# TNT Mines Limited
# ACN 107 244 039

## Interim Financial Report
## for the Half Year Ended
## 31 December 2020

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## Corporate Directory

| | |
|---|---|
| **Directors** | **Matthew Boyes** (Chief Executive Officer)<br>**Alexander Hewlett** (Non-Executive Chairman)<br>**Brett Mitchell** (Non-Executive Director)<br>**James Croser** (Non-Executive Director)<br>**Nader El Sayed** (Non-Executive Director) |
| **Company Secretary** | Lauren Nelson |
| **Registered Office and Principal Place of Business** | 1202 Hay Street<br>West Perth WA 6005<br>Tel: +61 8 6319 1900 |
| **Auditors** | Bentleys Audit & Corporate (WA) Pty Ltd<br>Level 3, 216 St Georges Terrace<br>Perth WA 6000 |
| **Solicitors** | Steinepreis Paganin<br>Level 4, The Read Buildings<br>16 Milligan Street<br>Perth WA 6000 |
| **Share Registry** | Computershare Investor Services Pty Ltd<br>Level 11<br>172 St Georges Terrace<br>Perth WA 6000 |
| **Securities Exchange Listing** | TNT Mines Limited shares are listed on the Australian Securities Exchange (ASX)<br>ASX Code: TIN |
| **Website** | www.tntmines.com.au |

## Director's Report

The Directors hereby present their Interim Financial Report on TNT Mines Limited (ASX: TIN) (the '**Company**' or '**TNT**') for the half year ended 31 December 2020. This report has been prepared in accordance with AASB 134 Interim Financial Reporting.

**DIRECTORS**

The following persons were Directors and Company Secretaries of TNT Mines Limited during the whole of the half year and up to the date of this Report as follows:

| Director | Title | Appointment Date | Resignation Date |
|---|---|---|---|
| Matthew Boyes | Chief Executive Officer | 16 November 2020 | - |
| Alexander Hewlett | Non-Executive Director | 4 December 2020 | - |
| Brett Mitchell | Non-Executive Director* | 1 February 2019 | - |
| James Croser | Non-Executive Director | 4 December 2020 | - |
| Nader El Sayed | Non-Executive Director | 1 March 2021 | - |
| Peter Woods | Non-Executive Director | 16 June 2020 | 1 March 2021 |
| Nick Castleden | Non-Executive Director | 29 June 2017 | 4 December 2020 |
| Lauren Nelson | Company Secretary | 19 October 2018 | - |

**Mr Mitchell moved from an Executive Director to a Non-Executive Director on 1 March 2021*

**REVIEW OF OPERATIONS**

The principal focus of the Company during the six months ended 31 December 2020 shifted to Western Australia, with the acquisition of Warriedar Mining Pty Ltd, owner of the Eureka and Warriedar gold projects in two of WA's best-known goldfields, in October 2020. Drilling at Eureka, 50km north of Kalgoorlie, commenced in December 2020.

Earlier in the reporting period, the Company added to its landholding at the East Canyon uranium-vanadium project in south-east Utah by pegging additional claims and conducted further early-stage exploration in preparation for a maiden drilling program that will commence following receipt of final drill permits and approvals.

**Acquisition of Warriedar Mining**

TNT signed a binding share sale agreement to acquire 100% of Warriedar Mining Pty Ltd (Warriedar), owner of the Eureka Gold project 50km north of Kalgoorlie in the Western Australian Goldfields and the Warriedar Gold Project in WA's Murchison region, as announced to the Australian Stock Exchange (ASX) on 23 October 2020.

All key resolutions pertaining to the Warriedar acquisition were passed by shareholders at the AGM held on 30 November 2020, the effective acquisition date.

Both the Eureka and Warriedar projects have a history of gold production, are located close to established infrastructure including operating gold mills and demonstrate potential for the rapid delineation of significant shallow high-grade gold resources.

Eureka, which is under granted Mining Leases and is the initial focus of exploration, contains a JORC 2012-compliant Indicated and Inferred Mineral Resource of 762,000 tonnes at 1.80 g/t AU for 43,100 ounces of gold.

In December, TNT commenced a reverse circulation (RC) drilling campaign at Eureka, focused on identifying extensions to the existing mineralisation below the historic Eureka open pit and testing structures along strike to the north and south of the pit.

## Director's Report

The first batch of assays from this drilling was received in early February 2021 and confirmed extensions to mineralisation to the north and the south. Significant results included:

- **34m @ 1.75 g/t Au** from 103m in hole WRRC0081
  *including **9m @ 2.78g/t Au** and **3m @ 7.89g/t Au***
- **4m @ 6.56g/t Au** from 74m in hole WRRC0082
  including **2m @ 11.8 g/t Au** and **5m @ 2.23 g/t Au** from 129m
- **14m @ 2.09 g/t Au** from 51m in hole WRRC0001
  *including **4m @ 5.48g/t Au***
- **2m @ 5.59 g/t Au** from 248m in hole WRRC0051
  *including **1m @ 10.1g/t Au***
- **5m @ 2.88 g/t Au** from 24m in hole WRRC0018
- **3m @ 1.96 g/t Au** from 84m in hole WRRC0023

Following completion of the planned 11,400m drill program in late February 2021, the focus of drilling shifted to the Warriedar project, and the Reids Ridge and Mt Laws areas in particular. The Company intends to undertake another 5,000m of RC and diamond drilling testing for extensions to known mineralisation in these areas.

**Share Placement**

As part of the Warriedar acquisition, TIN completed a two-tranche placement of approximately 30 million shares at a price of $0.13 each to institutional, sophisticated and professional investors, raising $3.95 million before costs.

The funds were raised to support the Warriedar transaction and to ensure the Company possessed sufficient capital to undertake significant exploration programs at Eureka, Warriedar and the East Canyon Uranium-Vanadium Project in south-east Utah, USA.

**Board and Management Changes**

Following the AGM held on 30 November 2020, Warriedar directors Alex Hewlett and James Croser joined the Board of TNT in the respective roles of Non-Executive Chairman and Non-Executive Director.

Both Mr. Hewlett and Mr. Croser were Directors of Spectrum Metals Limited, the ASX-listed exploration company that delineated one of the highest-grade undeveloped gold resources in Australia at the Penny West Project in WA's Yilgarn district. Spectrum was taken over by goldminer Ramelius Resources Limited in March 2020.

Warriedar Mining Chief Executive Officer (CEO) Matthew Boyes, an experienced geologist and mining executive, also joined TNT as CEO, while Non-Executive Director Nick Castleden resigned from the Board.

Subsequent to 31 December, further restructuring of the Board has taken place as of 1 March 2021 with the appointment of Nader El Sayed as a Non-Executive Director of the Company and the resignation of Peter Woods from the same role. Executive Director Brett Mitchell has also moved to become a Non-Executive Director.

**East Canyon Uranium-Vanadium Project, Utah**

TNT continued with early-stage exploration at the strategically located and highly prospective East Canyon Uranium-Vanadium Project in south-east Utah during the half-year period, as well as adding to the landholding that the project comprises.

## Director's Report

In mid-August, the Company announced it had staked 31 additional contiguous claims at East Canyon, expanding the project area to ~18.7km and extending the interpreted mineralised trend by over 1km at the None Such and Bonanza prospects.

The initial focus of work at East Canyon was geochemical mapping and sampling in the northern part of the claim holdings where the historic None Such and Bonanza mine workings are located. Highly encouraging assay results were received from underground channel sampling at both locations, confirming the project's potential to host high-grade uranium and vanadium mineralisation. The Company has now progressed to the final phase of the regulatory permit and approval process for a drilling program at East Canyon and expects to have the permits issued shortly.

Licence fees for East Canyon – which is only 50km from the White Mesa Mill, the only fully licenced, fully permitted and operational uranium and vanadium mill in the USA, via a major highway – are fully paid up until September 2021, ensuring the project will remain in good standing under the US mineral licencing regime.

**Pelley Ridge Zinc Project, Montana**

The Pelley Ridge Zinc Project encompasses two contiguous leases that cover approximately 2,000 hectares near the town of Hot Springs in the Belt Purcell Basin, Montana. The project area is well serviced by infrastructure, including a government-maintained road that runs through the licences, and access is year-round.

No material exploration was carried out at Pelley Ridge during the half-year. The Company continued to hold discussions with parties that may have an interest in investing in the project as a farm-in partner or acquiring it outright.

**FINANCIAL REVIEW**

| | 31 Dec 2020<br>$ | 31 Dec 2019<br>$ |
|---|---|---|
| Losses from ordinary activities after income tax | (218,995) | (680,295) |
| Earnings per share for losses attributable to the ordinary equity holders of the company | (0.49) | (2.23) |

The Company had cash and cash equivalents of $4,748,177 on hand at 31 December 2020 ($1,797,995 30 June 2020).

**SUBSEQUENT EVENTS**

There were no subsequent events that required adjustment to or disclosure in the interim financial report.

**AUDITORS INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 7.

This report is signed in accordance with a resolution of the Board of Directors.

Alexander Hewlett
Chairman
Dated 16 March 2021

Bentleys
THINKING AHEAD

**Bentleys Audit & Corporate (WA) Pty Ltd**
London House
Level 3,
216 St Georges Terrace
Perth WA 6000

PO Box 7775
Cloisters Square WA 6850

ABN 33 121 222 802

T +61 8 9226 4500
F +61 8 9226 4300

bentleys.com.au

To the Board of Directors

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

As lead audit partner for the review of the financial statements of TNT Mines Limited for the half year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours Faithfully,

**BENTLEYS**
**Chartered Accountants**

**CHRIS NICOLOFF CA**
**Partner**

Dated at Perth this 16th day of March 2021

## Condensed consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2020

| | Notes | 31-Dec-20<br>$ | 31-Dec-19<br>$ |
|---|---|---|---|
| **REVENUE** | | | |
| Other Income | | 4,440 | 14,672 |
| **EXPENDITURE** | | | |
| Corporate expenses | | (30,480) | (18,071) |
| Directors fees | | (29,220) | (33,167) |
| Administration expenses | | (25,591) | (17,321) |
| Professional and consultancy fees | | (77,213) | (56,594) |
| Employee benefits expense | | (72,869) | (49,800) |
| Travel and marketing | | (47,396) | (34,485) |
| Impairment expense | | - | (172,306) |
| Other expenses | | (15,128) | (9,413) |
| Exploration and evaluation expenditure | | - | (28,360) |
| Share based payments | *6* | 74,462 | (274,400) |
| Finance costs | | - | (1,050) |
| **Loss before income tax** | | **(218,995)** | **(680,295)** |
| Income tax benefit | | - | - |
| **Loss for the period** | | **(218,995)** | **(680,295)** |
| Exchange difference on the translation of foreign operations | | (14,700) | (7,513) |
| **TOTAL COMPREHENSIVE LOSS** | | **(233,695)** | **(687,808)** |
| **Earnings per share for loss attributable to the ordinary equity holders of the Company:** | | | |
| Basic (loss) per share (cents per share) | | (0.49) | (2.23) |
| Diluted (loss) per share (cents per share) | | (0.49) | (2.23) |

The accompanying notes form part of these financial statements.

## Condensed consolidated Statement of Financial Position

As at 31 December 2020

| | Notes | 31-Dec-20 $ | 30-Jun-20 $ |
|---|---|---|---|
| **CURRENT ASSETS** | | | |
| Cash and cash equivalents | | 4,748,177 | 1,797,995 |
| Trade and other receivables | | 156,965 | 89,551 |
| **TOTAL CURRENT ASSETS** | | **4,905,142** | **1,887,546** |
| | | | |
| **NON-CURRENT ASSETS** | | | |
| Capitalised exploration and evaluation expenditure | *3* | 14,242,991 | 1,759,315 |
| Plant and equipment | | 152,352 | - |
| Other receivables | | 550,000 | 550,000 |
| **TOTAL NON-CURRENT ASSETS** | | 14,945,343 | 2,309,315 |
| | | | |
| **TOTAL ASSETS** | | 19,850,485 | 4,196,861 |
| | | | |
| **CURRENT LIABILITIES** | | | |
| Trade and other payables | | 528,967 | 458,203 |
| **TOTAL CURRENT LIABILITIES** | | **528,967** | **458,203** |
| | | | |
| **NET ASSETS** | | **19,321,518** | **3,738,658** |
| | | | |
| **EQUITY** | | | |
| Contributed Equity | *5* | 23,391,043 | 10,322,497 |
| Option Reserve | | 3,373,757 | 625,748 |
| Foreign Currency Translation Reserve | | (13,475) | 1,225 |
| Accumulated losses | | (7,429,807) | (7,210,812) |
| **TOTAL EQUITY** | | **19,321,518** | **3,738,658** |

The accompanying notes form part of these consolidated financial statements.

## Condensed consolidated Statement of Changes in Equity

For the half year ended 31 December 2020

| | Issued Capital $ | Share Option Reserve $ | Foreign Currency Translation Reserve $ | Accumulated Losses $ | Total $ |
|---|---|---|---|---|---|
| **Balance at 1 July 2019** | **9,724,235** | **351,348** | **-** | **(5,643,467)** | **4,432,116** |
| Loss for the year | - | - | (7,513) | (680,295) | **(687,808)** |
| **Total comprehensive loss for the period** | **9,724,235** | **351,348** | **(7,513)** | **(6,323,762)** | **3,744,308** |
| **Transactions with the owners in their capacity as owners** | | | | | |
| Shares issued during the period | - | - | - | - | - |
| Share options Issued | - | 274,400 | - | - | 274,400 |
| Share issue costs | (3,249) | - | - | - | (3,249) |
| **BALANCE AT 31 DECEMBER 2019** | **9,720,986** | **625,748** | **(7,513)** | **(6,323,762)** | **4,015,459** |
| | | | | | |
| **Balance at 1 July 2020** | **10,322,497** | **625,748** | **1,225** | **(7,210,812)** | **3,738,658** |
| Loss for the year | - | - | (14,700) | (218,995) | **(233,695)** |
| **Total comprehensive loss for the period** | **10,322,497** | **625,748** | **(13,475)** | **(7,429,807)** | **3,504,963** |
| **Transactions with the owners in their capacity as owners** | | | | | |
| Shares issued during the period | 3,950,000 | - | - | - | 3,950,000 |
| Shares & options issued in consideration of asset acquisition | 9,317,250 | 2,548,071 | - | - | 11,865,321 |
| Unmarketable parcel share sale | (155) | - | - | - | (155) |
| Share based payments | - | 199,938 | - | - | 199,938 |
| Share issue costs | (198,549) | - | - | - | (198,549) |
| **BALANCE AT 31 DECEMBER 2020** | **23,391,043** | **3,373,757** | **(13,475)** | **(7,429,807)** | **19,321,518** |

The accompanying notes form part of these consolidated financial statements.

## Condensed consolidated Statement of Cash Flows

For the half year ended 31 December 2020

| | 31-Dec-20 $ | 31-Dec-19 $ |
|---|---|---|
| **Cash flows from operating activities** | | |
| Payments to suppliers and employees | (191,995) | (323,122) |
| Interest received | 4,440 | 13,291 |
| Payments for exploration and evaluation expenditure | - | (28,406) |
| **Net cash used in operating activities** | **(187,555)** | **(338,237)** |
| | | |
| **Cash flows from investing activities** | | |
| Payments for exploration and evaluation | (626,809) | (409,978) |
| Cash acquired through asset acquisition | 17,972 | - |
| Purchase of plant and equipment | (1,945) | - |
| **Net cash outflows from investing activities** | **(610,782)** | **(409,978)** |
| | | |
| **Cash flows from financing activities** | | |
| Proceeds from issue of ordinary shares and other equity securities | 3,950,000 | - |
| Share issue costs | (198,704) | (3,249) |
| **Net cash outflows from financing activities** | **3,751,296** | **(3,249)** |
| | | |
| **Net (decrease) in cash and cash equivalents** | **2,952,959** | **(751,464)** |
| | | |
| **Cash and cash equivalents at the beginning of the financial period** | 1,797,995 | 2,582,919 |
| **Foreign exchange movement in cash** | (2,777) | (2,752) |
| **Cash and cash equivalents at the end of the financial period** | **4,748,177** | **1,828,703** |

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

# Notes to the Condensed Consolidated Financial Statements

For the half year ended 31 December 2020

## 1. CORPORATE INFORMATION

TNT Mines Ltd is a Company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The financial report of TNT Mines Ltd ('TNT' or the 'Company') and its controlled entities (the 'Group' or Consolidated Entity') for the half-year ended 31 December 2020 was authorized for issue in accordance with a resolution of the directors on 16 March 2021.

The principal activity of the Company during the half year was that of mineral exploration activities and project development.

## 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

### a) Statement of Compliance

The consolidated interim financial report is a condensed general-purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the annual financial report for the year ended 30 June 2020 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

### b) Basis of Preparation

The consolidated interim financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2020 annual financial report for the financial year ended 30 June 2020, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

### c) Going Concern

The accounts have been prepared on the going concern basis, which contemplates continuity of normal business activities. The Company has cash and cash equivalents balance as at 31 December 2020 of $4,748,177 (30 June 2020: $1,797,995), net working capital of $4,376,175 (30 June 2020: $1,429,343) and operating losses after income tax of $218,995 (31 Dec 2019: $680,295) for the period then ended.

The directors have a reasonable expectation that the Company will have adequate resources to realise its assets in the normal course of business and repay its obligations as and when they fall due for the next 12 months from the date of signing this financial report. Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate.

### d) New and amended Accounting Standards and Interpretations adopted by the Group

The Group has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective from 1 July 2020.

## Notes to the Condensed Consolidated Financial Statements

For the half year ended 31 December 2020

The adoption of these new and amended Accounting Standards and Interpretations did not result in any significant changes to the Group's accounting policies.

The Group has not early adopted any new or amended Accounting Standards or Interpretations issued but not yet effective.

**e) Estimates**

The preparation of the interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates.

*Share based payments*

During the half-year, options were granted to which some vested on the grant date, whilst others had performance conditions associated. Management assessed the probability of achieving the performance milestones for the applicable options at the date of issue and the reporting date. The likelihood of achieving these non-market vesting conditions will be reassessed by the Directors at each reporting date (refer to note 4 and note 6 for further details).

In preparing these interim financial statements, significant judgements made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 30 June 2020.

### 3. CAPITALISED EXPLORATION AND EVALUATION EXPENDITURE

Exploration and evaluation costs are written off in the year they are incurred apart from acquisition costs which are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Where an area of interest is abandoned or the directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future.

| | 31 Dec 20<br>$ | 30 Jun 20<br>$ |
|---|---|---|
| Opening balance at 1 July | 1,759,315 | 838,636 |
| Capitalised exploration and evaluation costs during the period | 622,697 | 577,875 |
| Asset acquisition - Vanacorp | - | 523,971 |
| Impairment expense recognised | - | (178,840) |
| Asset acquisition – Warriedar Mining (note 4) | 11,872,902 | - |
| Foreign currency translation reserve | (11,923) | (2,327) |
| | **14,242,991** | **1,759,315** |

## Notes to the Condensed Consolidated Financial Statements

For the half year ended 31 December 2020

### 4. ASSET ACQUISITION

Where an acquisition does not meet the definition of a business combination the transaction is accounted for as an asset acquisition. The consideration transferred for the acquisition of an asset comprises the fair values of the assets transferred, the liabilities incurred, and the equity interests issued by the Group.

**Warriedar Mining**

On 19 October 2020, the Company entered into a share sale agreement with Warriedar Mining Pty Ltd ('Warriedar') which was subject to shareholder approval, received on 30 November 2020.

Warriedar is the holder of tenements that make up the Eureka gold project and the Warriedar gold project.

Following shareholder approval, the below consideration was issued to the shareholders of Warriedar (Vendors) for the acquisition:

- 29,550,000 ordinary shares
- 10,500,000 unlisted options
- 9,250,000 unlisted options with a performance milestone

In addition, a facilitation fee was issued to the corporate advisor, Chieftain Securities, for 2,000,000 ordinary shares and 1,250,000 unlisted options.

*Terms and conditions of Unlisted Options*

A Black-Scholes valuation calculator was used to value the unlisted options to the Vendors and the corporate advisor, with the following underlying assumptions and inputs:

| | |
|---|---|
| Valuation date | 30 Nov 2020 |
| Spot price | $0.295 |
| Exercise price | $0.25 |
| Expiry date | 01 Oct 2024 |
| Expected volatility | 75% |
| Risk free rate | 0.11% |
| Dividend yield | Nil |
| Value of option | $0.17 |

The performance options issued to the Vendors will vest upon the delineation of an inferred mineral resource of not less than 100,000 ounces of gold at a grade greater than 1.5 g/t Au combined across the Projects. At 31 December, management determined there was a 35% probability of this occurring, and therefore the value per option for these will be $0.06 per option.

| **Consideration:** | **31 Dec 20 $** |
|---|---|
| 29,550,000 ordinary shares issued to the Vendors | 8,717,250 |
| 10,500,000 unlisted options vesting immediately to the Vendors | 1,785,137 |
| 9,250,000 unlisted options with performance milestones | 550,417 |
| 2,000,000 facilitation shares to the corporate advisor | 600,000 |
| 1,250,000 facilitation options to the corporate advisor | 212,516 |
| **Total consideration** | **11,865,320** |

## Notes to the Condensed Consolidated Financial Statements

For the half year ended 31 December 2020

| | |
|---|---|
| **Less:** Assets and Liabilities acquired: | |
| Current assets | 31,826 |
| Non-Current assets | 1,822,211* |
| Current liabilities | (190,499) |
| **Excess between consideration and net assets acquired reflected as an asset acquisition** | **10,201,782** |

* Includes $1,671,120 of capitalized exploration and evaluation costs. Total increase in exploration and evaluation expenditure upon acquisition is $11,872,902.

**CONTRIBUTED EQUITY**

***Reconciliation of movement in share capital***

| | Number of Shares | Issue price - $ | Total Amount $ |
|---|---|---|---|
| Opening balance at 1 July 2019 | 30,488,584 | - | 9,724,235 |
| Shares issued to vendor exclusivity fees | 500,000 | 0.135 | 67,500 |
| Share issued for the 100% acquisition of Vanacorp | 3,500,000 | 0.150 | 525,000 |
| Unmarketable parcel share movement | - | - | 14,227 |
| Less: costs of issue | | | (8,465) |
| **Closing balance at 30 June 2020** | **34,488,584** | | **10,322,497** |
| Placement shares issued | 30,384,616 | 0.130 | 3,950,000 |
| Shares issued for the 100% acquisition of Warriedar Mining | 29,550,000 | 0.295 | 8,717,250 |
| Share based payments | 2,000,000 | 0.295 | 600,000 |
| Unmarketable parcel share movement | - | - | (155) |
| Less: costs of issue | - | - | (198,549) |
| **Closing balance at 31 December 2020** | **96,423,200** | | **23,391,043** |

**5. SHARE BASED PAYMENTS**

At 30 June 2020, an accrual of $274,400 was made in relation to the issue of 4,000,000 unlisted options to Peter Woods, which were subject to shareholder approval. On 16 November 2020 an Addendum to the AGM was made, reducing the entitlement to 1,000,000 options whereby shareholder approval was subsequently received on 30 November 2020. These options have been revalued at the grant date and have resulted in a credit of $104,387 recognised in the profit or loss during the period. The following table lists the inputs to the model used in the Black-Scholes valuation model to assist with the valuation.

| | |
|---|---|
| Valuation date | 30 Nov 2020 |
| Spot price | $0.295 |
| Exercise price | $0.25 |
| Expiry date | 01 October 2024 |
| Expected volatility | 75% |
| Risk free rate | 0.11% |
| Dividend yield | Nil |
| Value of option | $0.17 |
| Number of options | 1,000,000 |
| Total value of options | $170,013 |

## Notes to the Condensed Consolidated Financial Statements

For the half year ended 31 December 2020

On 3 December 2020, the Company granted Mr Boyes 450,000 Incentive Performance Rights which shall vest and convert to ordinary shares as follows:

1) 150,000 Performance Rights shall vest and convert into ordinary shares subject to delineation of Mineral Resources (as that term is defined in JORC, 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves) of a total of not less than 75,000 ounces of gold at a grade greater than 1.5g/t on either of the Company's Eureka or Warriedar Projects or in combination across both Projects.
2) 150,000 Performance Rights shall vest and convert into ordinary shares subject to delineation of Mineral Resources (as that term is defined in JORC, 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves) of a total of not less than 150,000 ounces of gold at a grade greater than 1.5g/t on either of the Company's Eureka or Warriedar Projects or in combination across both projects.
3) 150,000 Performance Rights shall vest and convert into ordinary shares subject to delineation of Mineral Resources (as that term is defined in JORC, 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves) of a total of not less than 250,000 ounces of gold at a grade greater than 1.5g/t on either of the Company's Eureka or Warriedar Projects or in combination across both Projects.

The value of each right has been valued at $0.285, being the closing share price on the date the rights were granted. Management have assessed the likelihood of each performance milestone being met as 40%, 25% and 5% respectively for the three tranches of performance rights granted, amounting to an expense recognized in the profit or loss of $29,925.

### 6. COMMITMENTS AND CONTINGENCIES

Since 30 June 2020, the Company acquired Warriedar Mining Pty Ltd, which was the holder of the Eureka & Warriedar gold projects. These tenements collectively have an annual expenditure commitment of $106,270 per annum.

With exception to the above, there have been no other material changes to commitments and contingencies since 30 June 2020.

### 7. RELATED PARTY TRANSACTIONS

As disclosed in note 6, 1,000,000 unlisted options exercisable at $0.25 expiring 01 October 2024 the following options were granted to Peter Woods subsequent to the Annual General Meeting (AGM) on 30 November 2020.

In addition, the Company engaged a new Chief Executive Officer during the period with effect from 16 November 2020. Terms of the Executive Services Agreement are for a base salary of $180,000, along with performance rights as detailed in note 6.

In facilitation of the Warriedar Mining acquisition, 2,000,000 ordinary shares and 1,250,000 unlisted options were issued to Chieftain Securities Pty Ltd, an entity associated with Mr Brett Mitchell. Further information is included within note 4.

There were no other material changes to related party transactions from those disclosed at 30 June 2020.

### 8. SUBSEQUENT EVENTS

There were no subsequent events that required adjustment to or disclosure in the interim financial report.

## Directors' Declaration

The Directors of the Company declare that:

1. the interim financial statements and notes, are in accordance with the *Corporations Act 2001* and:

    a) comply with Australian Accounting Standard AASB134 Interim financial reporting and the Corporations Regulations 2001; and

    b) give a true and fair view of the Consolidated entity's financial position as at 31 December 2020 and its performance for the half year ended on that date; and

2. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors, pursuant to s 303(5) of the Corporations Act.

Alexander Hewlett
Chairman
Dated 16 March 2021

Bentleys
THINKING AHEAD

Bentleys Audit & Corporate (WA) Pty Ltd
London House
Level 3,
216 St Georges Terrace
Perth WA 6000

PO Box 7775
Cloisters Square WA 6850

ABN 33 121 222 802

T +61 8 9226 4500
F +61 8 9226 4300

bentleys.com.au

# Independent Auditor's Review Report

## To the Members of TNT Mines Limited

### Conclusion

We have reviewed the accompanying half-year financial report of TNT Mines Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2020, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of TNT Mines Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

a. Giving a true and fair view of TNT Mines Limited's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity.* Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

## Responsibility of the Directors for the Financial Report

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

## Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB *134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Bentleys

**BENTLEYS**
**Chartered Accountants**

**CHRIS NICOLOFF CA**
**Partner**

Dated at Perth this 16th day of March 2021