

Intermin Mali Lithium Holdings Limited

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

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FOR THE YEAR ENDED 30 JUNE 2022

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		Date of appointment
DIRECTORS	:	
	Mr Venkatesh Padala	1 October 2018
	Ms Salma Deenoo	18 October 2018
	Mr Indranathsingh (Ashvin)	
	Seewooruttun	22 September 2021
ADMINISTRATOR & SECRETARY	:	
	SANNE Mauritius	
	Sanne House	
	Bank Street	
	TwentyEight	
	Cybercity	
	Ebene 72201	
	Mauritius	
REGISTERED OFFICE	:	
	Sanne House	
	Bank Street	
	TwentyEight	
	Cybercity	
	Ebene 72201	
	Mauritius	
AUDITORS	:	
	Nexia Baker & Arenson	
	Chartered Accountants	
	5 th Floor, C&R Court	
	49, Labourdonnais Street	
	Port Louis	
	Mauritius	
BANKER	:	
	State Bank of Mauritius	
	Level 9, SBM Tower 1	
	Queen Elizabeth II Avenue	
	Port Louis	
	Mauritius	

The directors are pleased to present the audited financial statements of **Intermin Mali Lithium Holdings Limited** (the “Company”) for the year ended 30 June 2022.

ACTIVITY

The principal activity of the Company is to make investments in the mining business (including exploration, processing and other related activities in mining) worldwide, with a focus on African countries namely Mali excluding Mauritius and to engage in the trading of such mining products worldwide.

RESULTS AND DIVIDENDS

The results for the year ended 30 June 2022 are as shown in the statement of profit or loss and other comprehensive income and related notes on page 8.

The directors do not recommend the payment of dividend for the year under review.

DIRECTORS

The membership of the Board is set out on page 1. All directors served office throughout the year.

DIRECTORS’ RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance, changes in equity and the cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, **Nexia Baker & Arenson**, have indicated their willingness to continue in office until the next Annual General Meeting.

**CERTIFICATE FROM THE SECRETARY
UNDER SECTION 166 (d) OF THE COMPANIES ACT 2001**

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We certify to the best of our knowledge and belief that we have filed with the Registrar of Companies all such returns as are required of **Intermin Mali Lithium Holdings Limited** under the Mauritius Companies Act 2001 for the year ended 30 June 2022.



**For SANNE Mauritius
Secretary**

Registered Office:

Sanne House
Bank Street
TwentyEight
Cybercity
Ebene 72201
Mauritius

Date: 30 August 2022

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF Intermin Mali Lithium Holdings Limited****Report on the Financial Statements*****Opinion***

We have audited the financial statements of **Intermin Mali Lithium Holdings Limited** (the "Company"), set out on pages 7 to 21 which comprise the statement of financial position as at 30 June 2022 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as modified by the exemption from consolidation in the Mauritius Companies Act 2001 for companies holding a Global Business Licence and comply with the Mauritius Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants (IESBA Code), Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to note 14 of the financial statements concerning the Company's ability to continue as going concern. The Company incurred a loss of USD15,047 during the year ended 30 June 2022 and as at that date the Company's total liabilities exceeded its total assets by USD50,520. The shareholder has undertaken to provide financial support to the Company, so as to enable it to meet its obligations as they fall due for the foreseeable future. Accordingly, the financial statements have been prepared on the going concern basis. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the Commentary of the Directors and Certificate from the Secretary. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF Intermin Mali Lithium Holdings Limited****Report on the Financial Statements (continued)*****Directors' Responsibilities for the Financial Statements***

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs and in compliance with the requirements of the Mauritius Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF Intermin Mali Lithium Holdings Limited****Report on the Financial Statements (continued)*****Auditor's Responsibilities for the Audit of the Financial Statements (continued)***

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Use of this report

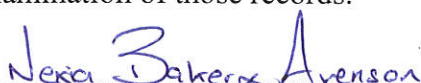
This report is made solely to the Company's members, as a body, in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members, those matters that we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Report on Other Legal and Regulatory Requirements***Mauritius Companies Act 2001***

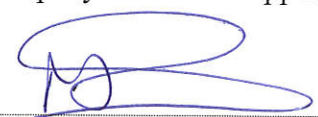
We have no relationship with or interests in the Company other than in our capacity as auditors.

We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.



Nexia Baker & Arenson
Chartered Accountants


Nitin Kumar Sobnack FCCA
Licensed by FRC

Date: 30 AUG 2022

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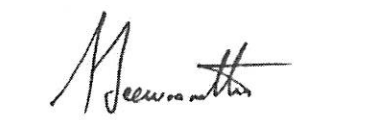
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	Notes	2022 USD	2021 USD
ASSET			
Non-current asset			
Investment in subsidiary company	4	229,110	-
		229,110	-
Current asset			
Prepayments		2,358	2,125
		2,358	2,125
Total assets		231,468	2,125
EQUITY AND LIABILITIES			
Equity			
Stated capital	6	18,118	1
Revenue deficit		(68,638)	(53,591)
		(50,520)	(53,590)
Current liabilities			
Advances from related parties	7	278,333	43,949
Accruals		3,655	11,766
		281,988	55,715
Total equity and liabilities		231,468	2,125

These financial statements have been approved by the Board of Directors on **30 August 2022** and signed on its behalf by:



Director



Director

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

	Notes	2022 USD	2021 USD
Expenses			
General and administrative expenses	5	10,542	5,056
License fees		1,950	1,950
Director fees		1,750	1,750
Audit fee		805	1,610
		<u>15,047</u>	<u>10,366</u>
Loss before taxation		(15,047)	(10,366)
Taxation	8	<u>-</u>	<u>-</u>
Loss for the year		(15,047)	(10,366)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive loss for the year		<u>(15,047)</u>	<u>(10,366)</u>

Intermin Mali Lithium Holdings Limited
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

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	Stated capital USD	Revenue deficit USD	Total USD
At 01 July 2020	1	(43,225)	(43,224)
Loss for the year		(10,366)	(10,366)
At 30 June 2021	1	(53,591)	(53,590)
Issue of shares	18,117	-	18,117
Loss for the year	-	(15,047)	(15,047)
At 30 June 2022	18,118	(68,638)	(50,520)

The notes on pages 11 to 21 form an integral part of these financial statements.
Independent Auditor's report on pages 4 to 6.

Intermin Mali Lithium Holdings Limited
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

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	Note	<u>2022</u> USD	<u>2021</u> USD
Cash flows from operating activities			
Loss before taxation		<u>(15,047)</u>	<u>(10,366)</u>
Operating loss before working capital changes		<u>(15,047)</u>	<u>(10,366)</u>
Increase in prepayments		(233)	(1,750)
(Decrease)/increase in accruals		<u>(8,111)</u>	<u>2,484</u>
Net cash used in operating activities		<u>(23,391)</u>	<u>(9,632)</u>
Cash flow from financing activity			
Net advance received from related parties	7	<u>23,391</u>	<u>9,632</u>
Net cash generated from financing activity		<u>23,391</u>	<u>9,632</u>
Net change in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of the year		-	-
Cash and cash equivalents at end of the year		<u>-</u>	<u>-</u>

The notes on pages 11 to 21 form an integral part of these financial statements.
Independent Auditor's report on pages 4 to 6.

1. GENERAL INFORMATION

The Company was incorporated in Mauritius under the Mauritius Companies Act 2001 on 20 April 2018 as a private company with liability limited by shares and holds a Global Business Licence issued by the Financial Services Commission. The address of the Company's registered office is Sanne House, Bank Street, TwentyEight, Cybercity, Ebene 72201, Mauritius.

The principal activity of the Company is to make investments in the mining business (including exploration, processing and other related activities in mining) worldwide, with a focus on African countries namely Mali excluding Mauritius and to engage in the trading of such mining products worldwide.

The financial statements of the Company are presented in United States Dollar ("USD").

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

2.2 Basis of measurement

The financial statements have been prepared on a historical cost basis.

2.3 Functional and presentation currency

The Company's functional and presentation currency is United States Dollars ("USD") and all values are rounded to the nearest dollar. USD is the currency of the primary economic environment in which it operates and the Company's performance is evaluated and its liquidity is managed in USD.

2.4 Critical accounting estimates and assumptions

Critical accounting judgments in applying the Company's accounting policies

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The future accounting estimates will by definition, seldom equal to the actual results.

Where applicable, the notes to the financial statements set out areas where management has applied a higher degree of judgement that have a significant effect on the amounts recognised in the financial statements, or estimations and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Going concern

The financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued financial support of its shareholder. The directors are of the opinion that this support will be forthcoming over the next twelve months. They therefore believe that it is appropriate for the financial statements to be prepared on the going concern basis.

Following the COVID-19 pandemic and the Russia – Ukraine War affecting the global economies around the world, the directors are of opinion that the Company will not be materially impacted and will be able to meet its obligations as they fall due over the next twelve months. Accordingly, the financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenue recognition

Income is accounted for in the year in which it is receivable unless collectability is in doubt.

3.2 Expense recognition

All expenses are accounted for in the statement of profit or loss and other comprehensive income on the accrual basis.

3.3 Foreign currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the “functional currency”). The financial statements of the Company are presented in United States Dollars (“USD”), which is the functional currency of the Company.

Management has determined the functional currency of the Company to be USD. In making this judgement, management evaluates among other factors, the regulatory and competitive environment, the denomination of subscription/buyback of the fee structure as well as the economic environment in which the financial assets of the Company are invested and in particular, the economic environment of the investors.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of the period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income.

3.4 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank. Cash equivalents are short term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant amount of change in value.

3.5 Related parties

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

3.6 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. At the time of the effective payment, the provision is deducted from the corresponding expenses. All known risks at end of the reporting period are reviewed in detail and provision is made where necessary.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Impairment in subsidiary company

Investment in subsidiary company is shown at cost and provision is only made where there is an impairment. Where there has been an impairment in the value of an investment, it is recognised as an expense in the year in which the impairment is identified.

On disposal of the investment, the difference between the net disposal and the carrying amount is charged or credited to the statement of profit or loss and other comprehensive income.

3.8 Borrowings

Borrowings are recognised at the proceeds received, net of transaction costs incurred.

3.9 Deferred taxation

Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax.

The principal temporary differences arise from tax losses carried forward. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

3.10 Stated capital

Ordinary shares are classified as equity.

3.11 Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost, if it is held within a business model with an objective to hold assets in order to collect contractual cash flows; and the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payment of principal and interest.

3.12 Financial liabilities at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Company includes in this category advances from related parties and accruals.

3.13 Adoption of new and revised International Financial Reporting Standards

(a) New and amended standards and interpretations effective during the year

Standards, Amendments to published Standards and Interpretations effective in the reporting year

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Adoption of new and revised International Financial Reporting Standards (continued)

(a) New and amended standards and interpretations effective during the year (continued)

Standards, Amendments to published Standards and Interpretations effective in the reporting year (continued)

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the consolidated financial statements of the Company.

(b) New and amended standards and interpretations not yet effective during the year

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Adoption of new and revised International Financial Reporting Standards (continued)

- (b) New and amended standards and interpretations not yet effective during the year (continued)
Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately. At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Company

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**3.13 Adoption of new and revised International Financial Reporting Standards (continued)****(b) New and amended standards and interpretations not yet effective during the year (continued)**

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Company is currently assessing the impact of the amendments to determine the impact they will have on the Company's accounting policy disclosures.

4 INVESTMENT IN SUBSIDIARY COMPANY

	<u>2022</u> USD	<u>2021</u> USD
At beginning of the year	-	-
Addition during the year (see note 7)	229,110	-
At end of the year	<u>229,110</u>	<u>-</u>

The details of the investment in subsidiary company as at 30 June 2022 are as follows:

Name of subsidiary company	Country of Incorporation	Class of shares	% held	At cost	
				2022 USD	2021 USD
Intermin Lithium SARL	Mali	Equity share	100%	<u>229,110</u>	<u>-</u>

No consolidated accounts have been prepared as the directors of the Company have taken advantage of the exemption under the Mauritius Companies Act 2001, which exempts a company holding a Global Business Licence from preparing consolidated financial statements when it is a wholly owned or a virtually wholly owned subsidiary of any company.

The directors are of the opinion that the cost of the investment in subsidiary company approximates its fair value.

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

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5. GENERAL AND ADMINISTRATIVE EXPENSES

	<u>2022</u>	<u>2021</u>
	USD	USD
Administrative expenses	6,000	2,769
Other professional fees	2,916	200
Secretarial fees	1,250	1,250
ROC fees	351	350
Disbursements	25	112
TRC fees	-	200
Penalty fees	-	175
	<u>10,542</u>	<u>5,056</u>

6. STATED CAPITAL

	<u>2022</u>	<u>2021</u>
	USD	USD
<u>Issued and fully paid up</u>		
<i>18,118 Ordinary shares of USD1 each</i>		
At beginning of the year	1	1
Shares issued against advances from related party (see note 7)	<u>18,117</u>	-
At end of the year	<u>18,118</u>	<u>1</u>

The share capital of the Company consists of Ordinary shares. All the shares confer on its holder voting rights and entitlement to economic benefits.

7. ADVANCES FROM RELATED PARTIES**(a) Advance from holding company**

	<u>2022</u>	<u>2021</u>
	USD	USD
At beginning of the year	18,117	16,399
Addition during the year	23,391	5,662
Receipts during the year	-	(3,944)
Repayment of investment on behalf of the company (see note 4)	229,110	-
Transfer to stated capital (see note 6)	<u>(18,117)</u>	-
At end of the year (see note 12 (a))	<u>252,501</u>	<u>18,117</u>

7. ADVANCES FROM RELATED PARTIES (CONTINUED)**(b) Advance from ultimate holding company**

	<u>2022</u>	<u>2021</u>
	<u>USD</u>	<u>USD</u>
At beginning of the year	25,832	17,918
Addition during the year	-	7,914
At end of the year (see note 12 (b))	<u>25,832</u>	<u>25,832</u>
Total	<u>278,333</u>	<u>43,949</u>

- (i) The advance from holding company, Intermin Mines Corporation Limited, is unsecured, interest free and repayable on demand.
- (ii) The advance from the ultimate holding company, Intermin Mines Private Limited, is unsecured, interest free and repayable on demand.

8. TAXATION

The Company holds a Global Business License for the purpose of the Mauritius Financial Services Act 2007. Pursuant to the enactment of the Finance Act 2018, with effect as from 1 January 2019, the deemed tax credit has been phased out, through the implementation of a new tax regime. Companies which had obtained their Global Business Licence on or before 16 October 2017, including the Company, have been grandfathered and would benefit from the deemed tax credit regime up to 30 June 2021.

Accordingly, the Company is entitled to a foreign tax credit equivalent to the higher of the actual foreign tax suffered or 80% of the Mauritian tax ("Deemed tax credit") on its foreign source income resulting in an effective tax rate on net income of up to 3%, up to 30 June 2021. Further, the Company is exempted from income tax in Mauritius on profits or gains arising from sale of securities. In addition, there is no withholding tax payable in Mauritius in respect of payments of dividends to Shareholders or in respect of redemptions or exchanges of Shares.

Post 30 June 2021 and under the new tax regime, the Company is entitled to either (a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign income against the Company's tax liability computed at 15% on such income, or (b) a partial exemption of 80% of some of the income derived, including but not limited to interest income and foreign source dividends, subject to meeting certain conditions, which includes;

- a) The Company carries out its core income generating activities in Mauritius;
- b) The Company employs, directly or indirectly, an adequate number of suitably qualified persons to conduct its core income generating activities; and
- c) The Company incurs a minimum expenditure proportionate to its level of activities.

The Company will also need to demonstrate that its central management and control is in Mauritius.

8. TAXATION (CONTINUED)*Tax reconciliation*

A numerical tax reconciliation between the loss for the year and the actual income tax charge is shown below:

	2022	2021
	USD	USD
Loss before taxation	(15,047)	(10,366)
Add: Non-allowable expenses	2,800	175
Loss adjusted for tax purposes	(12,247)	(10,191)
Tax losses brought forward	(48,471)	(38,280)
Tax loss carried forward	(60,718)	(48,471)

Deferred tax

At 30 June 2022, no deferred tax asset has been recognised in respect of the tax losses carried forward which the directors consider that it is not probable that future taxable profit will be available against which the unused tax losses can be utilised.

9. FINANCIAL RISK MANAGEMENT AND ASSOCIATED RISKS

Financial risk factors

The Company's activities expose it to a variety of financial risks; fair values; market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's senior management oversees the management of these risks and the Board of Directors reviews and agrees policies for managing each of these risks.

(a) *Fair values*

The carrying amounts of advances from related parties and accruals approximate their values.

Financial liabilities	At amortised cost 2022 USD	At amortised cost 2021 USD
Advances from related parties	278,333	43,949
Accruals	3,655	11,766
	<u>281,988</u>	<u>55,715</u>

(b) *Market risk*

Market risk represents the potential loss that can be caused by a change in the market value of the financial instrument. The Company's exposure to market risk is determined by a number of factors including interest rates, foreign currency exchange rates and market volatility.

9. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (continued)

(c) *Currency risk*

The Company is not exposed to any currency risk since all its financial liabilities are denominated in USD.

(d) *Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities due to shortage of funds.

The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in day-to-day business.

The Company relies on the continued financial support of its holding company to meet these obligations in the foreseeable future.

The maturity profile of the financial liabilities is as follows:

	On demand USD	Within one year USD	Total USD
2022			
Advances from related parties	278,333	-	278,333
Accruals	-	3,655	3,655
	<u>278,333</u>	<u>3,655</u>	<u>274,678</u>
2021			
Advance from related party	43,949	-	43,949
Accruals	-	11,766	11,766
	<u>43,949</u>	<u>11,766</u>	<u>11,766</u>

(e) *Political, economic and social risks*

Political, economic and social factors, changes in countries' laws, regulations and the status of those countries' relations with other countries may adversely affect the value of the Company's assets.

10. CAPITAL MANAGEMENT

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of equity attributable to the owner of the Company, comprising stated capital and revenue deficit.

11. IMMEDIATE HOLDING COMPANY, ULTIMATE HOLDING COMPANY AND BENEFICIAL OWNERS

The directors regard Intermin Mines Corporation Limited, a company incorporated in Mauritius and having its registered office at Sanne House, Bank Street, TwentyEight, Cybercity, Ebene 72201, Mauritius, as the Company's immediate holding company.

INTERMIN MINES PRIVATE LIMITED, a company incorporated in India and having its registered office at Marathahalli – K.R. Puram Outer Ring Road, No.85, Karthik Nagar, Bangalore 560037, India, is regarded as the Company's ultimate holding company.

Messrs Althuru Mahesh Kumar Reddy, Venkatesh Padala, Sai Manoj Namburu and Suneel Bommireddy are the beneficial owners.

12. RELATED PARTY TRANSACTIONS

During the year, the Company had transactions with related parties. The nature of, volume of transactions and balance with the related parties are as follows:

	Name of related parties	Relationship	Nature of transactions	2022		2021	
				Volume USD	Balance USD	Volume USD	Balance USD
(a)	Intermin Mines Corporation Limited	Holding company	Advance payable	<u>(234,324)</u>	<u>(252,441)</u>	<u>1,718</u>	<u>(18,117)</u>
(b)	INTERMIN MINES PRIVATE LIMITED	Ultimate holding company	Advance payable	<u>-</u>	<u>(25,832)</u>	<u>(7,914)</u>	<u>(25,832)</u>
(c)	SANNE Mauritius	Administrator, Secretary and Directorship	Professional fees (Including director fees)	<u>4,891</u>	<u>(15,047)</u>	<u>(2,484)</u>	<u>(10,156)</u>

The above transactions is unsecured, interest free and repayable on demand.

13. EVENTS AFTER THE REPORTING PERIOD

There have been no material events after the reporting period which would require disclosure or adjustment to the financial statements for the year ended 30 June 2022.

14. GOING CONCERN

The financial statements are prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The Company incurred a loss during the year ended 30 June 2022 of **USD15,047** (2021: USD10,366) and at that date the Company's total liabilities exceeded its total assets by **USD50,520** (2021: USD53,590). The validity of the assumption depends on the continued financial support of the shareholder of the Company. The directors are of the opinion that this support will be forthcoming over the next twelve months. They therefore believe that it is appropriate for the financial statements to be prepared on the going concern basis.