



TULLA RESOURCES PLC

**(Incorporated in England and Wales under the Companies Act 1985
with registration number 05380466)
ARBN 122 088 073**

HALF-YEAR FINANCIAL REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2022

TULLA RESOURCES PLC
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**TULLA RESOURCES PLC
DIRECTORS, SECRETARY AND ADVISERS**

Directors: Kevin Maloney Executive Chairman
Mark Maloney Executive Director
Arthur Michael Anglin Non-Executive Director
Andrew Greville Non-Executive Director
Frederick Kempson Non-Executive Director

Company Secretary: Ben Harber
Stephen Maffey
Mark McIntosh

Company Registration Number: 05380466
ARBN: 122 088 073

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Group Auditors: **UHY Hacker Young**
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TULLA RESOURCES PLC
DIRECTORS REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

The Directors present their report together with the consolidated interim financial report of Tulla Resources Plc (“the Group” or “the Company” or “Tulla Resources”) for the half-year ended 31 December 2022.

The Company is a public Company registered in England and Wales.

Directors

The Directors of the Company at any time during or since the end of the half-year period are:

Kevin Maloney	Executive Chairman
Mark Maloney	Executive Director
Arthur Michael Anglin	Non-Executive Director
Andrew Greville	Non-Executive Director
Frederick Kempson	Non-Executive Director

Principal activity and significant events

The Group’s principal activity was a 50% interest in the Norseman Gold Project. The Norseman Gold Project is located adjacent to the Norseman township, approximately 725 kilometres east of Perth, Western Australia.

Results and dividends

Summary of results is as follows

- Consolidated loss after tax – AUD\$19.7 million (2021: AUD\$12.5 million profit)
- Net cash flows – AUD\$19.2 million deficit (2021: AUD\$22.3 million deficit)

Business review

Pursuant to an agreement dated 14 May 2019, Pantoro South Pty Ltd, a wholly owned subsidiary of Pantoro Limited (collectively “Pantoro”) acquired a 50% ownership of the Norseman Gold Project through a Farm In and Joint Venture Agreement (FJVA) with Central Norseman Gold Corporation Pty Ltd (“CNGC”) Pangolin Resources Pty Ltd and the Company.

Following the completion of the Sole Funding Period on or about 12 April 2021 whereby Pantoro was contractually obligated to expend AUD\$50 million on the Norseman Gold Project, an unincorporated 50/50 joint venture (JV) came into effect. Pursuant to the FJVA, Pantoro is the Manager of the JV as agent for the JV Parties. A JV Management Committee has been established and Kevin Maloney, Executive Chairman, is the Company’s representative on the committee. The role of the Management Committee is to supervise the Manager and to make strategic decisions in respect to the JV Activities based on the overriding objective of Best for Project Principal, being good faith based on equitable returns for the JV Parties. During the 6-month period there was one formal JV meeting which was attended by Kevin Maloney. The JV Parties were in regular contact over this period, including several site visits to Norseman and attending various informal meetings in Perth with Pantoro.

Since the commencement of the JV the Company has been funding 50% of the JV expenditure.

The Group results for the period are set out on page 8 in the Financial Statements. The Directors do not propose to recommend any dividends for the reporting period ended 31 December 2022. The Group made a loss after tax of AUD\$19.7 million for the period ended 31 December 2022 (2021: profit after tax of AUD\$12.5 million).

There has been substantial activity on site at Norseman and set out below is a summary of the key JV Activities that the Manager has reported occurred during the reporting period:

- Mining commenced at the Scotia Mining Centre open pits (Scotia and Green Lantern) and the OK Underground Mine towards the end of the previous financial year and substantially ramped up in preparation for the resumption of production in this reporting period
- In early September 2022, the Manager announced that practical completion of the new 1.0Mt p.a processing plant had occurred and on 13 October 2022 the first gold was poured.
- Following some initial commissioning issues the process plant is currently operating at its nameplate capacity
- While the Manager has reported on start up issues and delays in both the open pit and underground mining operations due to various documented matters, Pantoro is confident that these issues are being addressed with the Mining Contractors (Hamptons and WestAuz) and that productivity is improving

TULLA RESOURCES PLC
DIRECTORS REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

Business review (cont.)

- Drilling continued to focus on the Scotia Mining Centre and Green Lantern, in particular. On 10 August 2022 the Company reported on an updated Mineral Resource and Ore Reserve at Green Lantern of 10Mt @ 1.2 g/t Au for 395,000 ounces.
- The current JORC Resource for the Norseman Gold Project is 46.41Mt @3.2 g/t for 4.78 Moz with an Ore Reserve of 973,000 ounces (100%)
- A Phase 2 drilling campaign was reported in relation to the Mainfield South area on the Mararoa Reef at Butterfly South, the cross linking Royal Standard Reef and the previously untested North West structures accessed from the existing Viking Decline
- Pursuant to the Lithium JVA with Pantoro and Mineral Resources Limited (ASX: MIN) (MinRes) on 12 September 2022 the Company reported on the initial lithium drilling campaign of circa 8,000 metres undertaken MinRes on the Buldania tenements at Norseman adjoining Liontown Resources Limited's (ASX: LTR) Buldania Anna Deposit

Pantoro has implemented Covid-19 Safe Working Practices at the Norseman Gold Project in compliance with the Health Orders of the State of Western Australia and COVID-19. There has been an indirect impact on operations during the reporting period in being able to adequately man the operations (particularly in relation to the Mining Contractors) due to industry wide staffing shortages in Western Australia..

Corporate

As at 31 December 2022, Tulla Resources had 321,804,002 ordinary shares of £0.022962 each, of which 321,140,189 are registered as Chess Depository Interests (CDIs) on the electronic CHESS sub-register. The CDIs trade on the ASX. All shareholders are able to request their shares be converted to CDIs to be traded on the ASX.

During the reporting period, a number of Corporate matters were undertaken, as follows:

- In September 2022, the Company disposed of all remaining shares in its JV Partner, Pantoro (ASX:PNR)
- The Company held a General Meeting on 8 September 2022 to ratify the agreement to issue CDIs to Nebari in relation Convertible Loan Facility and to refresh the Company's placement capacity
- 22,834,875 CDIs were released from voluntary escrow on 14 September 2022
- In October 2022, Tulla Resources announced a successful capital raising in a two tranche placement of \$20 million at \$0.38 per CDI
- On 15 December 2022 the Company held its Annual General Meeting (AGM). At the AGM all Resolutions were passed and Kevin Maloney was reappointed as a director of Tulla Resources. In addition, the shareholders approved the employee share option plan for the employees and a directors' incentive plan for the non-executive directors. The results of the AGM are available on the Company website at www.tullaresources.com.

Legal and Governance

Under the FJCA all JV Property is owned by the JV Parties severally as tenants in common in proportion of their JV interest (ie 50/50).

The Manager is the agent for the JV Parties and is responsible for managing, supervising and conducting JV Activities. As Manager, Pantoro is responsible for complying with all Laws and authorisations applicable to the JV Activities, including those relating to health, safety and environment protection and to ensure that all authorisations required to conduct JV Activities are applied for, obtained and maintained. The Manager is also responsible for keeping and renewing all Tenements in good standing and to keep the Tenements free from any liability to forfeiture or non-renewal under applicable legislation. The Manager is also responsible for preparing, filing and lodging all statutory reports as and when required under the Mining Act and any other applicable laws in respect to the Tenements and to act as the JV Parties' representative in relation to all Native Title rights and Aboriginal Heritage Act issues.

The Company has been informed that Pantoro, as Manager, continues to comply with its governance and reporting requirements pursuant to its contractual obligations under the FJVA.

Details on the status of legal proceedings impacting the Company are included in Note 22 Contingent liabilities and commitments on page 23.

TULLA RESOURCES PLC
DIRECTORS REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

Subsequent events

There have been significant events that have occurred subsequent to the reporting period ended 31 December 2022 which are outlined below:

- In early January 2023, Tulla Resources announced that it was in discussions with its JV Partner, Pantoro in relation to the combining of the gold asset;
- On 13 February 2023, Tulla Resources and Pantoro issued a joint ASX Announcement that they had entered into a binding merger implementation deed (MID) for an all scrip merger of the two companies via a scheme of arrangement under the Companies Act 2006 (UK) whereby Pantoro will acquire all of issued shares of the Company and consolidate 100% ownership and control of the Norseman Gold Project to include the gold, battery (ie lithium) and base metals mineral rights (Merger);
- Under the terms of the MID, after implementation of the Merger, Tulla Resources shareholders will own 48.5% of Pantoro (based on calculations prior to the Pantoro Capital Raising (defined below)). Tulla Resources shareholders will receive 4.96 ordinary Pantoro shares for every TUL share/CDI they hold at the Record Date. This implied a 24.7% premium on the closing price of the Company's shares/CDIs immediately prior to the announcement;
- As part of the transaction, the Industrial Mineral Rights (ie iron ore and other mineral rights) that are not 'Joint Venture Property' (as defined under the FJVA) will be spun out into a new unlisted private Australian company (MirrorCo) owned by Tulla Resources shareholders in the proportion that they owned shares in the Company at the Record Date. The spin out will be by way of a scheme of arrangement under the Companies Act 2006 (UK) (Demerger);
- The MID contains a limited number of conditions precedent to the Merger becoming effective, including: (i) Tulla Resources' shareholders approving the Demerger scheme and the Demerger becoming effective, (ii) Tulla Resources' shareholders approving the Merger scheme, (iii) Pantoro refinancing the existing debt facilities of both companies (or seeking necessary consents), and (iv) other customary conditions standard for a public market transaction of this nature;
- The Company's directors have recommended the Merger and Demerger schemes to Tulla Resources shareholders. Tulla Private (being companies associated with Kevin Maloney and Mark Maloney) which own c 54.9% of the Company and the CDIs held by or on behalf of the other directors have given irrevocable undertakings to vote in favour of the Demerger and Merger schemes.
- The new Pantoro Board of six Directors, plus a new independent Chair, will comprise three Tulla Resources nominees, being Kevin Maloney, Mark Maloney and Colin McIntyre;
- At the time of the Merger announcement, Pantoro announced a \$75 million capital raise at \$0.06 per PNR share via a two-tranche institutional placement (**Pantoro Capital Raising**). This sum to be raised included \$45 million to be deposited into the Norseman JV account for project development and working capital and which will fund both Pantoro and the Company's Cash Calls under the FJVA. The Company's 50% of the funds in the Norseman JV account (ie \$22.5 million) is repayable to Pantoro if the MID is terminated, without interest. The terms of repayment vary depending on the circumstances of termination of the MID;
- Based on the current timetable, the implementation of the Demerger and Merger schemes and trading in Pantoro shares will occur by 30 June 2023.

For full details in relation to the Demerger and Merger and the Pantoro Capital Raising, shareholders are referred to the MID, the Joint ASX Announcement and the Joint Presentation all released to the ASX on 13 February 2023 (and available to access on the Company's website at www.tullaresources.com).

Principal risks and uncertainties facing the Company

The Pantoro Transaction has significantly de-risked the Group's exposure to the Norseman Gold Project. Notwithstanding this, the Norseman Gold Project risks are as follows:

Principal risks and uncertainties facing the Company (cont.)

- The MID is terminated and the Company required to repay the shortfall of its contribution to the Norseman JV account and fund future cash calls under the FJVA.
- The FJVA is terminated, breached or not complied with.
- The Company is in breach of its Loan Agreement with Nebari Natural Resources Credit Fund 1 LP and Nebari Gold Fund 1 LP (Nebari) and Nebari enforces its security
- The estimating of mineral reserves and resources is a subjective process, and the accuracy of reserve and resource estimates is a function of the quantity and quality of available data and the assumptions used and judgements made in interpreting engineering and geological information. There is significant uncertainty in any reserve or resource estimate and the actual deposits encountered and the economic viability of mining a deposit may differ materially from the Company's estimates. Historically, variances have occurred between the mined ore as compared to estimated reserves and resources;
- The exploration of mineral rights is speculative in nature and is frequently unsuccessful;
- Underground development is required at the Norseman Gold Project (and drilling to allow effective resource estimation and mine planning is a continuing process). The complexity of the deposit and mineralisation style creates variances in the estimation of the resource model against actual mill production. This can result in significant variances in the amount of contained gold produced against estimates. Further, whilst open pit resources have been consistently estimated, historically variances are noted between the mine plan and production, reflecting the complexity of the deposit and the shortcomings of the estimation approach to adequately deal with the complex mineralisation style;
- Production estimates are dependent on the operation of the new plant and the accuracy of mineral reserve and resource estimates, the accuracy of assumptions regarding ore grades and recovery rates and mine scheduling, ground conditions and physical characteristics of ores, such as hardness and the presence or absence of particular metallurgical characteristics, and the accuracy of estimated rates and costs of mining and processing;
- The ability to sustain or increase levels of production is dependent upon the successful development of new producing mines and/or identification of additional reserves at existing mining operations. Whilst the Directors consider the Norseman Gold Project to have very good potential for the discovery of additional resources, there is no guarantee of a discovery or that any discovery will be commercially feasible. Reduced production could have a material adverse effect on future cash flows, results of operations and financial condition;
- Estimated mineral reserves or mineral resources may have to be recalculated based on changes in metals prices, further exploration or development activity or actual production experience. This could have a material adverse effect on estimates of the volume or grade of mineralisation, estimated recovery rates or other important factors that influence reserve or resource estimates;
- Market price fluctuations for gold, increased production costs or reduced recovery rates, or other factors may render the present mineral resources uneconomical or unprofitable to develop at a particular site or sites;
- Mining operations have significant operational and development and natural hazard risks. The business of gold mining is subject to a variety of risks including consistency and reliability of ore quality, commodity prices, government policies and other unforeseen contingencies. These and other similar occurrences may delay production, increase production costs or result in liability;
- Reliance on key personnel and other business inputs. The Company's operations rely on the ability of the Joint Venture with Pantoro to source and retain skilled personnel, contractors, materials and supplies. Cost inflation for these inputs may have a material impact on the Company's operations;
- The availability of skilled labour and any subsequent impacts, directly or indirectly, arising from COVID-19: and

TULLA RESOURCES PLC
DIRECTORS REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

Principal risks and uncertainties facing the Company (cont.)

- The Company may be unable to access appropriate funding and the Company may need to raise new equity and/or debt financing to continue to fund its interest in the Norseman Gold Project in the future.

By order of the board



Kevin Maloney
Executive Chairman
15 March 2023

TULLA RESOURCES PLC
GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	<i>Notes</i>	<i>Unaudited half-year ended 31 December 2022 AUD\$</i>	<i>Unaudited half-year ended 31 December 2021 AUD\$</i>
Continuing operations			
Group revenue		8,659,724	31,694
Cost of sales – direct costs		(19,486,304)	105,460
Gross (loss) / profit		(10,826,580)	137,154
Other operating income	4	34,488	38,052
Administrative expenses before depreciation, exploration expenditure write off, rehabilitation costs write back and impairments		(1,763,663)	(863,333)
Exploration expenditure write off	9	(22,855)	(3,317)
Rehabilitation costs – provision	3	-	(61,905)
Loss on sale of shares		(952,576)	-
Depreciation and impairment of property, plant & equipment	8	(654,410)	(3,935)
Amortisation		(2,101,405)	(225,244)
Total administrative expenses		(5,494,909)	(1,157,734)
Group operating loss		(16,287,001)	(982,528)
Unwind discount on provisions	5	(246,489)	(85,164)
Interest receivable	5	119,295	38,030
Interest payable	5	(3,002,194)	-
Fair value adjustment on equity investments		-	13,500,000
Unrealised foreign exchange loss	16	(310,344)	-
(Loss) / profit before taxation		(19,726,733)	12,470,338
Taxation	6	-	-
(Loss) / profit for the period		(19,726,733)	12,470,338
Other comprehensive income		-	-
Total comprehensive (loss) / profit attributable to equity holders of the Company		(19,726,733)	12,470,338

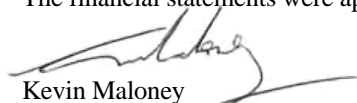
TULLA RESOURCES PLC
GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	<i>Share Capital AUD\$</i>	<i>Share Premium AUD\$</i>	<i>Other Reserves AUD\$</i>	<i>Retained Losses AUD\$</i>	<i>Total Equity AUD\$</i>
Unaudited half-year ended 31 December 2022					
Balance at 1 July 2022	11,336,779	293,515,693	-	(250,025,644)	54,826,828
Net loss for the period	-	-	-	(19,726,733)	(19,726,733)
Total comprehensive Loss for the period	-	-	-	(19,726,733)	(19,726,733)
Convertible note equity reserve movement for the period	-	-	-	-	-
Foreign exchange revaluation reserve movement for the period	-	-	-	-	-
New shares issued during the period	2,167,219	17,832,781	-	-	20,000,000
Share issue costs during the period	-	(1,242,748)	-	-	(1,242,748)
Balance at 31 December 2022	13,503,998	310,105,726	-	(269,752,377)	53,857,347
	<i>Share Capital AUD\$</i>	<i>Share Premium AUD\$</i>	<i>Other Reserves AUD\$</i>	<i>Retained Losses AUD\$</i>	<i>Total Equity AUD\$</i>
Unaudited half-year ended 31 December 2021					
Balance at 1 July 2021	11,336,779	293,515,693	-	(248,011,881)	56,840,591
Profit for the period	-	-	-	12,470,338	12,470,338
Total comprehensive Profit for the period	-	-	-	12,470,338	12,470,338
Balance at 31 December 2021	11,336,779	293,515,693	-	(235,541,543)	69,310,929

TULLA RESOURCES PLC
GROUP BALANCE SHEET
AS AT 31 DECEMBER 2022

	<i>Notes</i>	<i>Unaudited</i> <i>31 December 2022</i> <i>AUD\$</i>	<i>Audited</i> <i>30 June 2022</i> <i>AUD\$</i>
ASSETS			
Non-Current Assets			
Property, plant and equipment	8	52,875,603	41,038,381
Exploration and evaluation assets	9	15,995,613	13,117,024
Mine properties and development costs	10	31,665,170	12,268,171
		<u>100,536,386</u>	<u>66,423,576</u>
Current Assets			
Financial assets at fair value through profit and loss	11	-	8,401,501
Trade and other receivables	12	3,957,182	1,326,696
Inventories	13	2,765,665	1,085,485
Cash and cash equivalents		22,981,087	42,209,106
		<u>29,703,934</u>	<u>53,022,788</u>
Total Assets		<u>130,240,320</u>	<u>119,446,364</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	14	14,185,904	12,965,888
Provisions for liabilities	15	296,855	170,384
Loans and borrowings	16	9,002,420	2,251,212
		<u>23,485,179</u>	<u>15,387,484</u>
Non-Current Liabilities			
Provisions for liabilities	15	13,236,425	14,382,317
Loans and borrowings	16	39,661,369	34,849,735
		<u>52,897,794</u>	<u>49,232,052</u>
Total Liabilities		<u>76,382,973</u>	<u>64,619,536</u>
Net Assets		<u>53,857,347</u>	<u>54,826,828</u>
EQUITY			
Capital and Reserves			
Share capital	18	13,503,998	11,336,779
Share premium	18	310,105,726	293,515,693
Convertible note equity reserve		679,034	679,034
Foreign exchange revaluation reserve		(679,034)	(679,034)
Retained losses		(269,752,377)	(250,025,644)
Shareholders' Equity		<u>53,857,347</u>	<u>54,826,828</u>

The financial statements were approved by the Board of Directors on 15 March 2023 and signed on its behalf by:



Kevin Maloney

Chairman

Company Registration number 5380466

TULLA RESOURCES PLC
GROUP STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	<i>Notes</i>	<i>Unaudited half-year ended 31 December 2022 AUD\$</i>	<i>Unaudited half-year ended 31 December 2021 AUD\$</i>
Net cash (outflow) / inflow from operating activities	20	(15,404,777)	1,135,559
Investing activities			
Proceeds from the sale of assets		7,448,925	-
Funds used in exploration expenditure	9	(2,901,444)	(5,937,598)
Funds used in mine properties and development	10	(18,578,593)	(1,894,767)
Purchases of plant & equipment	8	(7,240,442)	(15,624,666)
Net cash used in investing activities		(21,271,554)	(23,475,031)
Financing activities			
Cash proceeds on finance leases	16	296,552	-
Right of use asset finance payments	17	(1,605,492)	-
Cash proceeds from issue of shares	18	20,000,000	-
Transaction costs on issue of shares		(1,242,748)	-
Net cash from financing activities		17,448,312	-
Decrease in cash and cash equivalents		(19,228,019)	(22,339,472)
Cash and cash equivalents at beginning of the period		42,209,106	50,031,092
Cash and cash equivalents at end of the period		22,981,087	27,691,620

TULLA RESOURCES PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

1.1 Accounting policies

Tulla Resources Plc (Tulla Resources or the Company) is a for-profit entity limited by shares incorporated and domiciled in the United Kingdom.

The nature of the operations and principal activities of Tulla Resources and its controlled entities (the Group) are described in the Directors' Report.

The consolidated unaudited half-year financial statements were authorised for issue in accordance with a resolution of the directors on 15 March 2023.

1.2 Basis of preparation

The unaudited interim financial information set out above, incorporates the financial information of the Company and its subsidiary undertakings (the "Group"). The consolidated financial information for the half-year ended 31 December 2022 have been prepared in accordance with IAS 34: 'Interim Financial Reporting', as adopted by the UK, and under the historical cost convention. They have been prepared in accordance with the accounting policies the Group applied in the Company's latest annual audited financial statements and are expected to be applied in the annual financial statements for the year ending 30 June 2023. These accounting policies are based on the UK-adopted International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretation Committee ("IFRIC") interpretations.

The financial information relating to the half-year ended 31 December 2022 is unaudited and does not constitute statutory financial statements as defined in section 434 of the Companies Act 2006. It has, however, been reviewed by the Company's auditors and their report is set out at the end of this document. The Group's financial risk management objectives and policies are consistent with those disclosed in the 2022 annual report and accounts. The half-yearly report was approved by the board of directors on 15 March 2023. The half-yearly report is available on the Tulla Resources Plc website at www.tullaresources.com.au.

Items included in the Group's financial statements are measured using Australian Dollars ("AUD\$"), which is the currency of the primary economic environment in which the Group operates ("the functional currency"). The financial statements are also presented in AUD\$ which is the Group's presentation currency.

1.3 Going concern

The Group made an operating loss of AUD\$16.3 million and a net loss of AUD\$19.7 million for the period, which follows an operating loss of AUD\$1.0 million and a net profit of AUD\$12.5 million for the previous equivalent half-year period.

The Group had cash of AUD\$23.0 million and net assets of AUD\$53.9 million at 31 December 2022.

The Pantoro \$75.0 million capital raise in February 2023 provided \$22.5 million of funding for the Company's Cash Calls under the FJVA to meet JV Activities (as defined in the FJVA) commitments which, together with forecast production income, is budgeted to fully fund Tulla Resources to the implementation of the Demerger and Merger.

The MID is a legally binding document and can only be terminated in accordance with clauses 3.5 (failure of a condition precedent), 15.1 (general) and 15.2 (breach of representations and warranties).

Pantoro is required to procure that its directors unanimously recommend the Merger scheme to its shareholders. Pantoro's directors can only change that recommendation if Pantoro has entered into a legally binding agreement to undertake or give effect to a Pantoro Superior Proposal in circumstances where Pantoro and its directors have not facilitated such an offer (ie. are not in breach of the exclusivity restrictions set out in clause 12). Pantoro's directors have recommended the Merger scheme in the joint ASX announcement dated 13 February 2023.

TULLA RESOURCES PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

1.3 Going concern (cont.)

Pantoro can terminate the MID if: (a) a majority of their directors change their recommendation on the basis Pantoro has entered into a legally binding agreement to undertake or give effect to a Pantoro Superior Proposal; (b) a majority of Tulla directors (i) fail to recommend the Merger scheme, (ii) change their recommendation to vote in favour of the Merger scheme, or (iii) make a public statement indicating they no longer support the Merger scheme or recommend another transaction; (c) Tulla enters a legally binding agreement to undertake or give effect to a Tulla Competing Proposal; or (d) Tulla enters into an arrangement without Pantoro's consent whereby a third party acquires an economic interest in Pantoro.

As previously stated, the Company's directors have recommended the Merger and Demerger to the Company's shareholders. Tulla Private (being companies associated with Kevin Maloney and Mark Maloney) which own c 54.9% of the Company and the entities that hold CDIs held by or on behalf of the other non-executive directors of Tulla have given irrevocable undertakings to vote in favour of the Demerger and Merger Schemes.

The Tulla directors can terminate the MID in the event that they receive a Tulla Superior Proposal in circumstances where Tulla and its directors have not facilitated such an offer (ie are not in breach of the exclusivity restrictions set out in clause 11). In exercising their fiduciary duties, any recommendation by Tulla's directors to vote in favour of a Tulla Superior Proposal would be in the best interests of the Tulla shareholders and would ensure the going concern of the Company.

In the event that Pantoro accepts a Pantoro Superior Proposal and terminates the MID, Tulla Resources would be entitled to a \$1.3 million break fee payable by Pantoro. Further, the Company would have 180 days to repay the amount of its contribution to the Norseman JV Account (net of any sale proceeds) and during that period would continue to be able to draw on 50% of the moneys in credit in the Norseman JV Account to meet JV Cash Calls to fund JV Activities. The Company can elect to repay this loan by converting the net sum into equity in Tulla Resources at the implied offer price of \$0.297 per CDI.

In circumstances where Pantoro may terminate the MID as a result of Tulla's conduct and Tulla is required to pay Pantoro a reciprocal \$1.3 million break fee (including where Tulla enters a legally binding agreement to undertake or give effect to a Tulla Competing Proposal), the Company is required to repay its 50% share of the Norseman JV Account advance (plus certain working capital amounts) (net of any sale proceeds) within 90 days of the later of Pantoro demanding its break fee or termination of the MID. In circumstances where Tulla Resources terminates the MID and is not required to pay the break fee to Pantoro, the Company has 180 days to repay its 50% share of the Norseman JV Account advance (plus certain working capital amounts) (net of any sale proceeds).

Further to the above, in the event that Constance Iron Limited (CIL) is admitted to the London Stock Exchange and the Offtake and Funding Agreement becomes legally effective, the Group will receive the Base Milestone Consideration on a non-refundable basis comprising a total of \$20 million and GPD 7.5 million of equity in CIL at the IPO price. The Base Milestone Consideration can be used to fund the gold JV Activities in the event that the MID is terminated and the Demerger/Merger does not proceed. Further, under the Offtake and Funding Agreement CIL is liable to meet the first \$42 million to fund the Iron Ore Project Costs. There is no certainty that CIL will satisfy the condition precedent.

Given the recommendation of the Tulla Board that shareholders approve the Merger (subject to a superior proposal) and in light of the irrevocable undertakings given by Tulla Private (owning c 54.9% of the Company) and the entities holding CDIs on behalf of the Directors other than Kevin Maloney and Mark Maloney, the Directors are confident that the Demerger and Merger will be successfully implemented by 30 June 2023. In the unlikely event that either (i) the MID is terminated (other than for Pantoro entering into a legally binding agreement to undertake or give effect to a Pantoro Superior Proposal or Tulla receiving a Tulla Competing Proposal which, in either scenario, would not negatively impact on the Company's going concern), or (ii) the CIL admission to the London Stock Exchange does not succeed and the proceeds from the gold JV are less than the JV Cash Calls then the Group may need to source additional funds to meet any future cash calls to retain its interest in its investments at their current level.

The Group has certain options available to it in this unlikely eventuality:

- raising of capital to meet its future Joint Venture funding obligations;
- seeking additional funds from its financier, Nebari or refinancing with a new financier;
- selling part or all of its interest in the Joint Venture to a third party;

TULLA RESOURCES PLC
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1.3 Going concern (cont.)

- as permitted by the terms of the FJVA, progressively diluting the Group's interest in the Joint Venture if unable to meet future funding calls to the Joint Venture; and
- exploring potential transactions for the development and operations of the Company's Industrial Mineral rights in accordance with the FJVA and other minerals that form part of the Joint Venture, to generate cash flow, including potential disposing of its interest in the Lithium JVA to one or other of its Lithium JV partners (ie Pantoro and/or Mineral Resources);

Based on these facts, the Directors consider the going concern basis of preparation to be appropriate for this financial report. In the event that the Company is unable to source additional funds to meet its costs outside of the Norseman Gold Project, most of which are discretionary, save for the costs of compliance, there is a material uncertainty which may cast doubt whether the Group will be able to continue as a going concern and therefore, whether it will realise the full potential value of its assets and extinguish its liabilities in the normal course of business.

1.4 Basis of consolidation

The consolidated financial statements incorporate the accounts of the Company and its subsidiaries and have been prepared by using the principles of acquisition accounting ("the purchase method") which includes the results of the subsidiaries from their date of acquisition.

The Company controls a subsidiary if it is exposed or has rights to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a year-end reporting date of 30 June. Intra-group sales, profits and balances are eliminated fully on consolidation.

1.5 Statement of compliance

This general purpose condensed consolidated financial statements has been prepared in accordance with the requirements of IAS 34 Interim Financial Reporting.

The half-year financial report does not include all the information required for full annual financial statements and should be read in conjunction with the annual report of Tulla Resources for the year ended 30 June 2022.

The accounting policies are consistent with those disclosed in the 2022 annual financial statements except for the impact of new or amended standards and interpretations effective 1 July 2022. The adoption of these standards and interpretations did not result in any significant changes to the Group's accounting policies.

The Group has not elected to early adopt any new or amended standards or interpretations that are issued but not yet effective.

1.6 New and amended accounting standards and interpretations adopted

The Group has not adopted any accounting standard, interpretation or amendment that has been issued but is not yet effective. There is no material impact of any new and amended accounting standards issued but not yet effective.

2. Segmental reporting

For the purposes of segmental information, the Group has determined that its operations are confined to a single operating segment, located in a single geographical region, Australia. All material revenue is derived from the development of mineral resources from its Norseman Gold Project in Australia, which is the Group's sole cash generating unit. Revenues are generated from the production of precious metals, principally gold, and to a lesser extent, silver, and these metals are sold to the Western Australian State Government controlled Perth Mint. Revenue from the sale of gold and silver totalled \$8,659,724 during the half-year ended 31 December 2022, compared to only \$31,694 during the comparative half-year ended 31 December 2021 with the Norseman Gold Project in the exploration, development and construction phase through to October 2022.

TULLA RESOURCES PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

3. Group operating profit

The Group's operating profit is stated after charging / (crediting):

	<i>Half-year ended</i> <i>31 December 2022</i> AUD\$	<i>Half-year ended</i> <i>31 December 2021</i> AUD\$
Auditor's remuneration		
- Audit services	98,600	100,417
Depreciation, amortisation and impairment of property, plant & equipment	2,755,815	229,179
Employee costs, excluding share-based payments (Note 7)	1,128,053	291,500
Exploration costs written off	22,855	3,317
Foreign currency gains	-	(1,645)
Rehabilitation expense	-	61,905
	=====	=====

4. Other operating income

Group	<i>Half-year ended</i> <i>31 December 2022</i> AUD\$	<i>Half-year ended</i> <i>31 December 2021</i> AUD\$
Sundry income	34,488	38,052
	-----	-----
	34,488	38,052
	=====	=====

5. Interest income and interest payable

Group	<i>Half-year ended</i> <i>31 December 2022</i> AUD\$	<i>Half-year ended</i> <i>31 December 2021</i> AUD\$
Interest income	119,295	38,030
Unwind discount on provisions	246,489	85,164
Interest on other amounts owing	4,138	-
Interest on debenture loan	1,845,347	-
Interest on convertible loan notes	753,765	-
Interest lease liabilities (refer Note 17)	398,944	-
	=====	=====

6. Taxation

No deferred tax asset has been recognised in respect of historical or current period losses due to the uncertainty of future profit streams. At the year-end date, the Group has unused tax losses available for offset against suitable future profits of approximately AUD\$195.1 million (2021: AUD\$172.7 million). A resulting deferred tax asset has not been recognised in respect of such losses due to the uncertainty of future profit streams.

TULLA RESOURCES PLC
NOTES TO THE FINANCIAL STATEMENTS
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7. Employee costs

	<i>Half-year ended</i> <i>31 December 2022</i>	<i>Half-year ended</i> <i>31 December 2021</i>
	<i>AUD\$</i>	<i>AUD\$</i>
Wages, salaries and Directors fees	1,069,913	274,000
Social security and superannuation costs	58,140	17,500
	<u>1,128,053</u>	<u>291,500</u>
	=====	=====

During the half-year there were a total of five (5) Directors throughout the period (2021: five (5) Directors throughout the period). There were four (4) non-Director staff members employed during the half-year ended 31 December 2022 (2021: one (1) non-Director staff member).

It is noted that the Independent Directors (past and present) have not been employees of the Group, but rather they invoice the Group for their services. Further details of the directors' remuneration are shown in note 19 in relation to related party transactions.

The Manager of the Norseman Gold Project is responsible for employing all staff in relation to the Norseman Gold Project. These costs have been capitalised or expensed in accordance with the applicable IFRS Accounting Standards.

8. Property, plant & equipment

Group	<i>Land and</i> <i>buildings</i> <i>AUD\$</i>	<i>Fixed</i> <i>Plant and</i> <i>equipment</i> <i>AUD\$</i>	<i>Right of use</i> <i>assets</i> <i>AUD\$</i>	<i>Capital</i> <i>works in</i> <i>progress</i> <i>AUD\$</i>	<i>Total</i> <i>AUD\$</i>
Cost					
At 1 July 2022	-	31,818	7,263,255	34,066,513	41,361,586
Additions	-	-	9,563,382	7,240,442	16,803,824
Transfer from Capital Works in progress	2,417,202	33,724,893	-	(36,142,095)	-
Transfer to Mine Properties and Development	-	-	-	(2,932,700)	(2,932,700)
	<u>2,417,202</u>	<u>33,756,711</u>	<u>16,826,637</u>	<u>2,232,160</u>	<u>55,232,710</u>
	=====	=====	=====	=====	=====
Depreciation					
At 1 July 2022	-	(9,546)	(85,606)	(228,053)	(323,205)
Depreciation charge	(41,356)	(613,054)	-	-	(654,410)
Amortisation charge	-	-	(1,379,492)	-	(1,379,492)
Transfer from Capital Works in progress	-	(2,809)	-	2,809	-
	<u>(41,356)</u>	<u>(625,409)</u>	<u>(1,465,098)</u>	<u>(225,244)</u>	<u>(2,357,107)</u>
	=====	=====	=====	=====	=====
Net book values					
31 December 2022	<u>2,375,846</u>	<u>33,131,302</u>	<u>15,361,539</u>	<u>2,006,916</u>	<u>52,875,603</u>
	=====	=====	=====	=====	=====

TULLA RESOURCES PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

9. **Exploration & evaluation assets**

	<i>31 December 2022</i>	<i>30 June 2022</i>
	<i>AUD\$</i>	<i>AUD\$</i>
Costs carried forward in respect of areas of interest in:		
Exploration and evaluation phases:		
Opening balance for period	13,117,024	2,854,011
Exploration expenditure incurred during the year	2,901,444	10,271,668
Exploration expenditure written off	(22,855)	(8,655)
	<hr/>	<hr/>
Closing balance for period	15,995,613	13,117,024
	<hr/> <hr/>	<hr/> <hr/>

In accordance with the FJVA, the Group commenced incurring its 50% share of the costs of the Norseman Gold Project upon completion of the Sole Funding Period in April 2021. This included contributing to the exploration activities of the Norseman Gold Project.

The ultimate recoupment of costs carried forward in respect of areas of interest in the exploration and evaluation phases is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas. The Group has an interest in certain exploration licences and the amounts shown above include amounts expended, since the end of the sole funding period, in the exploration of those tenements.

Recovery of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

10. **Mine properties and development phase**

	<i>31 December 2022</i>	<i>30 June 2022</i>
	<i>AUD\$</i>	<i>AUD\$</i>
Costs carried forward in respect of areas of interest in:		
Mine properties and development phases:		
Opening balance for period	12,268,171	650,582
Development expenditure incurred during the year	18,578,593	11,666,512
Rehabilitation change in conditions	(1,392,381)	(48,923)
Amortisation of development expenditure during the year	(721,913)	-
Transfer from Capital Works in Progress	2,932,700	-
	<hr/>	<hr/>
Closing balance for period	31,665,170	12,268,171
	<hr/> <hr/>	<hr/> <hr/>

Expenditure on developing mine properties in production represents costs incurred in relation to development of operating mines at the Group's Norseman Gold Project. The Directors review this carrying value periodically to ensure the carrying value will be recovered by ongoing mining activities. The Directors assess the carrying values of the capitalised mine development costs against the operations and impair the value of those assets down to the estimated recoverable amount.

TULLA RESOURCES PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

11. Financial assets at fair value through profit and loss

	<i>31 December 2022</i>	<i>30 June 2022</i>
	<i>AUD\$</i>	<i>AUD\$</i>
Financial assets at fair value through profit and loss		
Opening balance for period	8,401,501	20,000,000
Cost of assets sold during the period	(8,401,501)	(11,725,286)
Revaluation to fair value through profit and loss	-	126,787
	<u> </u>	<u> </u>
Closing balance for period	-	8,401,501
	<u> </u>	<u> </u>

12. Trade and other receivables

	<i>31 December 2022</i>	<i>30 June 2022</i>
	<i>AUD\$</i>	<i>AUD\$</i>
Current:		
Trade receivables	705,042	-
Other receivables	2,726,315	1,059,217
Prepayments	525,825	267,479
	<u> </u>	<u> </u>
As at 31 December	3,957,182	1,326,696
	<u> </u>	<u> </u>

13. Inventories

	<i>31 December 2022</i>	<i>30 June 2022</i>
	<i>AUD\$</i>	<i>AUD\$</i>
Gold in transit (at cost)	482,492	-
Work in progress – broken ore (at cost)	149,489	518,679
Work in progress – crushed ore (at cost)	63,036	74,768
Work in progress – gold in circuit (at cost)	848,963	-
Raw materials and stores (at cost)	1,221,685	492,038
	<u> </u>	<u> </u>
As at 31 December	2,765,665	1,085,485
	<u> </u>	<u> </u>

14. Trade and other payables

	<i>31 December 2022</i>	<i>30 June 2022</i>
	<i>AUD\$</i>	<i>AUD\$</i>
Trade payables	9,192,959	9,586,534
Other payables	4,992,945	3,379,354
	<u> </u>	<u> </u>
As at 31 December	14,185,904	12,965,888
	<u> </u>	<u> </u>

TULLA RESOURCES PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

15. Provisions for liabilities

Current:	<i>Employees Benefits AUD\$</i>	<i>Rehabilitation and decommissioning AUD\$</i>	<i>Total AUD\$</i>
At 1 July 2022	170,384	-	170,384
Increase in accrued employee benefits	126,471	-	126,471
	<hr/>	<hr/>	<hr/>
As at 31 December 2022	296,855	-	296,855
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Non-current:			
At 1 July 2022	-	14,382,317	14,382,317
Unwind of discount	-	246,489	246,489
Adjustment due to change in conditions	-	(1,392,381)	(1,392,381)
	<hr/>	<hr/>	<hr/>
As at 31 December 2022	-	13,236,425	13,236,425
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Environmental obligations associated with the retirement or disposal of mining properties and/or exploration activities are recognised when the disturbance occurs and are based on the extent of the damage incurred. The provision is measured at the present value of the future expenditure. The rehabilitation liability is remeasured at each reporting period in line with the change in the time value of money (recognised as an expense in the Group Statement of Comprehensive Income and an increase in the provision).

During the year ended 30 June 2022, the Manager engaged the services of an external consultant to update the Mine Closure Plan for submission to DMIRS in accordance with its licence requirements. The detailed review was the first review undertaken since 2017 and considered the impact, on the closure requirements for the site, of the new mine plan outlined in the DFS. This included a reclassification of the significant tailings dams on the Norseman Gold Project into low grade stockpiles to be processed through the new processing plant to be built. This reclassification resulted in a material reduction in the estimated rehabilitation liability reported to DMIRS in the Mine Closure Plan, with the consequential impact on the financial statements being a material reduction in the liability and a credit to the income statement

16. Loans and borrowings

	<i>31 December 2022 AUD\$</i>	<i>30 June 2022 AUD\$</i>
Current:		
Convertible note	1,043,251	-
Debenture loan	4,791,303	1,166,891
Insurance premium funding	296,552	-
Lease liabilities (refer note 17)	2,871,314	1,084,321
	<hr/>	<hr/>
As at 31 December	9,002,420	2,251,212
	<hr/> <hr/>	<hr/> <hr/>
Non-current:		
Convertible note	10,490,009	10,859,155
Debenture loan	16,500,997	17,890,058
Lease liabilities (refer note 17)	12,670,363	6,100,521
	<hr/>	<hr/>
As at 31 December	39,661,369	34,849,735
	<hr/> <hr/>	<hr/> <hr/>

TULLA RESOURCES PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

16. **Loans and borrowings (cont.)**

The Debenture Loan and Convertible Note, terms of which are set out below, are denominated in USD. The amounts owing at 31 December 2022 have been restated to the AUD equivalent as at 31 December 2022, with an unrealised foreign exchange loss of \$310,344 recognised in the Group Statement of Comprehensive Income.

Debenture Loan Facility key terms

- US\$13.5m funds available secured on a first lien basis
- The principal amount available of the Debenture Loan Facility is net of a 10% original issue discount
- Loan term of 36 months from the closing date
- Debenture Coupon of 9.0% per annum plus three-month Term SOFR reference rate (“**Term SOFR**”¹) less 1.0% (“**Term SOFR Delta**”²) payable monthly in arrears
- An arrangement fee will be payable by the borrower of 1.0% of the available amount
- The first 8 months of interest payments will be eligible for payment in kind treatment and will amortise over the remaining life of the loan
- The Company has the right to make early repayments, subject to applicable make whole payments
- Fixed straight line amortisation commencing from the 12th month after closing at a rate of 2.5% per month of the principal amount outstanding on the date that amortisation starts until the maturity of the loan facility, with the balance paid on maturity
- No hedging requirements

Convertible Note Facility key terms

- US\$8m funds available secured on a first lien basis
- The principal amount of the Convertible Loan Facility is net of a 5.5% original issue discount
- Loan term of 36 months from the closing date
- Convertible Coupon of 5.0% per annum plus Term SOFR Delta payable monthly in arrears
- An arrangement fee will be payable to the borrower of 1.0% of the available amount
- Amortised via a bullet repayment on the maturity date of the loan (subject to conversion)
- The first 8 months of coupon payments will be eligible for payment in kind treatment and will be amortised via a bullet repayment on the maturity date of the loan (subject to conversion)
- Up to 100% of the principal funds plus any accrued and unpaid interest may be convertible into TUL CDIs at the Conversion Price at the Lender’s election
- The Conversion Price for the Convertible Loan Facility is equal to a 30% premium to the 20-day Volume Weighted Average Price of the Company’s share price at the lower of the date of signing the Term Sheet or the date of the public announcement of the Loan Facilities, subject to anti-dilution adjustments
- The Company has the right to make early repayments, subject to the issue of warrants, equal to 62.5% of the prepaid amount divided by the conversion price at a strike price equal to the conversion price
- No hedging requirements

The Convertible Note facility includes an option for the holder to covert a fixed principal denominated in USD, into a variable number of shares, at a fixed price per share. Movements in the foreign exchange rate will change the AUD equivalent principal balance, varying the number of shares that will be issued on conversion.

The value of the liability component and the equity conversion component were determined at the date the instrument was issued. The fair value of the liability, included in non-current loans and borrowings, at inception was calculated using a market interest rate for an equivalent instrument without conversion option. The discount rate applied was 10%.

¹ Term SOFR rate referenced by CME Group Benchmark Administration Limited

² Term SOFR Delta is subject to a minimum of 0.0%

TULLA RESOURCES PLC
NOTES TO THE FINANCIAL STATEMENTS
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17. **Leases**

The Group has lease contracts for various items of plant, machinery and commercial property used in its operations. Leases generally have lease terms between 1 month and 3 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

The JV also has certain leases of machinery and equipment with lease terms of less than 12 months or with low value. The JV applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movement during the period:

	<i>Plant and equipment</i> AUD\$	<i>Land and buildings</i> AUD\$	<i>Total</i> AUD\$
Right of use assets:			
At 1 July 2022	1,603,852	5,573,797	7,177,649
Additions	8,958,370	605,012	9,563,382
Depreciation expense	(973,417)	(406,075)	(1,379,492)
	<hr/>	<hr/>	<hr/>
As at 31 December 2022	9,588,805	5,772,734	15,361,539
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Set out below are the carrying amounts of lease liabilities (including under interest-bearing loans and borrowings) and the movements during the period:

	<i>31 December 2022</i> AUD\$	<i>30 June 2022</i> AUD\$
Lease liabilities:		
Opening balance	7,184,842	-
Additions	9,563,382	7,263,255
Accretion of interest	398,944	18,411
Payments	(1,605,492)	(96,824)
	<hr/>	<hr/>
As at 31 December	15,541,677	7,184,842
	<hr/> <hr/>	<hr/> <hr/>

The following are amounts recognised in the profit and loss:

	<i>31 December 2022</i> AUD\$	<i>30 June 2022</i> AUD\$
Depreciation expense of right of use assets	1,379,492	85,606
Interest expense on lease liabilities	398,944	18,411
	<hr/>	<hr/>
As at 31 December	1,778,436	104,017
	<hr/> <hr/>	<hr/> <hr/>

TULLA RESOURCES PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

18. **Share capital**

	<i>31 December 2022</i>	<i>30 June 2022</i>
	£	£
Allotted, called up and fully paid		
321,804,002 new ordinary shares of £0.022962 each	7,389,263	6,180,737
	=====	=====
	<i>AUD\$</i>	<i>AUD\$</i>
Allotted, called up and fully paid		
321,804,002 new ordinary shares of £0.022962 each	13,503,998	11,336,779
	=====	=====

Movement in issued and fully paid capital and share premium reserve	<i>Number</i>	<i>Issued and fully paid capital</i>	<i>Share premium reserve</i>	<i>Issued and fully paid capital</i>	<i>Share premium reserve</i>
		£	£	<i>AUD\$</i>	<i>AUD\$</i>
Total as at 30 June 2022	269,172,423	6,180,737	161,009,554	11,336,779	293,515,693
New share issued	52,631,579	1,208,526	9,944,902	2,167,219	17,832,781
Share issue costs	-	-	(693,050)	-	(1,242,748)
Total as at 31 December 2022	321,804,002	7,389,263	170,261,406	13,503,998	310,105,726

19. **Related party transactions**

The Key management of the Group comprises the Directors of the Company. The remuneration paid or accrued to the Directors, in accordance with the service contracts which include payments made to entities associated with the Directors, during the half-year ended 31 December 2022 and 31 December 2021, was as follows:

<i>Note</i>	<i>Fees / Salaries</i>	<i>2022</i>	<i>2021</i>
	<i>AUD\$</i>	<i>Total</i>	<i>Total</i>
	<i>AUD\$</i>	<i>AUD\$</i>	<i>AUD\$</i>
Kevin Maloney	270,000	270,000	82,500
Mark Maloney	270,000	270,000	66,000
Arthur Michael Anglin	35,000	35,000	33,000
Andrew Greville	40,000	40,000	33,000
Fred Kempson	40,000	40,000	33,000
	-----	-----	-----
Totals	655,000	655,000	247,500
	=====	=====	=====

Other transactions with related parties:

- On 9 June 2022, Pantoro South Pty Ltd (as Manager of the JV) entered into an Accommodation Services Agreement for the Norseman Gold Project with Resource Accommodation Management Pty Ltd, a company associated with Kevin Maloney and Mark Maloney. As a JV expense, the Company is paying 50% of the accommodation costs. Resources Accommodation Management Pty Ltd invoiced Pantoro South Pty Ltd \$3,599,536 (inclusive of GST) during the period ended 31 December 2022, of which \$1,799,768 is attributable to the Company.
- Locale Travel Management Pty Ltd ("Locale") is a corporate travel agency that it owned by a related party of Kevin Maloney and Mark Maloney. Locale provides corporate travel services to the Group, the aggregate of which cost \$30,953 during the period ended 31 December 2022.

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20. Net cash flows from operating activities

Group	<i>Half-year ended</i> <i>31 December 2022</i> <i>AUD\$</i>	<i>Half-year ended</i> <i>31 December 2021</i> <i>AUD\$</i>
Group operating loss	(16,287,001)	(982,528)
<i>Adjustments for items not requiring an outlay of funds:</i>		
Depreciation, amortisation and impairment	2,778,670	232,496
Loss on sale of shares	952,576	-
Provision for rehabilitation costs	-	-
	<hr/>	<hr/>
Net cash outflow before changes in working capital	(12,555,755)	(750,032)
Increase in inventories	(1,680,180)	(446,037)
Increase in receivables and prepayments	(2,630,486)	(290,317)
Increase in payables	1,220,016	2,548,956
Increase in provisions for liabilities	126,471	34,959
	<hr/>	<hr/>
Net cash (outflow) / inflow from operations	(15,519,934)	1,097,529
Interest received	119,295	38,030
Interest paid	(4,138)	-
	<hr/>	<hr/>
Net cash (outflow) / inflow from operating activities	(15,404,777)	1,135,559
	<hr/> <hr/>	<hr/> <hr/>

21. Contingent assets

The FJVA entered into with Pantoro in May 2019 included two components of contingent consideration, details of which are set out below. These two contingent amounts receivable meet the criteria of contingent assets in accordance with IAS 37 as they are not virtually certain of being received. They are not recognised in the balance sheet as assets. The two components of contingent consideration are as follows:

- a) Royalty – 1% net smelter royalty on Pantoro’s attributable gold and silver produced from the Norseman Gold Project, capped at \$6.0 million, plus 0.0025% royalty for a period of five (5) years after the first \$6.0 million is paid; and
- b) Milestone Payment - \$10.0 million payment upon definition of 1.80 million ounce JORC Ore Reserve on the Norseman Gold Project.

22. Contingent liabilities and commitments

Commitments

At 31 December 2022, the Group had the following commitments:

- tenement lease expenditure commitments of \$5,864,120 on which mining and exploration operations are located; and

Contingencies

Since the last annual reporting date, there has been no material change in any other commitments or contingencies of the Group.

TULLA RESOURCES PLC
NOTES TO THE FINANCIAL STATEMENTS
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23. **Subsequent events**

The Directors Report provides details on the events that have occurred subsequent to 31 December 2022.

INDEPENDENT REVIEW REPORT TO TULLA RESOURCES PLC

Introduction

We have been engaged by the Company to review the condensed financial information in the interim results for the six months ended 31 December 2022 which comprises the Group Statement of Comprehensive Income, the Group Statement of Changes in Equity, the Group Balance Sheet, the Group Statement of Cash Flows and the related notes. We have read the other information contained in the interim results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' Responsibilities

The interim results are the responsibility of, and have been approved by, the directors. The directors are responsible for preparing the interim results in accordance with the ASX Rules.

As disclosed in note 1.2, the annual financial statements of the Group will be prepared in accordance with IFRSs as adopted by the UK. The condensed set of financial statements included in the interim results has been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, as adopted by the UK.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the interim results based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements (UK and Ireland) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information 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 International Standards on Auditing (UK) 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.

Material uncertainties relating to going concern

We draw attention to the Going Concern section of Note 1.3 to the financial statements. If the group were unable to complete the Merger or raise further funding via one of the means outlined, then this would place doubt on the ability to preserve the current ownership interest in its assets and fund the business for 12 months from the date of approval of this Half Year Report. These events therefore constitute a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

INDEPENDENT REVIEW REPORT TO TULLA RESOURCES PLC

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed financial statements in the interim results for the six months ended 31 December 2022 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the UK and the ASX Rules.



UHY Hacker Young LLP

Chartered Accountants

Registered Auditors

London

15 March 2023