired to nil in the current period.

	Consolidated	Consolidated
	2021	**2020**
9. Financial assets at fair value through other comprehensive income	**$**	**$**
Shares in listed companies at fair value	8,325	6,525

(i) Equity instruments at fair value through other comprehensive income

	$	$
At the beginning of the year	6,525	2,250
Add revaluation increments, net of tax	1,800	4,275
	8,325	**6,525**

Equity instruments are shares held in an ASX listed entity Alcidion Group Ltd and were revalued in the current year based on the share sale price at reporting date. Fair value has been determined by reference to quoted market prices.

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at fair value through other comprehensive income. Under this category, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss

		Consolidated 2021 $	Consolidated 2020 $
10.	**Property, plant and equipment**		
	Motor vehicle		
	- At cost	53,713	51,218
	- Accumulated depreciation	(29,472)	(13,846)
	Total motor vehicle	**24,241**	**37,372**
	Office equipment		
	- At cost	14,849	12,856
	- Accumulated depreciation	(12,857)	(12,856)
	Total office equipment	**1,992**	**-**
	Computer equipment		
	- At cost	35,143	25,889
	- Accumulated depreciation	(26,306)	(25,889)
	Total computer equipment	**8,837**	**-**
	Field equipment		
	- At cost	52,053	52,053
	- Accumulated depreciation	(52,053)	(52,053)
	Total field equipment	**-**	**-**
	Total property, plant and equipment	**35,070**	**37,372**

Movement in carrying amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current period:

	Motor Vehicles	Computer Equipment	Office Equipment	Total
Consolidated:				
Carrying amount at 30 June 2020	**37,372**	**-**	**-**	**37,372**
Additions	2,495	9,254	1,992	13,741
Depreciation expense	(15,626)	(417)	-	(16,043)
Carrying amount at 30 June 2021	**24,241**	**8,837**	**1,992**	**35,070**

10. Property, plant and equipment (continued)

Consolidated:	Motor Vehicles	Computer Equipment	Field Equipment	Total
Carrying amount at 30 June 2019	**20,757**	**-**	**-**	**20,757**
Additions	21,919	-	-	21,919
Foreign currency translation	-	-	-	-
Depreciation expense	(5,304)	-	-	(5,304)
Carrying amount at 30 June 2020	**37,372**	**-**	**-**	**37.372**

11. Subsidiaries

Details of Tanga's subsidiaries at 30 June 2021 are as follows:

Subsidiaries	Principal Activity	Country of Incorporation	Proportion of Ownership 2021	Proportion of Ownership 2020
Simba Minerals Limited	Exploration	Australia	100%	100%
Kudu Resources (TZ) Limited	Exploration	Tanzania	99.95%	99.95%
Glomin Mauritius TRL	Holding Company	Mauritius	100%	-
Damaran Exploration Namibia (Pty) Ltd	Exploration	Namibia	100%	100%
Coldstone Investments (Proprietary) Limited	Exploration	Namibia	100%	100%
Aloe Investments One Hundred and Ninety Two (Pty) Ltd [(1)]	Exploration	Namibia	100%	100%
Gazania Investments Four Hundred and Twenty Five (Pty) Ltd [(1)]	Exploration	Namibia	100%	100%

12. Trade and other payables

	Consolidated 2021 $	Consolidated 2020 $
Trade creditors, accruals and other payables	189,733	153,831
Share monies received in advance [1]	-	35,000
	189,733	**188,831**

Trade creditors are non-interest bearing and are normally settled on 30 day terms.

[1] Relates to share monies which were received in the 30 June 2020 financial year, for shares issued during the 30 June 2021 financial year.

		Consolidated 2021 $	Consolidated 2020 $
13.	**Issued capital**		
	a) Share capital		
	Ordinary shares fully paid	**32,938,439**	**26,131,846**

	Consolidated Number	Consolidated $
b) Movements in ordinary shares on issue		
Balance at 1 July 2020	**116,734,534**	**26,131,846**
Share placement at $0.015 (Tranche Two)	20,000,000	300,000
Share placement at $0.03 (Tranche One)	34,183,633	1,025,509
Share placement at $0.03 (Tranche Two)	197,340,198	5,920,206
Share placement at $0.03 (Tranche Two)	1,809,503	54,285
Transaction cost of share issue	-	-493,407
Balance at 30 June 2021	370,067,868	32,938,439

Ordinary shares have the right to receive dividends as declared, and in the event of winding up Tanga, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid upon on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of Tanga. Ordinary shares have no par value.

Balance at 1 July 2019	**1,237,027,463**	**24,031,206**
Issued 03 September 2019 –Placement	308,256,865	924,771
Issued 30 September 2019 –Placement	286,743,135	860,383
20:1 Share Consolidation	(1,774,626,261)	
Issued 27 May 2020 –Placement	23,333,332	350,000
Transaction costs of share issue	-	(34,514)
Balance at 30 June 2020	**116,734,534**	**26,131,846**

13. Issued capital (continued)

	4 cent options expiring 7 June 2021	5 cent options expiring 7 June 2021 Number	1.25 cent options expiring 26 Nov 2020 Number	1 cent Quoted options expiring 24 Oct 2020 Number	5 cent options expiring 30 Sept 2024 Number	10 cent options expiring 30 Sept 2024 Number	Weighted average price cents
2021							
Balance at beginning of period	500,000	500,000	2,525,000	14,167,724	-	-	1.2
Options lapsed	(500,000)	(500,000)	(2,525,000)	(14,167,724)	-	-	1.2
Options issued	-	-	-	-	19,174,483	19,174,483	7.5
Balance at end of the period	**-**	**-**	**-**	**-**	19,174,483	19,174,483	**7.5**

	12 cent options expiring 30 Sept 2019 Number	4 cent options expiring 7 June 2021 Number	5 cent options expiring 7 June 2021 Number	1.25 cent options expiring 26 Nov 2020 Number	1 cent Quoted options expiring 24 Oct 2020 Number	Weighted average price cents
2020						
Balance at beginning of period	14,500,000	10,000,000	10,000,000	50,500,000	283,355,561	1.7
Options lapsed	(14,500,000)	-	-	-	-	12.0
20:1 Consolidation	-	(9,500,000)	(9,500,000)	(47,975,000)	(269,187,837)	1.2
Balance at end of the period	**-**	**500,000**	**500,000**	**2,525,000**	**14,167,724**	**1.2**

14. Reserves	Consolidated 2021 $	Consolidated 2020 $
Foreign Currency Translation Reserve		
Opening balance	225,362	352,089
Movement during the period	(332,522)	(126,727)
Balance at 30 June	**(107,160)**	**225,362**
Share-Based Payment Reserve		
Opening balance	1,188,876	1,188,876
Movement during the period	(482,895)	-
Balance at 30 June	**705,981**	**1,188,876**
FVOCI Reserve		
Opening balance	4,275	-
Movement during the period	5,441	4,275
Balance at 30 June	**9,716**	**4,275**
Total Reserves at 30 June	**608,537**	**1,418,513**

15. Accumulated losses

Balance at the beginning of the financial period	(24,278,838)	(23,506,390)
Net loss attributable to members	(2,166,510)	(772,448)
Transfer expired options to accumulated losses	1,188,936	-
Balance at the end of the financial period	**(25,256,412)**	**(24,278,838)**

16. Earnings per share

Loss per shares from continuing operations		
- basic loss per share (cents)	(0.77)	(0.88)
- diluted earnings per share (cents)	(0.77)	(0.88)
The following reflects the income and share data used in the calculations of basic and diluted earnings per share:		
Losses used in calculating basic and diluted earnings per share from total operations	**(2,166,510)**	**(772,448)**

	Consolidated 2021 Number	Consolidated 2020 Number
Weighted average number of ordinary shares used in calculating basic and diluted earnings per shares for continuing operations and total operations (post 1 for 20 consolidation)	**282,303,722**	**87,755,338**

		Consolidated 2021 $	Consolidated 2020 $
17.	**Auditor's remuneration**		
	Audit services		
	Audit and review of the financial reports		
	Pitcher Partners BA&A Pty Ltd	28,750	27,000
	Total remuneration	**28,750**	**27,000**

18. Contingent assets and liabilities

There are no material contingent assets or liabilities as at 30 June 2021 (2020: nil).

19. Subsequent Events

Other than disclosed in this financial report, there are no matters or circumstances which have arisen since 30 June 2021 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2021, of the Group;
- the results of those operations, in financial years subsequent to 30 June 2021, of the Group; or
- the state of affairs, in financial years subsequent to 30 June 2021, of the Group.

20. Commitments

In order to maintain an interest in the exploration tenements in which the Group is involved, the Group is committed to meet the conditions under which the tenements were granted. There are no annual minimum spend requirements for Namibian tenements. Tanga performed a strategic review of its tenements in Tanzania relinquished all tenements , therefore no commitments has been disclosed in respect of these tenements. The Group has not yet earned into the Cote d'Ivoire joint ventures therefore have no commitments as at 30 June 2021.

21. Financial risk management objectives and policies

Financial Risk Management

Overview

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

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

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.

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's principal financial instruments are cash, short-term deposits, receivables and payables.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument and cash flows associated with the instrument will fluctuate due to changes in market interest rates.

Interest bearing assets comprise cash and cash equivalents which are considered to be short-term liquid assets. It is the group's policy to settle trade payables within the credit terms allowed and therefore not incur interest on overdue balances.

The following tables set out the carrying amount, by maturity, of the financial instruments that are exposed to interest rate risk:

		Fixed interest rate maturing in				
Consolidated – 2021	**Floating interest rate**	**1 Year or less**	**Over 1 to 5 years**	**More than 5 years**	**Non interest bearing**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Financial assets						
Cash and cash equivalents	5,181,004	-	-	-	-	5,181,004
Trade and other receivables	-	-	-	-	74,267	74,267
	5,181,004	-	-	-	74,267	5,255,271
Weighted average interest rate						
Financial liabilities						
Trade and other payables	-	-	-	-	189,733	189,733
	-	-	-	-	189,733	189,733

21. Financial risk management objectives and policies (continued)

Consolidated – 2020	Floating interest rate	Fixed interest rate maturing in 1 Year or less	Over 1 to 5 years	More than 5 years	Non interest bearing	Total
	$	$	$	$	$	$
Financial assets						
Cash and cash equivalents	626,994	-	-	-	-	626,994
Trade and other receivables	-	-	-	-	40,543	40,543
	626,994	-	-	-	40,543	667,537
Weighted average interest rate						
Financial liabilities						
Trade and other payables	-	-	-	-	188,831	188,831
	-	-	-	-	188,831	188,831

Fair value sensitivity analysis for fixed rate instruments

The group does not account for any fixed rate financial assets or liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have no material effect on the financial results of the Group and has not been calculated.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers. The Group manages its credit risk on financial instruments, including cash, by only dealing with banks licensed to operate in Australia and credit ratings of AA. The group has very limited credit risk exposure on account of receivables as these comprise primarily of GST / VAT receivable from taxation authorities.

Exposure to credit risk

The carrying amount of the group's financial assets represents the maximum credit exposure. The group's maximum exposure to credit risk at the reporting date was:

	Consolidated 2021	Consolidated 2020
	$	$
Cash and cash equivalents	5,181,004	626,994
Trade and other receivables	74,267	40,543
	5,255,271	**667,537**

21. Financial risk management objectives and policies (continued)

Foreign currency risk

The Group's exposure to foreign currency risk is significant due to the majority of its exploration related expenditure being in US dollars.

The Group's exposure to foreign currency at reporting date were:

	Cash AU$	Receivables AU$	Payables AU$	Net exposure AU$
Namibian Dollars	14,841	59,713	2,521	77,928
US Dollars	59,976	-	(47,563)	12,413
	74,817	**59,713**	**(45,042)**	**89,488**

Sensitivity to US and Namibian cash balances are:

	10% strengthening		10% weakening	
	Equity	**Net profit / (loss)**	**Equity**	**Net profit / (loss)**
Namibian dollars	-	11,822	-	(9,672)
USD	5,809	1,484	(5,809)	(1,484)

A sensitivity of 10% movement has been used as this is considered reasonable and is derived from a review of historical movement and management's judgement of future trends.

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 due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's objective is to maintain a balance between continuity of funding and flexibility. The following are the contractual maturities of financial liabilities:

Consolidated - 2021	**Carrying amount $**	**Contractual cash flows $**	**6 months or less $**
Trade and other payables	189,733	189,733	189,733
	189,733	**189,733**	**189,733**

Consolidated - 2020	**Carrying amount $**	**Contractual cash flows $**	**6 months or less $**
Trade and other payables	188,831	188,831	188,831
	188,831	**188,831**	**188,831**

21. Financial risk management objectives and policies (continued)

Fair value of financial assets and liabilities

The fair value of cash and cash equivalents and non-interest bearing financial assets and financial liabilities of the group is equal to their carrying value. Listed investments have been valued at the quoted market bid price at the end of the financial year, adjusted for transaction costs expected to be incurred.

Capital risk management

The Group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The management of the Group's capital is performed by the Board.
The capital structure of the Group consists of net debt (trade payables and provisions offset by cash and bank balances) and equity of the Group (comprising issued capital, reserves, offset by accumulated losses).
The group is not subject to any externally imposed capital requirements. The management of the Group's capital is performed by the Board. The Board is currently evaluating financing proposals to enable it to ensure that sufficient funds are available to meet its projected 18 months commitments. None of the Group's entities are subject to externally imposed capital requirements.

22. Key management personnel disclosures

Refer to the remuneration report contained in the Director's report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2021.

The totals of remuneration paid to KMP of the Group during the year are as follows:

	2021	2020
	$	$
Short-term employee benefits	348,264	439,413
Post-employment benefits	6,840	27,453
Share based payments	446,332	
Total KMP compensation	**801,436**	**466,866**

Short-term employee benefits

These amounts include fees and benefits paid to the non-executive Chair and non-executive Directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive Directors and other KMP.

Post-employment benefits

These amounts are the current-year's estimated costs of providing for the Group's defined benefits scheme post-retirement, superannuation contributions made during the year and post-employment life insurance benefits.

23. Share Based Payments

These amounts represent the expense related to the participation of KMP in equity-settled benefit schemes as measured by the fair value of the options and shares granted on grant date.
Further information in relation to KMP remuneration can be found in the Director's report.

Share option plan

The 24,244,886 options were granted to key management personnel under the Group's Option Plan during the financial year (2020: nil).

	Date of Expiry	Exercise Price	Number under Option
Directors			
23 November 2020	30 September 2024	$0.05	10,438,770
23 November 2020	30 September 2024	$0.10	10,438,770
Other KMP			
23 November 2020	30 September 2024	$0.05	1,683,673
23 November 2020	30 September 2024	$0.10	1,683,673
			24,244,886

Fair value of options granted

The fair value of services received in return for the share options granted is measured by reference to the fair value of options granted. The estimate of the fair value of the services is measured based on a Black-Scholes option valuation methodology.

The assumptions used for the options valuation are as follows:

	Director and KMP options	Director and KMP options
Underlying share price	$0.05	$0.05
Exercise price	$0.05	$0.10
Valuation date	23/11/20	23/11/20
Vesting date	23/11/20	23/11/20
Expiry date	30/09/24	30/09/24
Risk free rate	0.11%	0.11%
Volatility	62%	62%
Life of Options in years	3.85	3.85
Number of Options	12,122,443	12,122,443
Valuation per Option	$0.023	$0.014
Amount expensed during the year	$277,863	$168,470

A summary of the movements of all options issued can be found at Note 13.

	Consolidated 2021 $	Consolidated 2020 $
24. Cash flow information		
Reconciliation of operating cashflows to loss for the year		
Loss for the year	**(2,166,510)**	**(772,448)**
Effect of non-cash items:		
Depreciation expense	28,412	5,304
Share-based payments	(514,523)	40,760
Net exchange differences	578,928	(4,953)
Impairment of exploration and evaluation assets	1,470,081	-
Changes in operating assets and liabilities:		
(Increase)/decrease in trade receivables and other receivables	65,962	(15,038)
(Increase)/decrease in prepayments	745	(15,274)
Increase/(decrease) in trade and other payables	(30,718)	(28,705)
Increase/(decrease) in provisions	34,857	21,900
Net cash used in operating activities	**(661,576)**	**(768,454)**

25. Related party transactions

Related parties

The Group's main related parties are as follows:

Entities exercising control over the Group:

The ultimate parent entity that exercises control over the Group is Tanga Resources Limited, which is incorporated in Australia.

Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity, are considered key management personnel.

Other related parties:

Other related parties include entities controlled by the ultimate parent entity and entities over which key management personnel have joint control.

Transactions with related parties

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

25. Related party transactions (continued)

The following transactions occurred with related parties:

Mr. Pardey and Mr. van Wijk and both Directors of Marvel Gold Limited (**Marvel**) an ASX listed company that has a Shared Services Agreement with Tanga. Under this arrangement Marvel provides company secretarial, accounting and administration services. Payments made under these arrangements for the year are set out below.

	2021	2020
	$	$
Related party transactions		
Payments to Marvel Gold Limited (ex-GST)	103,427	-
Amounts outstanding at 30 June	18,646	-

There were no other transactions with KMP or related parties other than disclosed above.

26. Parent entity disclosure

Financial Position	2021 $	2020 $
ASSETS		
Current assets	5,185,633	679,558
Non-current assets	7,165,183	5,296,693
Total assets	**12,350,816**	**5,976,251**
LIABILITIES		
Current liabilities	147,086	221,327
Total liabilities	**147,086**	**221,327**
NET ASSETS	**12,203,730**	**5,764,924**
EQUITY		
Issued capital	32,938,439	26,131,846
Reserves	1,244,865	1,727,761
Accumulated losses	(21,979,574)	(22,094,683)
TOTAL EQUITY	**12,203,730**	**5,764,924**

Financial Performance

Loss for the year	**(1,073,828)**	**(823,563)**
Other comprehensive loss for the year		-
Total comprehensive loss	**(1,073,828)**	**(823,563)**

Contingent liability of parent entity

The parent entity does not have any contingent liabilities at reporting date.

27. Acquisition of exploration tenements in Cote d'Ivoire

On 28 September 2020 the Group announced the 100% acquisiton of Glomin Serivces Ltd (**Glomin**) through a share sale and purchase agreement with Capital DI Limited. Glomin holds the rights to earn an 80% interest in three gold projects located in in Côte d'Ivoire which are held via three separate joint venture agreements – one with Predictive Discovery Limited, and two with private Côte d'Ivoire explorer, West African Venture Investments. The acquisition was completed on 2 October 2020.

The transaction was accounted for as an acquisition of assets at fair value by the Group, as it did not meet the definition of a business combination as per AASB 3 *Business Combinations*.

Key terms of Joint Ventures

Under the terms of each JV, Tanga is responsible for managing and funding exploration activities in two stages:

- Stage 1: earn an 80% interest by meeting the minimum expenditure required on any granted licences in the 12 month period under the Mining Code of Côte d'Ivoire to maintain the licences in good standing.
- Stage 2: exploration activities including, in the event that a succesful discovery is made, Mineral Resource estimation and complation of Pre-Feasibility Study together with grant of a Mining Lease, while maintaining the tenements in good standing through completion of statutory expenditure and reporting.

In the event that a discovery is made, and Stage 2 is therefore successfully completed, the minority shareholder has the option of contributing to 20% of all subsequent costs or diluting (stage 3). If the Group's JV partner opts to dilute and its interest falls below 10%, its interest will convert to a 2% Net Smelter Return Royalty (NSR Royalty) of future gold production from mining operations on any Côte d'Ivoire project's tenements. The Group may at any time, purchase from the minority shareholder half of the NSR Royalty, reducing the NSR Royalty to 1%, for a purchase price of US$10million (Approximately AU$13million).

Details of the purchase consideration and the net assets acquired are as follows:

	2020 $
Purchase acquisition paid by Tanga to acquire Glomin:	
Cash and cash equivalents[1]	150,000
Total Consideration	**150,000**

[1]Cash payment of AU$150,000 (Initial Consideration)

The fair value of assets and liabilities recognised as a result of the acquisition are outlined below:

	Fair value $
Cash and cash equivalents	13,960
Trade and other receivables	65,962
Exploration and evaluation assets	219,362
Trade and other payables	(149,284)
Net assets acquired	**150,000**

The Directors of Tanga Resources Limited declare that:

(a) in the Directors' opinion the financial statements and notes and the Remuneration Report in the Directors Report set out on pages 9 to 60, are 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 their performance, for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations).

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2; and

(c) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* by the chief executive and chief financial officer for the year 1 July 2020 to 30 June 2021.

Signed in accordance with a resolution of the Directors.

Andrew Pardey
Chairman

Perth, Western Australia
30 September 2021

TANGA RESOURCES LIMITED
ABN 41 141 940 230

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
TANGA RESOURCES LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Tanga Resources Limited (the "Company") and its controlled entities (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 statements, including a summary of significant accounting policies, and the directors' declaration.

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

(a) 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 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 Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

TANGA RESOURCES LIMITED
ABN 41 141 940 230

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
TANGA RESOURCES LIMITED

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.

Key Audit Matter	How our audit addressed the key audit matter
Capitalisation of exploration and evaluation expenditure Refer to Note 8 to the financial report.	
As at 30 June 2021, the Group held capitalised exploration and evaluation expenditure of $3,169,496. The carrying value of exploration and evaluation expenditure is assessed for impairment by the Group when facts and circumstances indicate that the capitalised exploration and evaluation expenditure may exceed its recoverable amount. The determination as to whether there are any indicators to require the capitalised exploration and evaluation expenditure to be assessed for impairment involves a number of judgments including but not limited to: • Whether the Group has tenure of the relevant area of interest; • Whether the Group has sufficient funds to meet the relevant area of interest minimum expenditure requirements; and • Whether there is sufficient information for a decision to be made that the relevant area of interest is not commercially viable. Due to the significance to the Group's financial report and the level of judgment involved in assessing whether there are impairment indicators present and in the calculation of the recoverable amount of the capitalised exploration and evaluation expenditure, we consider this to be a key audit matter.	Our procedures included, amongst others: Obtaining an understating of and evaluating the design and implementation of the processes and controls associated with the capitalisation of exploration and evaluation expenditure, and those associated with the assessment of impairment indicators. Examining the Group's right to explore in the relevant area of interest, which included obtaining and assessing supporting documentation. We also considered the status of the exploration licences as it related to tenure. Considering the Group's intention to carry out significant exploration and evaluation activity in the relevant area of interest, including an assessment of the Group's cash-flow forecast models, discussions with senior management and directors as to the intentions and strategy of the Group. Reviewing management's evaluation and judgement as to whether the exploration activities within each relevant area of interest have reached a stage where the commercial viability of extracting the resource could be determined. Assessing the adequacy of the disclosures included within the financial report.

Share Based Payments

Refer to Note 23 to the financial report

Share-based payments represent $514,523 of the Group's expenditure for the year ended 30 June 2021. In addition, capital raising costs of $191,458 were settled through the issue of share options.

Share-based payments must be recorded at fair value of the service provided, or in the absence of such, at the fair value of the underlying equity instrument granted.

Under Australian Accounting Standards, equity settled awards are measured at fair value on the measurement date taking into consideration the probability of the vesting conditions (if any) attached. This amount is recognised as an expense either immediately if there are no vesting conditions, or over the vesting period if there are vesting conditions.

In calculating the fair value of the underlying equity instrument there are key judgements that management must make, including but not limited to:

- Estimating the likelihood that the equity instruments will vest;
- Estimating expected future share price volatility;
- Estimating expected dividend yield; and
- Risk-free rate of interest.

Due to the significance to the Group's financial report and the level of judgment involved in determining the fair value of the underlying equity instrument granted, we consider the Group's calculation of the share-based payment expense to be a key audit matter.

Our procedures included, amongst others:

Obtaining an understanding of and evaluating the design and implementation of the processes and controls associated with the preparation of the valuation model used to assess the fair value of the underlying equity instrument granted.

Assessing the key judgements used in the Group's calculation including the share price of the underlying equity instrument including but not limited to:

- Estimating the likelihood that the equity instruments will vest;
- Estimating expected future share price volatility;
- Estimating expected dividend yield; and
- Risk-free rate of interest.

Assessing the adequacy of the disclosures included within the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, 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 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 have 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 Group'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 Group'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 Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

TANGA RESOURCES LIMITED
ABN 41 141 940 230

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
TANGA RESOURCES LIMITED

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 safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2021. In our opinion, the Remuneration Report of Tanga Resources 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.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD

Paul Mulligan

PAUL MULLIGAN
Executive Director
Perth, 30 September 2021

ASX Additional Shareholders Information

As of 30 September 2021

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows. The information is current as at 30 September 2021.

1. Distribution of Equity Securities

Analysis of number of equity security holders by size of holding:

Ordinary Shares

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	23	6,790	0.00
above 1,000 up to and including 5,000	20	57,535	0.02
above 5,000 up to and including 10,000	35	333,607	0.09
above 10,000 up to and including 100,000	239	9,404,699	2.54
above 100,000	194	360,265,237	97.35
Totals	511	370,067,868	100.00

There are 101 holders of an unmarketable parcel of shares, representing 657,826 shares.

2. Top 20 Quoted Shareholders

Position	Holder Name	Holding	% IC
1	CAPITAL DI LIMITED	40,000,000	10.81%
2	BPM CAPITAL LIMITED	31,089,609	8.40%
3	EL-RAGHY KRIEWALDT PTY LTD	17,000,000	4.59%
4	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	16,667,667	4.50%
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	13,768,122	3.72%
6	JAYLEAF HOLDINGS PTY LTD <THE POLLOCK INVESTMENT A/C>	10,000,000	2.70%
6	LOMACOTT PTY LTD <THE KEOGH SUPER FUND A/C>	10,000,000	2.70%
6	JETOSEA PTY LTD	10,000,000	2.70%
7	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	8,863,828	2.40%
8	TWYNAM INVESTMENTS PTY LTD	8,351,551	2.26%
9	OLGEN PTY LTD	7,666,666	2.07%
10	MRS JUDI MARIE RUDD	7,500,000	2.03%
10	MR GRANT MICHAEL ROBERTS	7,500,000	2.03%
11	ASHANTI INVESTMENT FUND PTY LTD <ASHANTI INVESTMENT FUND A/C>	7,333,334	1.98%
12	QUINTERO GROUP LTD	6,500,000	1.76%
13	CRESCENT LINK PTY LTD	6,333,550	1.71%
14	MONTANA REALTY PTY LTD	6,000,000	1.62%
15	BELLARINE GOLD PTY LTD <RIBBLESDALE SUPER FUND A/C>	5,187,092	1.40%
16	JIA ZHAI	5,000,000	1.35%
17	TERRA METALLICA NOMINEES PTY LTD <TERRA METALLICA A/C>	4,175,775	1.13%
18	MR MARTYN ROGER BROWN	4,172,450	1.13%
19	GANDRIA CAPITAL PTY LTD <TEDBLAHNKI FAMILY A/C>	3,333,333	0.90%
20	ARGONAUT PARTNERS PTY LIMITED	3,333,332	0.90%
	Total	**239,776,309**	**64.79%**
	Total issued capital	**370,067,868**	**100.00%**

3. Substantial Shareholders

Substantial shareholders (shareholders who hold 5% or more of the issued capital):

	Number of Shares	Percentage Held
Capital DI Limited	40,000,000	10.81%
BPM Capital Limited	31,089,609	8.40%

4. Voting Rights

(a) Ordinary Shares

Each shareholder is entitled to receive notice of and attend and vote at general meetings of the Company. At a general meeting, every shareholder present in person or by proxy, representative of attorney will have one vote on a show of hands and on a poll, one vote for each share held.

(b) Options have no voting rights

5. Quoted Securities on Issue

The Company has 370,067,868 quoted shares on issue. There are no quoted options on issue.

6. Unquoted Equity Securities

The Company has 38,348,966 unquoted securities on issue.

Date of Expiry	Exercise Price	Number of Options	No of Option Holders
30 September 2024	\$0.05	19,174,483	10
30 September 2024	\$0.10	19,174,483	10
		38,348,966	**20**

7. 20 Largest Holders of Unlisted Options

Position	Class	Holder Name	Holding	% IC
1	Expiring 30/09/2024, exercisable at \$0.05	ANDREW PARDEY	4,377,549	22.83%
2	Expiring 30/09/2024, exercisable at \$0.05	MR CHRISTOPHER PHILIP VAN WIJK	4,377,549	22.83%
3	Expiring 30/09/2024, exercisable at \$0.10	ANDREW PARDEY	4,377,549	22.83%
4	Expiring 30/09/2024, exercisable at \$0.10	MR CHRISTOPHER PHILIP VAN WIJK	4,377,549	22.83%

8. Tenement interests as at 30 September 2021

Tenement	Ownership	Project	Location
EPL4782	10% (80% earn in)	Joumbira	Namibia
EPL6226	100%	Hagenhof	Namibia
EPL4833	0% (80% earn in)	Katerina	Namibia
EPL8039	100%	Katerina	Namibia
EPL7246	0% (80% earn in)	Katerina	Namibia
EPL4818	0% (80% earn in)	Okombahe	Namibia
EPL7980	100%	Okombahe	Namibia
EPL6534	90%	Gazina	Namibia
EPL6535	90%	Gazina	Namibia
EPL6536	90%	Gazina	Namibia
EPL4953	90%	Gazina	Namibia
0183DMICM11/08/2017 Bocanda	0% (80% Stage 1 earn in)	Bocanda	Côte d'Ivoire
0181DMICM11/08/2017 Tieningboue	0% (80% Stage 1 earn in)	Mankono	Côte d'Ivoire
0178DMICM11/08/2017 Mankono West	0% (80% Stage 1 earn in)	Mankono	Côte d'Ivoire
PR0861 Bouaflé South	0% (80% Stage 1 earn in)	Bouaflé	Côte d'Ivoire
PR0822 Bouaflé North	0% (80% Stage 1 earn in)	Bouaflé	Côte d'Ivoire
PR-APP 165 Mankono East	0% (80% Stage 1 earn in)	Mankono	Côte d'Ivoire
PR-APP 164 Issia	0% (80% Stage 1 earn in)	Issia	Côte d'Ivoire
PR-0844 Bocanda	0% (80% Stage 1 earn in)	Bocanda	Côte d'Ivoire

9. Competent Person's Statement

The information in this annual report that relates to exploration results is based on information compiled by Company geologists and reviewed by Mr Pierrick Couderc, in his capacity as Exploration Manager of Tanga Resources Limited. Mr. Couderc is a member of both the Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Couderc consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.