

Company Registration No. 07931518 (England and Wales)

**FIRST TIN PLC
ANNUAL REPORT
AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**



FIRST TIN PLC
COMPANY INFORMATION

Directors	Mr C Cannon Brookes Mr T Buenger Ms C Aphorpe (Appointed 8 April 2022) Mr S Cornelius (Appointed 8 April 2022) Mr I Hofmaier (Appointed 8 April 2022)
Secretary	Mr R G J Ainger (Appointed 15 March 2022)
Company number	07931518
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Solicitor	Charles Russell Speechlys LLP 5 Fleet Place London, EC4M 7RD

FIRST TIN PLC
TABLE OF CONTENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Page
Chairman's Statement	2
Chief Executive Officer's Report	3
Strategic Report	6
Corporate Governance Statement	10
Directors' Remuneration Report	15
Board of Directors	17
Directors' Report	18
Stakeholder Engagement	21
Independent Auditor's Report	23
Consolidated Statement of Comprehensive Income	29
Consolidated Statement of Financial Position	30
Consolidated Statement of Changes in Equity	31
Consolidated Statement of Cash Flows	32
Notes to the Consolidated Financial Statements	33
Company Statement of Financial Position	54
Company Statement of Changes in Equity	55
Notes to the Company Financial Statements	56

FIRST TIN PLC
CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

I am delighted to report the first full year results of First Tin Plc (the "Company" or "First Tin") and its subsidiary undertakings (the "Group") since the Company's admission to the Main Market of the London Stock Exchange ("LSE") on 8 April 2022. The period under review was focused on putting the necessary building blocks in place to provide a solid foundation for the Group's future growth.

In this regard, the Company successfully closed a £6m equity financing in April 2021 which allowed it to invest further into its German tin operations. At its core Tellerhäuser asset, an optimisation study was completed by Bara Consulting Ltd which both highlighted the financial robustness of the asset but also provided a new, streamlined development path to production. At its Gottesberg asset, the Group started a drill program to target both shallow resources within the existing resource as well as target areas outside the known deposit where there is evidence of historical mining activities. The Group also successfully applied for a significant amount of new exploration ground sitting directly between Tellerhäuser and Gottesberg, called the Auersberg license, meaning that First Tin currently holds a single contiguous land package of over twenty three thousand hectares in what we believe to be a highly under-explored tin district in Saxony, Germany.

Furthermore, during the period under review, the Company initiated plans to list on the Main Market of the LSE and also signed a Sale and Purchase agreement with ASX listed Aus Tin Mining Limited ("Aus Tin") to acquire 100% of their Australian tin asset called Taronga. The acquisition was contingent on a minimum £20m equity fundraising and a successful IPO and I am delighted to be able to report that both these conditions were completed post period end meaning that First Tin now holds mature, tin assets located in the low-risk, conflict-free jurisdictions of Germany and Australia. Both Tellerhäuser and Taronga benefit from good infrastructure, with established reserves, granted mining licenses, and have simple mineralogy creating a quick path to production. In aggregate, the Company's two core assets represent the 5th largest undeveloped tin reserve globally, outside Russia, Kazakhstan, and the Democratic Republic of Congo.

During the period, First Tin also refreshed the Board, appointing Thomas Buenger as Chief Executive Officer while I joined the Board as Chairman. Thomas has all of the required experience to develop and manage First Tin's tin portfolio as a result of his many years of working as Chief Operating Officer and Chief Technical Officer of Aurubis AG, Germany's largest copper and tin producer. Thomas is also backed up by a seasoned, executive team of renowned global tin specialists with over 150 years of combined experience in the exploration, development, mining, and processing of tin.

Following the activities undertaken during 2021, on which Thomas will provide further detail in his Chief Executive Officer's Report, we are proud to commence life as a publicly listed company in a cash-rich, debt-free position, with quality assets in Tier 1 jurisdictions. To have been able to close a £20 million equity fundraising in early April, in what were extremely adverse macro-economic conditions reflects both the quality of our tin portfolio and also the ever-growing demand for new environmentally sensitive sources of tin production from Organisation for Economic Co-operation and Development ("OECD") countries.

The next year will be an incredibly busy time for First Tin as we develop our German and Australian tin assets towards production, and we look forward to updating all shareholders with positive news flow as we begin our life on the Main Market.


Mr C Cannon Brookes
Non-executive Chairman

FIRST TIN PLC
CHIEF EXECUTIVE OFFICER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

This has been a very busy period for the Company, primarily focused on getting First Tin ready to become a publicly listed company that can successfully develop its high value, low capex German and Australian tin assets. I am delighted to have joined First Tin at such an exciting time for the Company.

Having previously worked as Chief Operating Officer and Chief Technical Officer and on the Board at Aurubis AG, Germany's largest copper and tin producer, for 16 years, I have gained considerable experience and knowledge of tin mining and development. I look forward to applying this to our advanced and scalable portfolio of assets, to drive the business towards a prosperous future. I would like to thank the former Board members for all their hard work and determination in creating the foundations for what we are today.

The period under review saw us undertake a thorough refinancing of the business including converting the Baker Steel Resources Trust Limited ("Baker Steel") convertible loan note, the completion of a £6 million equity funding round, and the disposal of the Company's equity investment in Panthera Resources, all of which enabled the Group to become a cash-rich, debt-free business, poised for future growth.

This financing enabled us to undertake activities to build value within our portfolio. In our German assets, we undertook a Competent Persons Report ("CPR") and optimisation study at Tellerhäuser, commenced exploration drilling at Gottesberg, and successfully secured a new exploration licence which has enabled us to secure a large, strategic land package in a highly prospective, Tier 1 jurisdiction. In conjunction, we completed milestones towards the purchase of our late stage Taronga tin project in Australia, a deal which was completed post period end.

First Tin's German and Australian tin assets are ideally located to deliver sustainable and conflict-free tin production in the future, and we are committed to best-in-class environmental responsibility with a 'leave no trace' philosophy including using low carbon and low waste production methods. Our aim is become a leading global tin producer that will supply fully traceable and verifiable tin units into fast-growth global industries which have a high requirement for tin.

Tellerhäuser – Germany

Our Tellerhäuser project forms part of the Rittersgrün license and is one of the world's most advanced tin deposits with an exceptionally long history of mining and an active Mining Licence already in place until 30 June 2070 for the extraction of mineral resources.

Located within a tin district in Saxony, this asset is a former East German mine with good conditions underground and major existing infrastructure benefits which ensures future development capital cost will remain low. For example, Tellerhäuser benefits from an existing 180,000m of underground development, 500m of internal shafts, a 7.8km main adit, and over 141km of drilling in 2,112 drill holes.

During the period, we undertook economic analysis to Scoping Study level, which showed the Tellerhäuser project is financially robust. The project's proximity to infrastructure means that it has a very low projected start-up capital expenditure of US\$49 million, which, at US\$30,000 per tonne of tin, suggests a net present value ("NPV") of US\$264 million (using 8% discount rate) and an internal rate of return ("IRR") of 58%. This is based on a production rate of 500,000 tonnes per annum over the life of the mine.

In addition to the Mining Licence, First Tin also holds two Exploration Licences ("EL") in Germany. The "Gottesberg" EL was secured in 2019, while an EL for the "Auersberg" field, which connects the licences of Rittersgrün and Gottesberg, was successfully secured during the period.

First Tin intends to continue active drilling programmes at each of its German project areas.

FIRST TIN PLC
CHIEF EXECUTIVE OFFICER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

At the Tellerhäuser project, we will undertake both surface and underground diamond drilling targeting both existing, and potential extensions to the known mineralisation. At Gottesberg, whose drill program commenced in Q4 2021, surface diamond drill holes will be completed to target shallower parts of the existing resource but also to explore areas outside the known deposit where there is evidence of historical mining activities. The Auersberg EL will also be drilled around various historical tin workings and will be targeting vein style greisens which were historically mined to a maximum depth of approximately 50m due to water ingress.

Taronga – Australia

Our Taronga asset, which we acquired alongside our successful IPO last month, is also an asset which has had over one century of development, including extensive drilling, tunnelling, and mining.

Like with Tellerhäuser, Taronga is surrounded by excellent existing infrastructure and abundant underexplored tin showings, providing major exploration upside potential. Significant exploration work was undertaken by BHP in 1933, 1958, and 1964, and by the Newmont Joint Venture from 1979 to 1982. Between 2012 and 2018, the former owners of Taronga completed a Mineral Resource and Ore Reserve estimates as well as completing a pre-feasibility study ("PFS") on the asset and were granted a mining lease over part of the deposit.

Based on a mine production schedule that called for a total production of 23.2 million tonnes at 0.16% Sn, the PFS showed robust economics, at US\$30,000 per tonne of tin, with an NPV (at 8% discount) of US\$169 million and an IRR of 59%. Like with Tellerhäuser, the PFS also envisaged a low start-up capex figure of only US\$76 million.

A rapidly growing market

Global demand for tin is currently strong with tin prices hovering near ten-year highs on the back of the accelerating use for tin as a solder in electronics and in electromobility products. The International Tin Association ("ITA") forecasts demand to grow from 355kt in 2020 to over 400kt in 2025 and that, even if the sharp demand growth seen in 2020-21 reduces, demand will still outstrip supply until at least 2025.

Supply is currently constrained following production disruptions in Myanmar and other leading production countries, as well as export restrictions imposed by the Indonesian government. In 2021, the combination of strong demand with constrained supply resulted in a critically low global tin inventory with London Metal Exchange inventories reaching c.30-year lows. We believe that the supply-demand dynamics of the tin market will remain compelling for many years to come.

Furthermore, as consumers increasingly opt for traceable, conflict-free and Environmental, Social and Governance ("ESG") compliant sources of tin, an opportunity exists for responsible mining companies such as First Tin whose operations and assets are located within OECD member countries to take advantage of the rapidly growing market.

ESG

First Tin is supporting a decarbonised future and is committed to best-in-class environmental responsibility. The impacts of climate change are increasingly being felt around the world and First Tin is committed to being a zero-carbon emissions company as agreed to by nations participating in the Paris Agreement of 2015. As we progress towards production in the next three years, it is important to note that First Tin's operations will be designed to be as low-waste and low carbon as possible.

The Group applies stringent environmental controls and procedures to minimise and mitigate its impact on land, water, air quality, climate, and biodiversity and complies with the requirements of all applicable legislation, regulation, and rules. In that regard, First Tin has formed an internal ESG committee which will ensure that the Company is meeting its ESG key performance indicators ("KPIs") and the Group is

FIRST TIN PLC
CHIEF EXECUTIVE OFFICER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

also undertaking a third party independent ESG audit to provide an independent assessment of its operations and development plans.

IPO and near-term activities

After the year end, the Company's successful IPO and admission to trading on the Main Market of the LSE was a significant milestone in our history, raising £20 million of new funds to support the Group's growth strategy and we are delighted to welcome our new shareholders, both institutional and retail, to the register. We will use the net proceeds of the fundraise to execute the necessary steps to obtain the operational permits for both the Taronga and Tellerhäuser projects, as well as to conclude definitive feasibility studies ("DFS") for both projects. As part of this DFS work, further drilling programmes will be completed both to further prove up existing tin resources but also to undertake exploration drilling on new exploration targets of the Group.

Outlook

Looking forward, First Tin will continue to rapidly develop both its German and Australian tin assets, with the aim to create shareholder value while also delivering a sustainable answer to the ongoing supply shortage currently facing many industrial users of tin.

With a strong balance sheet and experienced management team comprising of renowned tin specialists, the Group is well positioned to take advantage of the sizeable, rapidly growing tin market. As a result, the Board looks forward to the future with great confidence.



Mr T Buenger
Chief Executive Officer

FIRST TIN PLC
STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their strategic report for First Tin Plc for the year ended 31 December 2021.

Principal activity

The Company owns two advanced tin projects, one in Germany and one in Australia, and is seeking to bring both projects into production in order to be able to deliver a sustainable answer to the material supply issues faced by industrial tin consumers.

The Company's aim is to become a global tin producer supplying fully traceable and verifiable tin units into global industries with high tin usage needs.

Review of the business

A review of the business is set out in the Chief Executive Officer's report on pages 3 to 5.

Financial review

The Group reported a loss after tax of £1,212,677 (2020: £682,289) and a net asset value of £7,569,316 (2020: £1,552,297) for the year ending December 31 2021.

The Group completed the following material financial transactions during the year:

- In April 2021, 27,691,781 Ordinary Shares were issued at 8p each to Baker Steel as part of the conversion of their outstanding £2,200,000 convertible loan notes, realising an overall gain of £167,795 for the year. Post conversion the Group was in a debt free position;
- In April 2021, 40,000,000 Ordinary Shares were issued at 15p each to complete a £6,000,000 equity funding round;
- In June 2021, the Company sold its AIM listed equity investment in Panthera Resources Plc for £333,000 cash, realising an overall loss of £582,750 for the year;
- In November 2021, the Company entered into an agreement with Aus Tin Mining Limited ("Aus Tin") to acquire its wholly owned subsidiary, Taronga Mines Pty Ltd ("Taronga") and its tin mining licences on a debt-free cash-free basis, paying an initial cash consideration of £734,182 (AUD\$1,350,000) with a subsequent issue of 60,000,000 ordinary shares in the Company. The acquisition completed after the Company's year end on 8 April 2022 at the same time as the Company's IPO on the Standard List of the London Stock Exchange ("LSE"); and
- During November and December 2021, prior to the closing of the Taronga acquisition, the Company advanced £813,762 (AUD\$1,505,000) to Taronga as an unsecured interest free loan to provide working capital to fund a strategic land acquisition which will assist the efficient future development of the Taronga asset.

During the year, the Group also completed CPRs on both its Tellerhäuser tin asset in Germany and its Taronga tin asset in Australia which included a review of the underlying economic models of both mining projects and reported satisfactory economic returns, assuming a price of US\$30,000 per tonne of tin, as follows:

- Tellerhäuser's NPV US\$265 million at 8% discount rate and IRR of 58%;
- Taronga's NPV US\$169 million at 8% discount rate and IRR of 59%.

FIRST TIN PLC STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

At the year end, the Group had considerably improved its balance sheet position:

- Overall net assets increased by £6,017,019 to £7,569,316 (2020: £1,552,297);
- Cash reserves increased by £2,257,974 to £2,503,714 (2020: £245,740); and
- Current liabilities decreased by £2,364,748 to £301,452 (2020: £2,666,200).

The Group completed its IPO on the Standard List of the LSE in April 2022 raising £20 million (before expenses) of new equity capital which it intends to use to complete further resource drilling and feasibility studies on both its Tellerhäuser and Taronga assets. These studies will provide the basis to secure additional funding and to accelerate a path to mining production on both projects.

For the year under review, the Group's financial objectives under its key performance indicators were to secure additional funding, reduce debt, divest of non-core assets, improve its balance sheet and secure the further acquisition of another core asset as outlined above in preparation for the IPO in 2022.

Principal risks and uncertainties

The Directors consider the following to be the key risks and uncertainties applicable to the Group's activities:

Dependence on two projects

At the date of the Company's admission to the London Stock Exchange the Company owns two projects. The Company's success will be dependent on those two projects and issues at one project may adversely affect the other and, in turn, the company.

Licences and permissions

The ability of the Group to progress its projects is highly dependent on it maintaining existing licences, successfully applying for extensions to such licences and acquiring future necessary licences and permissions. In the event that the Company does not do so its results of operations will be materially adversely affected.

On 16 September 2020, Saxony Minerals and Exploration AG ("SME") filed an objection with the Saxon Mining Office (being the awarding body in Saxony for mining licences) against a notice dated 13 August 2020 pursuant to which the Company's subsidiary in Germany, Saxore Bergbau GmbH ("Saxore"), was granted a permit by the Saxon Mining Office for the exploration and mining over the "Rittersgrün" field which contains the Tellerhäuser project. On 26 January 2021, the Saxon Mining Office ordered the immediate enforcement of the permit awarded to Saxore. SME applied to the Chemnitz Administrative Court on 12 April 2021 for a ruling that its September 2020 objection would suspend the permit but this was rejected by the Court on 12 July 2021 with the Court noting that it considered the permit to be lawfully granted and that the objection was unfounded.

SME filed an appeal on 22 July 2021 with the Saxon Higher Administrative Court but this was rejected on 22 March 2022. In its decision, the Saxon Higher Administrative Court noted that the appeal was unfounded, that the immediate enforcement of the "Rittersgrün" permit was lawful and that the granting of the "Rittersgrün" permit to Saxore did not violate any rights of SME. The decision of the Saxon Higher Administrative Court on the immediate enforcement of the permit is final, and no further appeal by SME is possible against this decision. Neither Saxore nor the Company were directly party to such proceedings and the two Court decisions, confirming that the immediate enforcement of the "Rittersgrün" permit (mining licence) was lawful, is a strong sign that the Courts regard the granting of the permit itself as lawful and the objection of SME as unfounded.

FIRST TIN PLC
STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Requirement for further capital

Whilst the Company has sufficient working capital for its plans in the short-medium term, to bring both of its projects into production, it will need to raise additional capital. Such capital could be by way of equity financing, which will dilute existing shareholders or by way of debt funding which could see the Company subject to various banking covenants.

Commodity prices

The Company's future value and its potential future revenues will be highly dependent on global tin prices. Although tin is, as at the date of these financial statements, at record highs, there can be no guarantee that the tin price will remain at such price levels. A depressed tin price will adversely affect the Company's revenues.

Nature of mineral exploration and development

Mineral exploration and development can be highly speculative in nature and involve a high degree of risk. The economics of developing mineral properties are affected by many factors including the cost of operations, variations of the grade of ore mined, fluctuations in the price of minerals, costs of development, infrastructure and processing equipment and such other factors as government regulations, including regulations to royalties, allowable production, importing and exporting of minerals and environmental protection.

Litigation risk

The Company may face litigation from third parties aimed at delaying or stopping the Company's operations or could potentially be impacted by a third party attempting to litigate against a licensing authority. Such litigation could be brought by environmental pressure groups or competitors and could result in the Company having to spend management time and cash on dealing with such proceedings.

Mining industry risks and hazards

The Company's operations will be subject to typical hazards and risks present in exploiting natural resources. This includes accidents, industrial disputes and litigation from third parties. Any such events could materially impact the Company's financial condition.

Foreign exchange risk

The Company will be exposed to foreign exchange risk as it is domiciled in the UK but with operations in Germany and Australia, and, in addition as tin is priced in US Dollars. There can be no guarantee that exchange rates between the Pound, Euro, Australian Dollar and US Dollar will not become more volatile in the future.

Environmental, social and governance considerations

First Tin is committed to the environmentally sensitive development of advanced hard rock tin projects in conflict free, low political risk jurisdictions. The Company's goal is to develop and operate zero carbon sustainable tin mines that support the current global clean energy and technological revolutions.

~~First Tin is also supporting a decarbonised future and is committed to best-in-class environmental responsibility.~~ The impacts of climate change are increasingly being felt around the world and First Tin is committed to being a zero-carbon emissions company as agreed to by nations participating in the Paris Agreement of 2015. The Company applies stringent environmental controls and procedures to minimise and mitigate its impact on land, water, air quality, climate and biodiversity and complies with the requirements of all applicable legislation, regulation and rules. First Tin is currently in the process of undertaking a third party independent ESG audit assessment and is a qualified candidate for European Raw Material Alliance funding and support.

FIRST TIN PLC
STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Events after the reporting date

On 9 March 2022 the Company's wholly-owned subsidiary, First Tin Australia Pty Ltd, was incorporated in Australia.

On 8 April 2022 the Company's shares were admitted to the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the Main Market of the London Stock Exchange. This follows a subscription, institutional placing and retail offer which raised in aggregate £20 million (before expenses) at a placing price of 30 pence per share.

Also on 8 April 2022, the Company issued 60,000,000 shares to Aus Tin to complete the acquisition of Taronga.

This report was approved by the board on 27 May 2022 and signed on its behalf:



Mr C Cannon Brookes
Director

FIRST TIN PLC
CORPORATE GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

Effective from the Company's admission to the Standard Segment of the Financial Conduct Authority's Official List.

The Company is managed under the direction and supervision of the Board of Directors. Among other things, the Board sets the vision and strategy for the Company in order to effectively implement the Company's business model which is to be the largest listed supplier of sustainable tin for the fourth industrial revolution – decarbonise and electrify – by bringing our capex lite, advanced-stage projects into production.

Good corporate governance creates shareholder value by improving performance while reducing or mitigating risks that the Company faces as we seek to create sustainable growth over the medium to long-term. It is my role as Chairman to lead the Board effectively and to oversee the adoption, delivery and communication of the Company's corporate governance model.

The Listing Rules to require all companies admitted to the Standard Segment of the FCA's Official List to adopt and comply with a recognised corporate governance code, the Board has adopted the Quoted Companies Alliance Corporate Governance Code (the "Code"). It was decided that the Code was more appropriate for the Company's size and stage of development than the more prescriptive Financial Reporting Council's UK Corporate Governance Code. The narrative that follows sets out in broad terms how we comply with the Code at this point in time and we will provide annual updates to the report going forward.

Principle 1: Establish a strategy and business model which promote the long-term value for shareholders

First Tin plans to establish sustainable tin production and processing from its flagship assets, the Tellerhauser project in Saxony, Germany and the Taronga Project in New South Wales, Australia.

First Tin is developing advanced hard rock tin projects in Tier 1 jurisdictions; Germany and Australia with an ambition to follow these streams of critical mineral into the electric vehicle, renewable energy and semi-conductor supply chain.

Principle 2: Seek to understand and meet shareholder needs and expectations

The Company is committed to listening and communicating openly with its shareholders to ensure that its strategy, business model and performance are clearly understood. Understanding what analysts and investors think about us, and in turn, helping these audiences understand our business, is a key part of driving our business forward and we actively seek dialogue with the market. We will do so via retail and institutional investor roadshows, attending and presenting at investor conferences, meeting with independent investment analysts and financial journalists and our regular reporting.

The Directors actively seek to build a relationship with institutional shareholders. The Chief Executive Officer ("CEO") and other directors will make presentations to institutional shareholders and analysts from time-to-time in part to listen to their feedback and have a direct conversation on any areas of concern. The Board as a whole is kept informed of the views and concerns of major shareholders by briefings from the CEO. Any significant investment reports from analysts will be circulated to the Board. The Non-Executive Chairman is also available to meet with major shareholders if required to discuss issues of importance to them.

The Annual General Meeting ("AGM") is one forum for dialogue with shareholders and the Board. The Notice of Meeting is sent to shareholders at least 21 clear days before the AGM. The chairs of the Board and all committees, together with all other Directors, will routinely attend the AGM and are available to answer questions raised by shareholders. For each vote, the number of proxy votes received for, against and withheld is announced at the meeting. The results of the AGM will subsequently be published on the Company's website.

FIRST TIN PLC
CORPORATE GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success

Engaging with all our stakeholders strengthens our relationships and helps us make better business decisions to deliver on our commitments. The Board is regularly updated on wider stakeholder engagement to stay abreast of stakeholder insights into the issues that matter most to them and our business, and to enable the Board to understand and consider these issues in decision-making. Some examples of stakeholders aside from our shareholders are our clients and our suppliers. The Board therefore closely monitors and reviews the results of the Company's engagement with those groups to ensure alignment of interests.

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

Financial controls

The Company's Audit and Risk Committee comprises Ingo Hofmaier (Chairman), Catherine Apthorpe and Seamus Cornelius. The Audit and Risk Committee meets as often as required and at least twice a year. The Audit and Risk Committee's main functions include reviewing the effectiveness of internal control systems and risk assessment, making recommendations to the Board in relation to the appointment and remuneration of the Company's auditors and monitoring and reviewing annually their independence, objectivity, effectiveness and qualifications.

The Audit and Risk Committee also monitors the integrity of the financial statements of the Company and Group, including its annual and interim reports and any other formal announcement relating to financial performance. The Audit and Risk Committee is responsible for overseeing the Company's relationship with the external auditors, including making recommendations to the Board on the appointment of the external auditors and their remuneration. The Audit and Risk Committee considers the nature, scope and results of the auditors' work and reviews, and can develop and implements policies on the supply of non-audit services that are provided by the external auditors where appropriate. The Audit and Risk Committee focuses particularly on compliance with legal requirements, accounting standards and the relevant Listing Rules for Companies and ensuring that an effective system of internal financial and non-financial controls is maintained. The ultimate responsibility for reviewing and approving the annual report and accounts remains with the Board. The identity of the Chairman of the Audit and Risk Committee is reviewed on an annual basis and the membership of the Audit and Risk Committee, and its terms of reference are kept under review. The Audit and Risk Committee members have no links with the Company's external auditors.

Standards and policies

The Board is committed to maintaining appropriate standards for all the Group's business activities and ensuring that these standards are set out in written policies where appropriate. The Board acknowledges that the Group's international operations may give rise to possible claims of bribery and corruption. In consideration of the UK Bribery Act the Board reviews the perceived risks to the Group arising from bribery and corruption to identify aspects of the business which may be improved to mitigate such risk. The Board has adopted a zero-tolerance policy toward bribery and has reiterated its commitment to carry out business fairly, honestly and openly. The Company has also adopted a share Dealing Code for the Board, in conformity with the requirements of the Listing Rules for Companies and the Market Abuse Regime (MAR) and will take steps to ensure compliance by the Board and senior staff with the terms of the code. In summary, the code stipulates that those covered by it should: not deal in any securities of the Company unless prior written notice of such proposed dealings has been given to the Board and written clearance received from the Board; not purchase or sell any securities of the Company in the two months immediately preceding the announcement of the Company's half-yearly or annual results; not use another person, company or organisation to act as an agent, or nominee, partner, conduit or in another capacity, to deal in any securities on their behalf where that third person would breach obligations under this paragraph; and immediately inform the Board of any dealings in the Company's shares.

FIRST TIN PLC
CORPORATE GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

All material contracts are required to be reviewed and signed by a senior Director of the Company and reviewed by our external counsel.

The Company has a social media policy. The objective of the policy is to minimise the risks to the Company through use of social media. The policy deals with the use of all forms of social media, all social networking sites, internet postings, the Company's website, non-regulatory news feeds and blogs. It applies to use of social media for business purposes as well as personal use that may affect the Company in any way. The policy covers all employees, officers, consultants, contractors, interns, casual workers and agency workers.

Principle 5: Maintain the board as a well-functioning, balanced team led by the chair

The Board comprises the Non-Executive Chairman, one Executive Director and three Non-Executive Directors. The Board considers that the Non-Executive Directors bring an independent judgement to bear. The Board is satisfied that it has a suitable balance between independence on the one hand, and knowledge of the Company on the other, to enable it to discharge its duties and responsibilities effectively. All Directors are encouraged to use their independent judgement and to challenge all matters, whether strategic or operational. The Chairman holds update meetings with each Director to ensure they are performing as they are required.

During the financial year to 31 December 2022, at least 4 Board meetings will take place. Key Board activities in the coming year will include the receipt, investigation and assessment of any potential acquisition candidates; the continued open dialogue with the investment community; to consider our financial and non-financial policies; Discuss strategic priorities; to discuss the Company's capital structure and financial strategy, including capital investments and shareholder returns; to discuss internal governance processes; to review the Company's risk profile; and to review feedback from shareholders post full and half year results. The Company has effective procedures in place to monitor and deal with conflicts of interest. The Board is aware of the other commitments and interests of its directors, and changes to these commitments and interests must be reported to and, where appropriate, agreed with the rest of the Board.

Principle 6: Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

The Board is satisfied that, between the Directors, it has an effective and appropriate balance of skills and experience, including in the areas of mining, commodities, finance, capital markets, legal and corporate governance. All Directors receive regular and timely information on the Company's operational and financial performance. Relevant information is circulated to the Directors in advance of meetings.

The Board makes decisions regarding the appointment and removal of Directors and there is a formal, rigorous and transparent procedure for appointments. The Company's Articles of Association require that: any Director who has held office at the time of the three previous AGMs and who did not retire at either of them must retire from office and may offer him or herself for re-election by the shareholders; and that any new Directors appointed during the year must stand for election at the AGM immediately following their appointment.

All Directors are able to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense. In addition, the Directors have direct access to the advice and services of the Company Secretary and Legal Counsel.

FIRST TIN PLC
CORPORATE GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

Principle 7: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

The Company is constantly assessing the individual contributions of each of the members of the Board and executive team to ensure that: their contribution is relevant and effective, that they are committed and where relevant, they have maintained their independence. Over the next 12 months we intend to review the performance of the team as a unit to ensure that the members of the Board collectively function in an efficient and productive manner.

Principle 8: Promote a corporate culture that is based on ethical values and behaviours

The Board believes that the promotion of a corporate culture based on sound ethical values and behaviours is essential to maximise shareholder value. With regard to the structure and size of the Company, the Board is confident the ethical values are being adhered to through multiple ways. Many employees are members of professional bodies and/or are educated to a very high academic level. Having a relevant professional degree and being a member in good standing of the professional body aligns with the culture the Company cultivates to obtain its objectives. The Company will only meet its objectives if all of its employees are ethical, fair and transparent in their dealings with our stakeholders. The feedback of the Company's clients of their relationship with every member of the Company is requested to assist the Company in reinforcing its corporate culture.

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

The Board meets at least four times each year in accordance with its scheduled meeting calendar. The Board sets direction for the Company through a formal schedule of matters reserved for its decision. Prior to the start of each financial year, a schedule of dates for that year's four Board meetings is compiled to align as far as reasonably practicable with the Company's financial calendar while also ensuring an appropriate spread of meetings across the financial year. This may be supplemented by additional meetings as and when required. During the financial year to 31 December 2022, the Board will meet for at least four scheduled meetings.

The Board and its Committees receive appropriate and timely information prior to each meeting; a formal agenda is produced for each meeting, and Board and committee papers are expected to be distributed well before meetings take place. Any Director may challenge Company proposals and decisions are taken democratically after discussion. Any Director who feels that any concern remains unresolved after discussion may ask for that concern to be noted in the minutes of the meeting, which are then circulated to all Directors. Any specific actions arising from such meetings are agreed by the Board or relevant committee and then followed up by the Company's management.

The Board is responsible for the long-term success of the Company. There is a formal schedule of matters reserved to the Board. It is responsible for overall group strategy; approval of major investments; approval of the annual and interim results; annual budgets; dividend policy; and Board structure. It monitors the exposure to key business risks and reviews the annual budgets and their performance in relation to those budgets. There is a clear division of responsibility at the head of the Company. The Chairman is responsible for running the business of the Board and for ensuring appropriate strategic focus and direction. The CEO is responsible for proposing the strategic focus to the Board, implementing it once it has been approved and overseeing the management of the Company through the executive team.

The Board is supported by the Audit and Risk Committee, ESG Committee, Remuneration and Nominations Committee. Each committee has access to such resources, information and advice as it deems necessary, at the cost of the Company, to enable the committee to discharge its duties. The Audit and Risk and Remuneration and Nominations Committees comprise not less than three members, all of whom are independent Non-Executive Directors.

FIRST TIN PLC
CORPORATE GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

The ESG Committee comprises not less than three members, of which two are independent. The ESG Committee meets at least twice annually to review the Group's operations to ensure that the environment and its positive contribution to society, is incorporated in all aspects of the Group's development. To review the Group's stated responsibilities with respect to environmental, social and ESG policy and assessment of the Group's internal controls used to demonstrate and record conformity with the Group's stated ESG goals. The current members of the committee are Mr C Cannon Brookes, Mr I Hofmaier and Mr S Cornelius.

The Nominations and Remuneration Committee ensures the time required from a Non-Executive Director is reviewed and whether each Non-Executive Director is spending enough time to fulfil his or her duties. The structure, size, composition, skills, knowledge and experience of the Board and the leadership needs of the Company to ensure that the Company continues to compete effectively in its market place. The Committee also ensures that remuneration is aligned to the implementation of the Company strategy and effective risk management, taking into account the views of shareholders and is also assisted by executive pay consultants as and when required. The current members of the committee are Mr I Hofmaier, Ms C Apthorpe and Mr S Cornelius.

Principle 10: Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Company communicates with shareholders through the Annual Report and Accounts, full-year and half-year announcements, the AGM, RNS announcements, EGM's as required, and one-to-one meetings with large existing or potential new shareholders. A range of corporate information (including all Company announcements and presentations) is also available to shareholders, investors and the public on the Company's corporate website, www.firsttin.com. The Board receives regular updates on the views of shareholders through briefings and reports from the CEO and the Company's brokers. The Company communicates with institutional investors frequently through briefings with management. In addition, analysts' notes and brokers' briefings are reviewed to achieve a wide understanding of investors' views. The Company will also communicate to individual investors and private client brokers, investor roadshows and presentations at investor conferences.

The Audit and Risk, Nomination and Remunerations and Environmental and Social Governance Committees were formed after the year ended 31 December 2021. As such individual committee reports will be included in the 31 December 2022 audited annual report and audited consolidated financial statements.

FIRST TIN PLC
DIRECTORS' REMUNERATION REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

This Remuneration Report sets out the Group's policy on the remuneration of Directors, together with details of Directors' remuneration packages and service contracts for the year ended 31 December 2021.

Directors' remuneration (audited)

The table below sets out the Directors' remuneration and fees:

2021

	Fees	Share based	Total
	£	payments	£
		£	
Mr M E Thompson	12,000	—	12,000
Mr A J Truelove	52,640	—	52,640
Mr A M J Collette	12,000	—	12,000
Mr G D Stanley	94,806	—	94,806
Mr S L Fabian	72,000	14,609	86,609
Mr C Cannon Brookes	9,000	—	9,000
Mr T Buenger	96,564	149,000	245,564
	<u>349,010</u>	<u>163,609</u>	<u>512,619</u>

2020

	Fees	Share based	Total
	£	payments	£
		£	
Mr M E Thompson	12,000	—	12,000
Mr A J Truelove	38,944	—	38,944
Mr A M J Collette	12,000	—	12,000
Mr G D Stanley	23,919	—	23,919
Mr S L Fabian	120,000	—	120,000
Mr C Cannon Brookes	—	—	—
Mr T Buenger	—	—	—
	<u>206,863</u>	<u>—</u>	<u>206,863</u>

Pension arrangements (audited)

There were no pensions or other similar arrangements in place with any of the Directors during the years ended 31 December 2021 or 2020.

Payments to past Directors (audited)

No payments were made to past Directors' in the years ended 31 December 2021 or 2020.

Payments for loss of office (audited)

During the year ended 31 December 2021, Mr G D Stanley received a payment of £50,000 for loss of office (included in the fees set out above). No payments for loss of office were made during the year ended 31 December 2020.

FIRST TIN PLC
DIRECTORS' REMUNERATION REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Directors' interests (audited)

The beneficial interests of the Directors who held office at 31 December 2021 and their connected parties in the share capital of the Company were as follows:

	No. ordinary shares 2021	No. ordinary shares 2020
Mr M E Thompson	8,805,000	8,735,000
Mr A J Truelove	100,000	–
Mr A M J Collette	2,237,846	2,169,453
Mr G D Stanley	–	1,250,000
Mr S L Fabian	1,250,000	250,000
Mr C Cannon Brookes ¹	9,628,413	–
Mr T Buenger	1,510,400	–

1 Includes shares held by Arlington Partners Fund Limited

The remuneration disclosure is in compliance with the Companies Act 2006, but not yet with the requirements of a Remuneration Report for a Standard listed company as the Company was not listed until after the year end. Future reports will be in full compliance.

This report was approved by the Board on 27 May 2022 and signed on its behalf by:



Mr C Cannon Brookes
Director

FIRST TIN PLC
BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2021

Thomas Buenger

Chief Executive Officer

Thomas holds a PhD in metallurgy from Freiberg University with more than 25 years' experience in base metal and semiconductor industry. He is a base metals senior executive with wide breadth of knowledge across multiple disciplines across the base metals industry with focus on non-ferrous metals, copper, PGMs and recycling. Thomas is a former board member, chief operating officer and chief technical officer of Aurubis AG, a world leading copper and multi metal producer.

Charles Cannon Brookes

Non-executive Chairman

Charles has over 20 years' investment experience. He is a Director of Arlington Group Asset Management Limited (AGAM) and has successfully led a number of IPO and RTO transactions on the London markets. Prior to AGAM he worked for Arlington Group plc, an AIM quoted investment company and managed all of its public equity portfolio, as well as Jupiter Asset Management, ABN Amro and Barclays de Zoete Wedd. He has advised and sat on the board of a number of different funds, trusts and other operating public companies.

Catherine Apthorpe

Independent Non-executive Director

Catherine is a qualified Solicitor (England and Wales) since 2004 and Company Secretary with over 10 years of experience in the mining sector across a number of jurisdictions. She has extensive experience in fundraisings, due diligence exercises, acquisitions, strategic investments, project management, and debt financing. Catherine was nominated and selected for the Top 100 Global Inspiration Women in Mining 2016. Catherine is currently Group Corporate Counsel & Company Secretary with Capital Limited, a leading mining services company listed on the main market of the LSE, and a Non-Executive Director of Panthera Resources plc (AIM).

Seamus Cornelius

Independent Non-executive Director

Seamus is an experienced public company director and corporate lawyer. Since 2010 he has served as a non-executive director on numerous public listed companies. He also has over 20 years' experience as a corporate lawyer and for most of his legal career was a Shanghai based partner of a major international law firm. Most of his work during this time involved advising multi-national corporations on their investment and business in China. He also acted for large Chinese SOEs on outbound acquisitions. Seamus is currently the Executive Chairman of Danakali Limited and Non-Executive Chairman of Element 25 Limited, Buxton Resources Limited and Duketon Mining Limited.

Ingo Hofmaier

Independent Non-executive Director

Ingo has 20 years of investment banking experience in Europe and Asia. He was instrumental in building the metals and mining practice of Hannam & Partners, a London-based merchant bank, with experience across complex joint-venture, M&A, equity investments, capital markets, and corporate finance transactions. Ingo is currently the interim CFO of SolGold plc. Formerly he was a senior business development executive with Rio Tinto, Capgemini, and a Financial Controller and later Commercial Director with Wienerberger, an Austrian building material group with significant interests in Germany.

FIRST TIN PLC
DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report together with the audited financial statements of First Tin Plc and its subsidiaries for the year ended 31 December 2021.

Principal activities

The Company owns two advanced tin projects, one in Germany and one in Australia, and is seeking to bring both projects into production in order to be able to deliver a sustainable answer to the material supply issues faced by industrial tin consumers.

The Company's aim is to become a global tin producer supplying fully traceable and verifiable tin units into global industries with high tin usage needs.

Results and dividends

No ordinary dividends were paid during the year. The directors do not recommend payment of a final dividend.

Directors

The directors who served throughout the year and up to the date of signing of the annual report were as follows:

Mr M E Thompson (Resigned 24 March 2022)
Mr A J Truelove (Resigned 24 March 2022)
Mr A M J Collette (Resigned 24 March 2022)
Mr G D Stanley (Resigned 27 March 2021)
Mr S L Fabian (Resigned 24 March 2022)
Mr C Cannon Brookes (Appointed 7 April 2021)
Mr T Buenger (Appointed 1 October 2021)
Ms C Apthorpe (Appointed 8 April 2022)
Mr S Cornelius (Appointed 8 April 2022)
Mr I Hofmaier (Appointed 8 April 2022)

Directors' remuneration

The Directors' remuneration is detailed in the Directors' Remuneration Report on pages 15 to 16.

Directors' and Officers' Indemnity Insurance

The Group has purchased Directors' and Officers' liability insurance which provides cover against liabilities arising against them in that capacity.

Substantial shareholders

The Company has been notified of the following interests of 3 per cent. or more in its issued share capital as at 26 May 2022:

	No. ordinary shares	Percentage holding
Aus Tin Mining Limited	60,000,000	22.60%
Baker Steel Capital Managers LLP	40,788,014	15.36%
Arlington Partners Fund Limited	19,191,772	7.23%
Lau Sheung Man	12,623,611	4.75%
Sparta AG	11,666,667	4.39%

FIRST TIN PLC
DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Events after the reporting period

On 9 March 2022 the Company's wholly-owned subsidiary, First Tin Australia Pty Ltd, was incorporated in Australia.

On 8 April 2022 the Company's shares were admitted to the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the Main Market of the London Stock Exchange. This follows a subscription, institutional placing and retail offer which raised in aggregate £20 million (before expenses) at a placing price of 30 pence per share.

Also on 8 April 2022, the Company issued 60,000,000 shares to Aus Tin to complete the acquisition of Taronga.

Going concern

The Group currently has no income and meets its working capital requirements through raising development finance. In common with many businesses engaged in exploration and evaluation activities prior to production and sale of minerals the Group will require additional funds and/or funding facilities in order to fully develop its business plan. Ultimately the viability of the Group is dependent on future liquidity in the exploration period and this, in turn, depends on the availability of funds.

During the year the Company raised net proceeds of £5.6 million from a private placing of new shares. Subsequent to the year end, the Company's shares were admitted to trading on the London Stock Exchange raising equity of £20 million.

The Directors have prepared financial projections and plans for a period of at least 12 months from the date of approval of these financial statements. Based on the current management plan, management believes that these funds are sufficient for the expenditure to date as well as the planned forecast expenditure for the forthcoming twelve months.

The Directors have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors consider it appropriate for the Group and the Company to adopt the going concern basis in preparing these financial statements.

Directors' responsibilities statement

The Directors are responsible for preparing the annual report and the consolidated financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare the Group and the Company financial statements for each financial year. Under that law the directors have elected to prepare the Group financial statements in accordance with UK adopted International Accounting Standards and elected to prepare the Company financial statements under United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards including FRS 101 Reduced Disclose Framework) and applicable law.

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing these 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 applicable accounting standards have been followed, subject to any material departures disclosure and explained in the financial statements;

FIRST TIN PLC
DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

- prepare the Strategic Report, Directors' Report and Directors' Remuneration Report which comply with the requirements of the Companies Act 2006; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Website publication

The directors are responsible for ensuring that the Strategic Report, Directors' Report and other information included in the annual report and the financial statements are made available in accordance with applicable law in the United Kingdom. The maintenance and integrity of the First Tin plc website is the responsibility of the Directors.

Legislation in the United Kingdom governing the preparation and dissemination of the accounts and the other information included in annual reports may differ from legislation in other jurisdictions.

Disclosure of information to the auditor

The Directors, who were in office at the date of approval of this report, confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware and that they have taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The Directors are responsible for preparing the financial statements in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority ("DTR") and with International Financial Reporting Standards as adopted by the United Kingdom.

The Directors confirm to the best of their knowledge that:

- the financial statements have been prepared in accordance with the relevant financial reporting framework and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the Company; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the financial position of the Group and the Company, together with a description of the principal risks and uncertainties that it faces; and
- the annual report and financial statements, taken as a whole, are fair, balanced, and understandable and provide the information necessary for shareholders to assess the Group's position, performance, business model and strategy.

Annual General Meeting

~~The Company's Annual General Meeting will be held at 4.00 p.m. on 30 June 2022 at 1st Floor, 47/48 Piccadilly, London, W1J 0DT.~~

On behalf of the board on 27 May 2022.



Mr C Cannon Brookes
Director

FIRST TIN PLC
STAKEHOLDER ENGAGEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

Section 172 Statement

The Directors of the Company, as those of all UK companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the Companies Act 2006, which is summarised as follows:

"A director of a company must act in the way they consider, in good faith, would be the most likely to promote the success of the company for the benefit of the shareholders as a whole and, in doing so have regard (amongst other matters) to:

- the likely consequences of any decisions in the long-term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the company."

Shareholders

First Tin seeks to develop a broad investor base with those who share our values and are supportive of our strategy. Engagement with shareholders is a key element to this objective, and is achieved through various ways. Besides engaging through the Company's AGM and through publication of full and half-year financial results, members of the executive team, supported by the Company's broker and Investor Relations advisors, will engage with investors directly, mainly through regulatory news, press releases and other publications, as well as presentations and investor talks.

Employees

Our current and future success is underpinned by our ability to engage, motivate and adapt our workforce. Creating the right environment for employees where their various strengths are recognised and their contributions are valued, helps to ensure that we can deliver our shared objectives. During 2021, internal communications were strengthened, so employees were kept informed of all the workstreams across the Company and helped to raise key issues with directors and executives.

Customers

First Tin is in the process of developing its assets. However understanding our future customers and even their customers and what matters to them will be of paramount importance to the Company. A comprehensive knowledge of the Tin market, end users and delivery of this resource in a clean and ethical manner is at the core of First Tin's corporate values.

Suppliers

We have long-standing, close relationships with our suppliers and are in regular contact with them. Fostering good business relationships with key stakeholders including suppliers is important to the Company's success and we are committed to acting ethically and with integrity in all business dealings and relationships.

Communities and environment

First Tin is committed to utilising industry best practices and achieving the highest standards of environmental management and safety. The Company also seeks and maintains positive relationships with its local communities and endeavour to continuously assess and monitor environmental impact, promote internally and across our industry best practices for environmental management and safety.

FIRST TIN PLC

STAKEHOLDER ENGAGEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

Government and regulators

Maintaining respectful and collaborative relationships with our regulatory authorities is vital to the success of our business. We believe that the strength of these relationships will allow us to make a sustainable and beneficial contribution to the regions in which we operate.

Business conduct

As explained in more detail in the Corporate Governance section on pages 10 to 14, values and culture are an integral part of our strategy and the Board strives to promote a culture based on high business conduct standards.

Acting fairly as between members of the Company

Having assessed all necessary factors, and as supported by the processes described above, the Directors consider the best approach to delivering on the Company's strategy. This is done after assessing the impact on all stakeholders and is performed in such a manner so as to act fairly as between the Company's members.

FIRST TIN PLC
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Opinion

We have audited the financial statements of First Tin PLC (the "Company") and its subsidiary (the "Group") for the year ended 31 December 2021, which comprise:

- the consolidated statement of comprehensive income for the year ended 31 December 2021;
- the consolidated and the Company statements of financial position as at 31 December 2021;
- the consolidated statements of cash flows for the year ended 31 December 2021;
- the consolidated and the Company statements of changes in equity for the year then ended 31 December 2021; and
- notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted International Accounting Standards (IFRSs). The financial reporting framework that has been applied in the preparation of the Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the Company's affairs as at 31 December 2021 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs;
- the Company financial statements have been properly prepared in accordance United Kingdom Accounting Standards; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 and the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the ability of the Group and the Company continue to adopt the going concern basis of accounting included the following procedures:

The going concern assessment period used by the Directors was at least 12 months from the date of the approval of the financial statements. We assessed the appropriateness of the approach, assumptions and arithmetic accuracy of the model used by management when performing their going concern assessment.

FIRST TIN PLC
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

We evaluated the Directors' assessment of the Group and the Company's ability to continue as a going concern, including tested the integrity of the going concern model, reviewed and challenged the underlying data and key assumptions used to make the assessment. Additionally, we reviewed and considered potential downside scenarios and the resultant impact on available funds, to assess the reasonableness of economic assumptions on the Group's solvency and liquidity position.

Further details of the Directors' assessment of going concern is provided in Note 3.2.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the ability of the Group or the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £100,000 (2020: £68,000), based on 2% of the Group's total assets at the year end. We consider an asset-based measure to be appropriate because of the stage of development of the assets. Materiality for the Company financial statements as a whole was set at £80,000 (2020: £58,000) based on 1% of the Company's total assets at the year end.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. We determined Group's performance materiality to be £70,000 (2020: £48,000) and the Company's performance materiality to be £56,000 (2020: £40,000).

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £3,000 (2020: £2,000). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

The significant components of the Group, located and operating in and into geographical areas, United Kingdom and Germany. Our audit was conducted from the UK and Germany using a local subcontractor, also a member firm of Crowe Global Network, as part of our audit team under our direction and supervision. All Group companies were within the scope of our audit testing.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit;

FIRST TIN PLC
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Key audit matter	How the scope of our audit addressed the key audit matter
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Valuation of intangible assets

The carrying value of intangible assets comprise of the exploration and evaluation (E&E) assets.

At the reporting date the carrying value of the Group's E&E assets were £3.38 million (2020: £2.95 million). There may be evidence of impairment to the carrying value of the E&E assets.

We reviewed management's assessment which concluded that there are no facts or circumstances that suggest that there any indicators of impairment of the asset or that the recoverable amount is less than the carrying value.

In considering this assessment, we reviewed the following sources of evidence:

- board minutes, budgets and other operational plans setting out the Group's current plans for the continued commercial appraisal of the mining development assets;
- current licence reserves appraisals;
- current metal prices; and
- current plans and intentions for the asset with management.

Carrying value of investments and intercompany receivables – Company

The carrying value of investments in subsidiaries in the financial statements of the Company was £1.19 million (2020: £0.46 million) and long-term receivable from subsidiaries was £6.84 million (2020: £5.31 million).

We considered with management whether any indications of impairment existed. This includes considering the existence of any indication of discontinued exploration activities, management's future plans for the business, the ability of the business to continue to raise new investment and the market capitalisation of the Group.

Our audit risk focuses on the risk that these balances may be impaired.

Investments in, and amounts due from, subsidiaries are detailed in note 5, note 6 and note 7.

Our audit procedures in relation to the matter were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on the matter individually and we express no such opinion.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

FIRST TIN PLC
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the Company's financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns.

Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on pages 19 to 20, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 Group and 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 Group or the Company or to cease operations, or have no realistic alternative but to do so.

FIRST TIN PLC
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

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 (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the Group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were relevant company law and taxation legislation in the UK and Germany jurisdictions in which the Group operates.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by the Board on 31 March 2022 to audit the statutory financial statements for the year ended 31 December 2021. Our total uninterrupted period of engagement is 1 year, covering the year ended 31 December 2021.

The non-audit services, we acted as reporting accountant on the Company's listing to the London Stock Exchange in April 2022, are not activities which are prohibited under the FRC's Ethical Standard and we remain independent of the company in conducting our audit. Fee paid for audit and non-audit services are provided in note 6.

Our audit opinion is consistent with the additional report to the audit committee.

FIRST TIN PLC
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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.



Leo Malkin
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

27 May 2022

FIRST TIN PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Administrative expenses		(1,321,977)	(589,002)
Operating loss	6	(1,321,977)	(589,002)
Other gains and losses	8	167,795	110,321
Finance costs	9	(58,495)	(203,608)
Loss on ordinary activities before taxation		(1,212,677)	(682,289)
Income tax expense	10	—	—
Loss after taxation		(1,212,677)	(682,289)
Other comprehensive income:			
Exchange differences on translation of foreign operations		(117,093)	112,557
Changes in the fair value of equity instruments at fair value through other comprehensive income	16	(582,750)	749,250
Total comprehensive (loss)/income for the year		(1,912,520)	179,518
Loss per share			
Basic (pence)	11	(1.02)	(1.02)
Diluted (pence)	11	(1.02)	(1.02)

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

The notes on pages 33 to 53 form part of these financial statements.

FIRST TIN PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Assets			
Non-current assets			
Intangible assets	13	3,380,913	2,950,227
Investments deposit and long-term receivables	14	1,543,670	–
Property, plant and equipment	15	28,851	10,930
Financial assets at fair value through other comprehensive income	16	–	915,750
		4,953,434	3,876,907
Current assets			
Trade and other receivables	17	413,620	95,850
Cash and cash equivalents		2,503,714	245,740
		2,917,334	341,590
Total assets		7,870,768	4,218,497
Liabilities			
Current liabilities			
Convertible loan notes	18	–	(2,478,479)
Trade and other payables	19	(301,452)	(187,721)
		(301,452)	(2,666,200)
Net current assets/(liabilities)		2,615,882	(2,324,610)
Total assets less current liabilities		7,569,316	1,552,297
Net assets		7,569,316	1,552,297
Equity			
Called up share capital	22	138,868	70,177
Share premium account	22	17,931,296	10,264,409
Share to be issued	23	–	50,411
Warrant reserve	24	95,372	–
Retained earnings	24	(10,507,856)	(8,861,429)
Translation reserve	24	(88,364)	28,729
Total equity		7,569,316	1,552,297

The notes on pages 33 to 53 form part of these financial statements.

The financial statements were approved and authorised for issue by the board on 27 May 2022 and were signed on its behalf by:



Mr C Cannon Brookes

Director

Company number 07931518

FIRST TIN PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital £	Share premium account £	Shares to be issued £	Warrant reserve £	Retained earnings £	Translation reserve £	Total equity £
At 1 January 2020	63,702	9,686,028	50,411	–	(8,928,390)	(83,828)	787,923
Comprehensive income:							
Loss for the year	–	–	–	–	(682,289)	–	(682,289)
Other comprehensive income	–	–	–	–	749,250	112,557	861,807
Total comprehensive income	–	–	–	–	66,961	112,557	179,518
Transactions with owners:							
Accrued interest on convertible loan notes	–	–	200,548	–	–	–	200,548
Issuance of shares	6,475	578,381	(200,548)	–	–	–	384,308
	6,475	578,381	–	–	–	–	584,856
At 1 January 2021	70,177	10,264,409	50,411	–	(8,861,429)	28,729	1,552,297
Comprehensive income:							
Loss for the year	–	–	–	–	(1,212,677)	–	(1,212,677)
Other comprehensive income	–	–	–	–	(582,750)	(117,093)	(699,843)
Total comprehensive income	–	–	–	–	(1,795,427)	(117,093)	(1,912,520)
Transactions with owners:							
Accrued interest on convertible loan notes	–	–	54,247	–	–	–	54,247
Issuance of shares	68,691	7,747,650	(104,658)	–	–	–	7,711,683
Share based payments	–	(80,763)	–	95,372	149,000	–	163,609
	68,691	7,666,887	(50,411)	95,372	149,000	–	7,929,539
At 31 December 2021	138,868	17,931,296	–	95,372	(10,507,856)	(88,364)	7,569,316

The notes on pages 33 to 53 form part of these financial statements.

FIRST TIN PLC
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Operating loss		(1,321,977)	(589,002)
Adjustments for:			
Depreciation		8,845	9,575
Share based payment expense		163,609	–
Increase in trade and other receivables		(317,770)	(7,642)
Increase in trade and other payables		113,731	64,165
Cash used in operations		(1,353,562)	(522,904)
Interest paid		(4,248)	(3,060)
Net cash used in operating activities		(1,357,810)	(525,964)
Cash flows from investing activities			
Purchase of intangible fixed assets		(588,255)	(286,779)
Purchase of property, plant and equipment		(28,165)	–
Initial consideration to acquire Taronga		(734,182)	–
Loan advanced to Taronga		(813,762)	–
Proceeds from sale of investment		333,000	100,000
Net cash used in investing activities		(1,831,364)	(186,779)
Cash flows from financing activities			
Proceeds from issue of shares		5,601,000	384,308
Proceeds from issue of convertible loans		–	200,000
Interest paid in respect of convertible loans		(200,000)	–
Net cash generated from financing activities		5,401,000	584,308
Net increase/(decrease) in cash and cash equivalents		2,211,826	(128,435)
Cash and cash equivalents at beginning of year		245,740	363,264
Currency translation		46,148	10,911
Cash and cash equivalents at the end of year		2,503,714	245,740

As disclosed in note 22, the material non-cash transactions relate to the equity conversion of convertible loan notes and the issued of new shares to Mr T Buenger.

The notes on pages 33 to 53 form part of these financial statements.

FIRST TIN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. General Information

The Company is a public company limited by shares, incorporated in England and Wales under the Companies Act 2006. The Company's registered address is First Floor, 47/48 Piccadilly, London, England, W1J 0DT.

On 3 August 2021 the Company changed its name from Anglo Saxony Mining Limited to First Tin Limited and on 15 March 2022 the Company re-registered as a public company in the name of First Tin Plc.

The financial statements comprise of financial information of the Company and its subsidiary (the "Group"). The principal activities of the Company and the Group and the nature of their operations are disclosed elsewhere in these financial statements.

2. Presentation of financial statements

The financial statements are presented in pounds sterling, as this is the currency of the primary economic environment that the group operates in.

3. Significant accounting policies

3.1 Basis of preparation

These financial statements have been prepared on the going concern basis in accordance with International Financial Reporting Standards as adopted by the UK and the requirements of the Companies Act 2006. The financial statements have been prepared on a historical cost basis, except for certain financial assets which are measured at fair value.

3.2 Going concern

The Group currently has no income and meets its working capital requirements through raising development finance. In common with many businesses engaged in exploration and evaluation activities prior to production and sale of minerals the Group will require additional funds and/or funding facilities in order to fully develop its business plan. Ultimately the viability of the Group is dependent on future liquidity in the exploration period and this, in turn, depends on the availability of funds.

During the year the Company raised net proceeds of £5.6 million from a private placing of new shares. Subsequent to the year end, the Company's shares were admitted to trading on the London Stock Exchange raising equity of £20 million.

The Directors have prepared financial projections and plans for a period of at least 12 months from the date of approval of these financial statements. Based on the current management plan, management believes that these funds are sufficient for the expenditure to date as well as the planned forecast expenditure for the forthcoming twelve months.

- The Directors have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors consider it appropriate for the Group and the Company to adopt the going concern basis in preparing these financial statements.

3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has power over the investee, is exposed or has rights to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

FIRST TIN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

The results of subsidiaries acquired or disposed of are included in the consolidated Statement of Comprehensive Income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial information of subsidiaries to bring the accounting policies used into line with those used by the Group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

3.4 Intangible assets other than goodwill

Exploration and evaluation assets

The Group capitalises costs which directly relate to exploration and evaluation activities in areas for which it has obtained appropriate legal rights and there is a high degree of confidence in the feasibility of the project.

Capitalised exploration and evaluation costs include acquisition of rights to explore, topographical, geological, geochemical and geophysical studies, exploration drilling, sampling and activities in relation to the evaluation of the technical feasibility and commercial viability of extracting a mineral resource. General and administrative costs directly associated with such activities are also capitalised.

Exploration and evaluation costs are carried at cost less any impairment and are not amortised prior to the conclusion of the appraisal activities. If the appraisal activities establish the existence of commercial reserves and the decision is made to develop the site, then the carrying value of the associated exploration and evaluation assets is tested for impairment and subsequently reclassified as development and production assets. If commercial reserves have not been found, or exploration and evaluation activities have been abandoned, then the associated exploration and evaluation assets are fully impaired.

Impairment charges and exploration costs incurred prior to obtaining legal rights are expensed in the profit and loss as incurred.

3.5 Property, plant and equipment

Items of property, plant and equipment that do not form part of the exploration and evaluation assets are carried as cost less accumulated depreciation and are depreciated on a straight-line basis over the following expected useful economic lives:

Motor vehicles	3 years
Fixtures and fittings	3 – 15 years
Computer equipment	5 years

3.6 Impairment of non-financial assets

At each reporting date, the Directors assess whether there is any indication that a Group's asset, other than deferred tax assets, may be impaired. Where an indicator of impairment exists, the Directors make an estimate of the recoverable amount. An impairment loss is recognised in profit and loss whenever the carrying amount of the asset or cash generating unit exceeds its recoverable amount.

FIRST TIN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Recoverable amount is the higher of fair value less costs to sell and "value-in-use". In assessing "value-in-use", the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time-value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss, unless the relevant asset is carried at a revalued amount greater than cost, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.7 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

3.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

3.9 Financial assets

Financial assets are recognised in the Statement of Financial Position when the Group becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are initially measured at fair value plus transaction costs, other than those classified as "fair value through profit or loss" or "fair value through other comprehensive income", which are measured at fair value.

Loans and receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, in which case they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method less loss allowance.

Loans and other receivables that have fixed or determinable payments and are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost using the effective interest method less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over

FIRST TIN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Financial assets at fair value through "other comprehensive income"

Financial assets at fair value through "other comprehensive income" comprise of equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category.

Changes in the fair value of these assets are recognised in "other comprehensive income".

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit loss associated with its receivables carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by IFRS 9, resulting in trade receivables recognised and carried at original invoice amount less an allowance for any uncollectible amounts based on expected credit losses.

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at "fair value through other comprehensive income". The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

3.10 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Other financial liabilities

Other financial liabilities, including trade and other payables, are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Group's obligations are discharged, cancelled, or they expire.

3.11 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

3.12 Derivative financial instruments

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit and loss immediately unless the derivative is designated and effective

FIRST TIN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

as a hedging instrument, in which event the timing of the recognition in profit and loss depends on the nature of the hedge relationship.

Embedded derivatives

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. The convertible loan is measured at amortised cost and the conversion option is subsequently measured at fair value. The Group's policy is to offset the financial asset and liability in relation to the single hybrid instrument and show them on a single line.

3.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the profit and loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

3.14 Foreign exchange

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in pound sterling, which is the Group's functional and presentation currency.

FIRST TIN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Transactions and balances

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Gains and losses arising on translation are included in profit or loss for the period.

Group companies

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for each period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transaction are used. All resulting exchange differences are recognised in "*other comprehensive income*" and accumulated in equity.

3.15 Leases

The Directors assess whether a Group's contract is, or contains, a lease at inception of the contract.

Payments associated with short-term leases or leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease-term of 12 months or less without a purchase option.

3.16 Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 12 to these financial statements.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Directors' estimate of the number of equity instruments that will eventually vest. At each reporting date, the Directors revise their estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

FIRST TIN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3.17 New and amended standards adopted by the Group

The Group has applied the following amendments for the first time for the annual reporting period commencing 1 January 2021:

- *Covid-19-Related Rent Concessions – amendments to IFRS 16; and*
- *Interest Rate Benchmark Reform – Phase 2 – amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.*

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

3.18 New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

4. Critical accounting estimates and judgements

The preparation of the Group's financial statements under IFRS requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. 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. Actual results may differ from these estimates.

Details of the Group's significant accounting judgements used in the preparation of these financial statements include:

Recoverability of intangible exploration and evaluation assets

Where a project is sufficiently advanced, the recoverability of intangible exploration and evaluation assets is assessed by comparing the carrying value to internal and operator estimates of the net present value of projects. Intangible exploration assets are inherently judgemental to value. The amounts for intangible exploration and evaluation assets represent active exploration projects. These amounts will be written-off to the profit and loss as exploration costs unless commercial reserves are established, or the determination process is completed and there are no indications of impairment.

5. Segmental analysis

In the opinion of the Board of Directors the Group has one operating segment, being the exploitation of mineral rights.

Non-current assets by region are summarised below:

	2021	2020
	£	£
Germany	3,409,764	3,876,907
Australia	1,543,670	–
	<u>4,953,434</u>	<u>3,876,907</u>

FIRST TIN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

6. Operating loss

The operating loss for the year is stated after charging the following:

	2021	2020
	£	£
Depreciation	8,845	9,575
Expenses relating to short-term leases	44,586	36,398
Auditor's remuneration:		
Fees payable to the Company's auditor for the audit of the Company and consolidated financial statements	35,000	–
Fees payable to the Company's auditor for other services:		
Other transaction work	130,800	–
Less: amounts reclassified as prepayments	(130,800)	–
	<u>35,000</u>	<u>–</u>

7. Staff costs and Directors' remuneration

	2021	2020
	£	£
Wages and salaries	309,857	171,415
Social security costs	52,298	11,015
Total staff cost	362,155	182,430
Less: amount capitalised as intangible asset	(117,548)	(82,147)
Total staff cost recognised in the profit and loss	<u>244,607</u>	<u>100,283</u>

The average number of staff employed by the Group, including Directors, is detailed below:

	2021	2020
	No.	No.
Management and administration	3	3
Geology and environment	3	3
	<u>6</u>	<u>6</u>

Directors' remuneration and fees are disclosed in note 21.

The Directors are regarded as the key management personnel.

8. Other gains and losses

	2021	2020
	£	£
Gain on fair value of conversion option	(167,795)	(60,462)
Profit on disposal of subsidiary	–	(49,859)
	<u>(167,795)</u>	<u>(110,321)</u>

FIRST TIN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

9. Finance costs

	2021	2020
	£	£
Interest on convertible loan notes	54,247	200,548
Bank charges and other finance costs	4,248	3,060
	<u>58,495</u>	<u>203,608</u>

10. Income tax expense

	2021	2020
	£	£
Current tax	–	–
Deferred tax	–	–
	<u>–</u>	<u>–</u>
	2021	2020
	£	£
Loss before taxation on continued operations	(1,212,677)	(682,289)
Loss on before taxation multiplied by standard rate of UK corporation tax of 19% (2020 – 19%)	(230,409)	(129,635)
Difference in overseas tax rate	(61,154)	(45,824)
Expenses not deductible for tax	31,519	16,605
Income and gains not subject to tax	–	(9,473)
Effect of tax losses not recognised as deferred tax assets	260,044	168,327
Total tax charge for the year	<u>–</u>	<u>–</u>

The Group has tax losses carried forward of approximately £7.4 million (2020: £5.9 million). The unutilised tax losses have not been recognised as a deferred tax asset due to uncertainty over the timing of future profits and gains.

11. Loss per Ordinary Share

	2021	2020
Loss for the year attributable to the ordinary equity holders of the Company (£)	(1,212,677)	(682,289)
<i>Basic:</i>		
Weighted average number of Ordinary Shares issued (No.)	118,813,650	66,291,393
Adjustment for accrued shares to be issued for interest on convertible loan notes (note 17) (No.)	–	727,199
Total weighted average number of Ordinary Shares issued used in basic and diluted loss per Ordinary Share calculation (No.)	<u>118,813,650</u>	<u>67,018,593</u>
Basic loss per Ordinary Share	<u>(1.02)</u>	<u>(1.02)</u>

FIRST TIN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
<i>Diluted:</i>		
Weighted average number of Ordinary Shares issued (No.)	122,593,003	66,291,393
Adjustment for accrued shares to be issued for interest on convertible loan notes (note 17) (No.)	—	727,199
Total weighted average number of Ordinary Shares issued used in basic and diluted loss per Ordinary Share calculation (No.)	122,593,003	67,018,593
Diluted loss per Ordinary Share	(1.02)	(1.02)

For diluted loss per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potential dilutive warrants, options and convertible loans over ordinary shares. Potential ordinary shares resulting from the exercise of warrants, options and the conversion of convertible loans have an anti-dilutive effect due to the Group being in a loss position. As a result, diluted loss per share is disclosed as the same value as basic loss per share.

12. Share based payments

Share options

On 4 March 2019, the Company issued 2,725,000 share options to key personnel within the Company. The options vest 7 business days after the grant date, have an exercise price of 13p and, if they remain unexercised after 4 years, they expire. If the employees leave the Company, the options expire 90 days after their leaving date:

	2021 No. of options	2020 No. of options
Outstanding at beginning of year	2,210,000	2,275,000
Expired during the period	(650,000)	(65,000)
Outstanding at the end of the year	1,560,000	2,210,000
Exercisable at the end of the year	1,560,000	2,210,000

The options outstanding at 31 December 2021 had a weighted average exercise price of 13p (2020: 13p) and a weighted average remaining contractual life of 1.67 years (2020: 2.17 years). During the year ended 31 December 2021, 650,000 options expired due to an employee leaving the company (2020: 65,000). No options were exercised (2020: nil) and no further options were granted (2020: nil).

Share warrants

	2021 No. of warrants	2020 No. of warrants
Outstanding at beginning of year	2,407,048	2,407,048
Granted during the period	3,168,000	—
Lapsed during the period	(2,407,048)	—
Outstanding at the end of the year	3,168,000	2,407,048
Exercisable at the end of the year	3,168,000	2,407,048

FIRST TIN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

The warrants outstanding at 31 December 2021 had a weighted average exercise price of 20p (2020: 20p) and a weighted average remaining contractual life of 2.78 years (2020: 0.32 years). During the year ended 31 December 2021, no warrants were exercised (2020: nil), 2,407,048 warrants expired (2020: nil) and 3,168,000 warrant were granted (2020: nil).

Impact on the statement of comprehensive income

Share options

The Group did not recognise a charge in profit or loss for the year ended 31 December 2021 (2020: £nil).

Share warrants

The Group recognised a charge of £14,609 in profit or loss for the year ended 31 December 2021 (2020: £nil). A charge of £80,763 (2020: £nil) was recognised in the share premium account for the warrants issued in return for the broker services in connection with a capital raise.

Shares issued

The Group recognised a charge of £149,000 in profit or loss for the year ended 31 December 2021 (2020: £nil) in respect of shares issued to Mr T Buenger as part of his Chief Executive Officer contract.

13. Intangible assets

	Exploration and evaluation assets £
Cost	
At 1 January 2020	2,602,707
Additions	286,779
Disposals	(50,000)
Currency translation	110,741
At 31 December 2020	<u>2,950,227</u>
Additions	588,255
Currency translation	(157,569)
As at 31 December 2021	<u>3,380,913</u>

The intangible assets relate to the Tellerhäuser and Gottesberg tin projects located in southern Saxony in the east of Germany.

The Directors assess for impairment when facts and circumstances suggest that the carrying amount of an E&E asset may exceed its recoverable amount. In making this assessment, the Directors have regard to the facts and circumstances noted in IFRS 6 paragraph 20. In performing their assessment of each of these factors, at 31 December 2021, the Directors have:

- a) reviewed the time period that the Group has the right to explore the area and noted no instances of expiration, or licences that are expected to expire in the near future and not be renewed;
- b) determined that further E&E expenditure is either budgeted or planned for all licences;

FIRST TIN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

- c) not decided to discontinue exploration activity due to there being a lack of quantifiable mineral resource; and
- d) not identified any instances where sufficient data exists to indicate that there are licences where the E&E spend is unlikely to be recovered from successful development or sale.

On the basis of the above assessment, the Directors are not aware of any facts or circumstances that would suggest the carrying amount of the E&E asset may exceed its recoverable amount.

14. Investments deposit and long-term receivables

	Investment deposit £	Long-term receivables £	Total £
Cost			
At 1 January 2021	–	–	–
Additions	734,182	813,762	1,547,944
Currency translation	–	(4,274)	(4,274)
At 31 December 2021	<u>734,182</u>	<u>809,488</u>	<u>1,543,670</u>

In November 2021, the Company entered into a Sale and Purchase Agreement with Aus Tin, the parent entity of Taronga, to acquire the entire share capital of Taronga for an initial cash consideration of £734,182 (AUD\$1,350,000) followed by the issue of 60,000,000 ordinary shares of the Company on completion. The acquisition is subject to a number of conditions including the Company's share capital being admitted to trading on the main market of the London Stock Exchange and completing a capital raising of £20 million by no later than 30 June 2022. The Company also provided an unsecured, interest free loan to Taronga to the value of £813,762 (AUD\$1,505,000) as working capital. The acquisition was completed on 8 April 2022 as disclosed further in note 25.

No provision for impairment was recognised as at 31 December 2021 or 2020.

The table below sets out the Company's subsidiaries. The subsidiaries have share capital consisting solely of ordinary shares and the proportion of ownership interests held equals the voting rights. The registered office address is also their principal place of business:

Name of company	Place of operation	Principal activity	Shareholding
Saxore Bergbau GmbH ("Saxore") (incorporated in Germany)	Platz der Oktoberopfer 1A 09599 Freiberg Germany	Mineral exploration	100%

In January 2020, the Company disposed of one of its subsidiaries, Godophin Mining (UK) Limited (formerly Anglo Saxony Minerals (UK) Limited) for cash consideration of £100,000. The carrying amount of the net assets disposed was £50,141, consisting primarily of an exploration and evaluation intangible asset with carrying value of £50,000, and thus a profit on disposal of £49,859 was recognised in other gains and losses in profit or loss. In the event that the former subsidiary achieves certain performance criteria, additional cash consideration of US\$1,000,000 will be receivable. At the date of sale and as at 31 December 2021, the fair value of the additional consideration was £nil due to its low probability.

FIRST TIN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

15. Property, plant and equipment

	Motor vehicles £	Fixtures and fittings £	Total £
Cost			
At 1 January 2020 and 31 December 2020	15,550	41,957	57,507
Additions	24,842	3,323	28,165
Currency translation	(1,589)	(7,483)	(9,072)
At 31 December 2021	<u>38,803</u>	<u>37,797</u>	<u>76,600</u>
Accumulated depreciation			
At 1 January 2020	8,650	29,374	38,024
Charge for the year	5,209	4,366	9,575
Currency translation	(341)	(681)	(1,022)
At 31 December 2020	<u>13,518</u>	<u>33,059</u>	<u>46,577</u>
Charge for the year	4,811	4,034	8,845
Currency translation	(762)	(6,911)	(7,673)
At 31 December 2021	<u>17,567</u>	<u>30,182</u>	<u>47,749</u>
Net book value			
At 31 December 2020	<u>2,032</u>	<u>8,898</u>	<u>10,930</u>
At 31 December 2021	<u>21,236</u>	<u>7,615</u>	<u>28,851</u>

16. Financial assets at fair value through other comprehensive income

	2021 £	2020 £
Shares held in AIM listed company	<u>–</u>	<u>915,750</u>

The Group's equity investment consists of a minority shareholding in Panthera Resources Plc, a company listed on the AIM market of the London Stock Exchange. The investment is carried at fair value, based on the quoted share price at the reporting date. The equity investment was disposed of in June 2021, with the loss on disposal of £582,750 recognised in the other comprehensive income.

17. Trade and other receivables

	2021 £	2020 £
Trade receivables	–	7,800
Prepayments and other receivables	311,549	11,425
Amounts due from related parties	–	69,818
Recoverable value added taxes	102,071	6,807
	<u>413,620</u>	<u>95,850</u>

FIRST TIN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

18. Convertible loan note

	2021	2020
	£	£
Convertible loan note	–	2,478,479

In 2018, the Group issued 5-year convertible loan note ("CLN") for £1,000,000, being tranches 1-3 and in 2019 a further £1,000,000, being tranche 4 was issued. In 2020, the Group issued a further £200,000 CLN, being tranche 5 and repayable in 3 years. The notes carry an interest rate of 10% per annum, payable in a fixed number of Ordinary Shares. On maturity, the CLN are converted into Ordinary Shares at a fixed price, unless the Company exercises its option to redeem the CLN at par in cash. There are further conversion provisions in the event of an IPO or a change of control and the noteholders have the option to convert the CLN into Ordinary Shares early.

The Company's conversion option to redeem the CLN in cash instead of Ordinary Shares is a non-closely related embedded derivative so is accounted for separately at "fair value through profit and loss" and the host contract is initially measured at fair value and subsequently carried at amortised cost. The Company's policy is to offset the financial asset and liability in relation to the single hybrid instrument and show them in a single line in the Statement of Financial Position.

The host contract is a financial liability, and the interest payments are in fixed number of Ordinary Shares, and thus represent an equity instrument recognised directly in equity in the "shares to be issued" reserve.

In April 2021, all notes were redeemed at a price of 8p with the Company issuing 27,500,000 Ordinary Shares (par value of £0.001) to the noteholders. The agreement included the settlement of interest to 30 September 2021, which resulted in the Company issuing further 191,781 Ordinary Shares (par value £0.001) at 8p, and a cash payment of £200,000 to be made to cover the remaining balance.

The gain on fair value of the CLN of £167,795 is included within other gains and losses in profit or loss.

The movement in the embedded derivative financial asset is shown below:

	2021	2020
	£	£
Opening balance	(569,512)	(439,727)
Fair value of option at inception – tranche 5	–	(69,323)
Gain on fair value of option – tranches 1-3	(338,265)	(5,667)
Gain on fair value of option – tranche 4	(340,178)	(56,095)
(Gain)/loss on fair value of option – tranche 5	(103,512)	1,300
Convertible loan conversion	1,351,467	–
Closing balance	–	(569,512)

The movement in the debt host contract liability is shown below:

	2021	2020
	£	£
Opening balance	3,047,991	2,778,668
Cash subscription – tranche 5	–	200,000
Fair value of option at inception – tranche 5	–	69,323
Redemption	(3,047,991)	–
Closing balance	–	3,047,991

The convertible loan note balance of £nil (2020: £3,047,991) is the net of the financial asset and liability, shown in the tables above.

FIRST TIN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

19. Trade and other payables

	2021	2020
	£	£
Trade payables	210,521	82,184
Accruals	79,449	86,445
Other payables	11,482	19,092
	<u>301,452</u>	<u>187,721</u>

20. Financial instruments

The principal financial instruments used by the Group from which financial instrument risk arises are as follows:

Financial assets

	2021	2020
	£	£
<i>Fair value through the profit and loss account</i>		
Convertible loan option	<u>—</u>	<u>569,512</u>

	2021	2020
	£	£
<i>Measured at amortised cost</i>		
Cash and cash equivalents	2,503,714	245,740
Amount due from related parties	—	69,818
Trade and other receivables	67,736	13,121
	<u>2,571,450</u>	<u>328,679</u>

	2021	2020
	£	£
<i>Fair value through other comprehensive income</i>		
Shares held in AIM listed company	<u>—</u>	<u>915,750</u>

Fair value hierarchy

Some of the Groups financial assets are measured at fair value at the end of each reporting period.

There were no transfers between fair value hierarchies during 2021 or 2020.

Quoted market prices – Level 1

Fair value is determined by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available, and the price represents actual and regularly occurring market transactions on an arm's-length basis. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis.

FIRST TIN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

The following financial assets are recognised in the financial statements at fair value through other comprehensive income and are classified within the level 1 category:

	2021 £	2020 £
<i>Financial assets at fair value through other comprehensive income</i>		
Shares held in AIM listed companies	—	915,750

Valuation technique using observable inputs – Level 2

Fair value is calculated using inputs other than quoted prices as described for Level 1 but which are observable for the asset or liability, either directly or indirectly.

Valuation technique using significant unobservable inputs – Level 3

Fair value of level 3 financial instruments incorporates significant inputs for the asset or liability that are not based on observable market data (unobservable inputs). Unobservable inputs are those not readily available in an active market due to market illiquidity or complexity of the product. These inputs are generally determined based on observable inputs of a similar nature, historic observations on the level of the input or analytical techniques.

The following financial asset are recognised in the financial statements at FVTPL and are classified within the level 3 category:

	2021 £	2020 £
<i>Financial assets at fair value through profit and loss</i>		
Convertible loan option	—	569,512

The movement includes the conversion of the convertible loan option into the company's share capital.

Financial liabilities

	2021 £	2020 £
<i>Liabilities measured at amortised cost</i>		
Convertible loan note	—	3,047,991
Trade and other payables	301,451	187,721
	<u>301,451</u>	<u>3,235,712</u>

All financial assets and liabilities are due within one year.

The main risks arising from the Group's activities are market risk, credit risk and liquidity risk.

Market risk

Market risk is the risk that the fair value of future cash flows will fluctuate because of changes in market price. This risk is primarily comprised of interest risk and foreign currency risk. Interest rate risk is deemed minimal due to the fixed element of interest on intercompany loans.

FIRST TIN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Foreign currency risk management

As highlighted earlier in these financial statements, the presentation currency of the Group is pound sterling. The Group has foreign currency denominated assets and liabilities. Exposures to exchange rate fluctuations therefore arise. The Group pays for invoices denominated in a foreign currency in the same currency as the invoice therefore suffers from a level of foreign currency risk. The Group does not enter into any derivative financial instruments to manage its exposure to foreign currency risk.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities as at 31 December 2021 is as follows:

Australian dollars

	2021	2020
	£	£
Long-term receivables	809,488	—

As at 31 December 2021, if all foreign currencies in which the Group transacts, had strengthened or weakened by 10% against pound sterling with all other variables held constant, post-tax loss for the year would have increased/(decreased) by:

	Strengthened by 10% increase in post-tax loss £	Weakened by 10% decrease in post-tax loss £
2020	—	—
2021	75,583	(89,932)

The rate of 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonable possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates. A positive number above indicates an increase in loss (increase in profit) or other equity where the pound sterling strengthens by 10% against the relevant currency. For a 10% weakening of the pound sterling against the relevant currency, there would be an equal and opposite impact on the profit or loss and other equity.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises principally from the Group's cash balances and other receivables.

The Group gives careful consideration to which organisations it uses for its banking services in order to minimise credit risk. The Group considers the banks and financial institutions have low credit risks. Therefore, the Group is of the view that the loss allowance is immaterial and hence no provision is required.

The concentration of the Group's credit risk is considered by counterparty, geography and currency. The Group does not have any significant concentrations of credit risk at the reporting date related to external third parties. The Group is exposed to credit risk in relation to a loan to Taronga but, as this became a wholly owned and controlled subsidiary subsequent to the year end, the credit risk is deemed to be low.

FIRST TIN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

As at 31 December 2021, the Group held no collateral as security against any financial asset. No financial assets were past their due date and there were no problems with the credit quality of any financial assets in the year. As a result, there has been no impairment of financial assets during the year.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. Management considers the above measures to be sufficient to control the credit risk exposure.

The Group recognises a loss allowance for expected credit losses in debt instruments at each reporting date. As at 31 December 2021 and 2020, no impairment was recognised.

Liquidity risk

Liquidity risk is the risk that an entity may not be able to generate sufficient cash resources to settle its obligations as they fall due. The Directors monitor cash flow requirements regularly and adopt a prudent liquidity risk management approach to ensure sufficient cash is available for operational expenses.

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

	2021 £	2020 £
<i>Due within 1 month</i>		
Trade and other payables	301,452	187,721

Fair values

The Directors consider that the carrying amount of loans and receivables and other financial liabilities approximates to their fair value because of the short-term nature of such assets the effect of discounting is negligible.

21. Related party transactions

Directors' remuneration and fees

The table below sets out the Directors' remuneration and fees:

2021

	Fees £	Share based payments £	Total £
Mr M E Thompson	12,000	–	12,000
Mr A J Truelove	52,640	–	52,640
Mr A M J Collette	12,000	–	12,000
Mr G D Stanley ¹	94,806	–	94,806
Mr S L Fabian	72,000	14,609	86,609
Mr C Cannon Brookes ²	9,000	–	9,000
Mr T Buenger	96,564	149,000	245,564
	<u>349,010</u>	<u>163,609</u>	<u>512,619</u>

1 Includes £50,000 paid as compensation for loss of office.

2 Fees relating to Mr C Cannon Brookes are paid to Arlington Group Asset Management Limited.

FIRST TIN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2020

	Fees	Share based	Total
	£	payments	£
		£	
Mr M E Thompson	12,000	–	12,000
Mr A J Truelove	38,944	–	38,944
Mr A M J Collette	12,000	–	12,000
Mr G D Stanley	23,919	–	23,919
Mr S L Fabian	120,000	–	120,000
Mr C Cannon Brookes	–	–	–
Mr T Buenger	–	–	–
	<u>206,863</u>	<u>–</u>	<u>206,863</u>

The following amounts were due to the Directors' in respect of Director's fees:

	2021	2020
	£	£
Mr M E Thompson	6,000	4,500
Mr A J Truelove	4,885	–
Mr A M J Collette	6,000	3,000
Mr G D Stanley	–	10,000
Mr S L Fabian	2,000	50,000
Mr C Cannon Brookes	1,000	–
Mr T Buenger	–	–
	<u>19,885</u>	<u>67,500</u>

Other fees and transactions

Mr C Cannon Brookes was a director of Arlington Group Asset Management Limited ("Arlington") for the reporting period. During the year, Arlington invoiced and was paid £420,499 (2020: £nil) in respect of fund raising commissions and expenses.

Mr M E Thompson and Mr S L Fabian were directors of Tungsten West Plc ("Tungsten") for the reporting period. During the year, Tungsten invoiced and was paid £8,000 (2020: £6,000) in respect of shared office rental charges.

Mr M E Thompson was a director of Treliver Minerals Trustees Limited ("Treliver") for the reporting period. During the year, Treliver repaid an unsecured interest free loan of £69,818. At 31 December 2021 £nil (2020: £69,818) was owed to the Group.

22. Share capital

Ordinary share capital

	2021	2020
	£	£
<i>Issued and fully paid</i>		
138,868,305 (2020: 70,176,522) ordinary £0.001 shares	<u>138,868</u>	<u>70,177</u>

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

FIRST TIN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

In April 2021, 27,691,781 Ordinary Shares were issued at 8p each to Baker Steel as part of the conversion of their outstanding £2,200,000 convertible loan notes, as described in note 18.

During the year, a further 40,000,002 Ordinary Shares were issued at 15p each to complete a gross proceeds of £6,000,000 equity funding round.

In October 2021, 1,000,000 Ordinary Shares were issued at par to Mr T Buenger under the terms of his Chief Executive Officer contract.

Share premium account

	2021 £	2020 £
Share premium account	17,931,296	10,264,409

23. Shares to be issued

	2021 £
As at 31 December 2020	50,411
Interest accrued in the year (see note 18)	54,247
Shares issued for interest payment	(104,658)
As at 31 December 2021	–

24. Reserves

The warrant reserve is used to hold the fair value of warrants issued but not yet exercised.

The retained earnings reserve contains the accumulated losses of the Group.

The translation reserve is used to hold the accumulated gains and losses on translation of overseas subsidiaries.

25. Events after the reporting period

In March 2022, as part of the re-registration to a public limited company, the Company completed a capital reduction which reduced the share premium by £17,931,296. This was offset against its retained deficit.

On 9 March 2022, the Company's wholly owned subsidiary First Tin Australia Pty Ltd, was incorporated in Australia.

On 8 April 2022, the Company's shares were admitted to trading on the London Stock Exchange raising equity of £20 million.

In November 2021, the Company entered into a Sale and Purchase Agreement with Aus Tin, the parent entity of Taronga, to acquire the entire share capital of Taronga for an initial cash consideration of £734,182 (AUD\$1,350,000) followed by the issue of 60,000,000 ordinary shares of the Company on completion. The acquisition was completed on 8 April 2022 with the issue of shares at a value of 30p per share.

At the time of authorising these financial statements, the Group was still in the process of finalising the valuation of certain assets and liabilities acquired in connection to the acquisition of Taronga. The finalisation of these valuations will be reflected in the Company's next set of financial statements for the year ended 31 December 2022.

FIRST TIN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

26. Net debt reconciliation

The table below sets out an analysis of net debt and the movements in net debt for each of the years presented:

Net debt

	2021	2020
	£	£
Cash and cash equivalents	2,503,714	245,740
Convertible loan note	–	(2,478,479)
Net debt	<u>2,503,714</u>	<u>(2,232,739)</u>

	Cash and cash equivalents	Convertible loan note	Total
	£	£	£
Net debt as at 1 January 2020	363,264	(2,338,941)	(1,975,677)
Cash flows	(128,435)	(200,000)	(328,435)
Currency translation	10,911	–	10,911
Movement in fair value	–	60,462	60,462
At 31 December 2020	<u>245,740</u>	<u>(2,478,479)</u>	<u>(2,232,739)</u>
Cash flows	2,211,826	–	2,211,826
Currency translation	46,148	–	46,148
Movement in fair value	–	781,955	781,955
Shares issued on redemption of loan	–	1,696,524	1,696,524
At 31 December 2021	<u>2,503,714</u>	<u>–</u>	<u>2,503,714</u>

27. Ultimate controlling party

In the opinion of the Directors, there is no controlling party.

FIRST TIN PLC
COMPANY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £ (restated)
Assets			
Non-current assets			
Investment in subsidiaries	6	458,199	458,199
Investment deposit in Taronga	7	734,182	–
Financial assets at fair value through other comprehensive income	8	–	915,750
Long-term receivables	9	6,840,848	5,238,384
		8,033,229	6,612,333
Current assets			
Trade and other receivables	10	317,755	88,175
Cash and cash equivalents		2,411,508	167,577
		2,729,263	255,752
Total assets		10,762,492	6,868,085
Liabilities			
Current liabilities			
Convertible loan note	11	–	(2,478,479)
Trade and other payables	12	(129,749)	(124,191)
		(129,749)	(2,602,670)
Net current assets		2,599,514	2,891,466
Total assets less current liabilities		10,632,743	4,265,415
Net assets		10,632,743	4,265,415
Equity			
Called up share capital	14	138,868	70,177
Share premium account	14	17,931,296	10,264,409
Shares to be issued	15	–	50,411
Warrant reserve	16	95,372	–
Retained earnings	16	(7,532,793)	(6,119,582)
Total equity		10,632,743	4,265,415

The Company made a loss in the year of £979,461 (2020: loss of £5,400).

The financial statements were approved by the board of directors and authorised for issue on 27 May 2022 and are signed on its behalf by:



Mr C Cannon Brookes
Director

Company number 07931518

FIRST TIN PLC
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Share Capital £	Share premium account £	Shares to be issued £	Retained earnings £	Warrant reserve £	Total equity £
At 1 January 2020	63,702	9,686,028	50,411	(6,995,986)	–	2,804,155
Prior year adjustment	–	–	–	132,554	–	132,554
At 1 January 2020 (restated)	63,702	9,686,028	50,411	(6,863,432)	–	2,936,709
Comprehensive income:						
Loss for the year	–	–	–	(5,400)	–	(5,400)
Other comprehensive income	–	–	–	749,250	–	749,250
Total comprehensive income	–	–	–	743,850	–	743,850
Transactions with owners:						
Accrued interest on convertible loan notes	–	–	200,548	–	–	200,548
Issuance of shares	6,475	578,381	(200,548)	–	–	384,308
At 1 January 2021	70,177	10,264,409	50,411	(6,119,582)	–	4,265,415
Comprehensive income:						
Loss for the year	–	–	–	(979,461)	–	(979,461)
Other comprehensive income	–	–	–	(582,750)	–	(582,750)
Total comprehensive income	–	–	–	(1,562,211)	–	(1,562,211)
Transactions with owners:						
Accrued interest on convertible loan notes	–	–	54,247	–	–	54,247
Issuance of shares	68,691	7,747,650	(104,658)	–	–	7,711,683
Share based payments	–	(80,763)	–	149,000	95,372	163,609
At 31 December 2021	138,868	17,931,296	–	(7,532,793)	95,372	10,632,743

The notes on pages 56 to 64 form part of these financial statements.

FIRST TIN PLC
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. General Information

First Tin Plc is a public company limited by shares incorporated in England and Wales. The registered office is First Floor, 47/48 Piccadilly, London, England, W1J 0DT.

2. Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- The requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
 - The requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
 - The requirements of paragraph 33(c) of IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations;
 - The requirements of IFRS 7 Financial Instruments: Disclosures;
 - The requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
 - The requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - Paragraph 79(a)(iv) of IAS 1;
 - Paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - Paragraph 118(e) of IAS 38 Intangible Assets;
 - The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
 - The requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
 - The requirements of IAS 7 Statement of Cash Flows;
 - The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
 - The requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
 - The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a Group;
 - The requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets;
-

Prior year adjustment

In preparing these financial statements the comparatives have been restated to recognise total amounts of £132,554 that were expensed but should have been due by the subsidiary in 2019. The restatement has resulted in an increase in investments in subsidiaries and reduction in retained earnings as at 1 January 2020.

FIRST TIN PLC
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

In addition, the Company has reclassified a loan to its subsidiary undertaking from current assets to non-current assets in the comparative period. This has resulted in an increase in non-current assets of £5,238,384 and corresponding reduction in current assets.

3. Significant accounting policies

3.1 Investment in subsidiaries

Investments in subsidiaries are stated at cost less accumulated impairment.

3.2 Impairment

At each reporting date, the Company assesses whether there is any indication that an asset, other than inventories and deferred tax assets, may be impaired. Where an indicator of impairment exists, the Company makes an estimate of the recoverable amount. An impairment loss is recognised in profit or loss whenever the carrying amount of the asset or cash generating unit exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount greater than cost, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.3 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

3.4 Financial assets

Financial assets are recognised in the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI), which are measured at fair value.

FIRST TIN PLC
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Loans and receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less loss allowance.

Loans and other receivables that have fixed or determinable payments and are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and which the group has irrevocably elected at initial recognition to recognise in this category. Changes in the fair value of these are recognised in other comprehensive income.

Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit loss associated with its receivables carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by IFRS 9, resulting in trade receivables recognised and carried at original invoice amount less an allowance for any uncollectible amounts based on expected credit losses.

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

3.5 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Other financial liabilities

Other financial liabilities, including trade and other payables, are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

FIRST TIN PLC
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Company's obligations are discharged, cancelled, or they expire.

3.6 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

3.7 Derivative financial instruments

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Embedded derivatives

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. The convertible loan is measured at amortised cost and the conversion option is subsequently measured at fair value. The Company's policy is to offset the financial asset and liability in relation to the single hybrid instrument and show them on a single line.

3.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and

FIRST TIN PLC
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

3.9 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Gains and losses arising on translation are included in profit or loss for the period.

3.10 Critical accounting estimates and judgements

Details of the Company's significant accounting judgements and critical accounting estimates are set out in these financial statements and include:

Recoverability of long-term receivables

The Company has considered the recoverability of the long-term receivable, but since this is due from a wholly owned and controlled subsidiary the credit risk is deemed to be low and thus no provision is required.

4. Profit for the financial period

The Company has taken advantage of section 408 of the Companies Act 2006 and, consequently, a Profit and Loss Account for the Company alone has not been presented.

5. Staff costs and Directors' remuneration

	2021	2020
	£	£
Wages and salaries	10,602	–
Social security costs	1,055	–
	<u>11,657</u>	<u>–</u>

The average number of staff employed by the Company, including Directors, is detailed below:

	2021	2020
	No.	No.
Management and administration	<u>1</u>	<u>–</u>

Directors' remuneration and fees are disclosed on page 15.

6. Investment in subsidiaries

	£
At 1 January 2020 (restated) and 31 December 2020	458,199
At 31 December 2021	<u>458,199</u>

FIRST TIN PLC
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

7. Investment deposit in Taronga

	£
At 1 January 2021	–
Additions	734,182
At 31 December 2021	<u>734,182</u>

8. Financial assets at fair value through other comprehensive income

	2021 £	2020 £
Shares held in AIM listed company	<u>–</u>	<u>915,750</u>

The Company's equity investment consists of a minority shareholding in Panthera Resources Plc, a company listed on the AIM market of the London Stock Exchange. The investment is carried at fair value, based on the quoted share price at the reporting date. The equity investment was disposed of in June 2021, with the loss on disposal of £582,750 recognised in other comprehensive income.

9. Long-term receivables

	Loan to Taronga £	Loan to Saxore £	Total £
Cost			
At 1 January 2021	–	5,238,384	5,238,384
Additions	813,762	1,116,319	1,930,081
Currency translation	(4,274)	(323,343)	(327,617)
At 31 December 2021	<u>809,488</u>	<u>6,031,360</u>	<u>6,840,848</u>

10. Trade and other receivables

	2021 £	2020 £ (restated)
Trade receivables	–	7,800
Other receivables	12,000	720
Loans to related parties	–	69,818
VAT recoverable	61,024	6,075
Prepayments	244,731	3,762
	<u>317,755</u>	<u>88,175</u>

11. Convertible loan note

	2021 £	2020 £
Convertible loan note	<u>–</u>	<u>2,478,479</u>

FIRST TIN PLC
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

In April 2021, all notes were redeemed at a price of 8p with the Company issuing 27,500,000 Ordinary Shares (par value of £0.001) to the noteholders. The agreement included the settlement of interest to 30 September 2021, which resulted in the Company issuing further 191,781 Ordinary Shares (par value £0.001) at 8p, and a cash payment of £200,000 to be made to cover the remaining balance.

12. Trade and other payables

	2021 £	2020 £
Trade payables	70,978	44,067
Accruals	58,771	79,076
Other payables	—	1,048
	<u>129,749</u>	<u>124,191</u>

13. Related party transactions

Directors' remuneration and fees

The table below sets out the Directors' remuneration and fees:

2021

	Fees £	Share based payments £	Total £
Mr M E Thompson	12,000	—	12,000
Mr A J Truelove	13,172	—	13,172
Mr A M J Collette	12,000	—	12,000
Mr G D Stanley ¹	94,806	—	94,806
Mr S L Fabian	72,000	14,609	86,609
Mr C Cannon Brookes ²	9,000	—	9,000
Mr T Buenger	10,602	149,000	159,602
	<u>223,579</u>	<u>163,609</u>	<u>387,188</u>

1 Includes £50,000 compensation for loss of office.

2 Fees relating to Mr C Cannon Brookes are paid to Arlington Group Asset Management Limited.

2020

	Fees £	Share based payments £	Total £
Mr M E Thompson	12,000	—	12,000
Mr A J Truelove	—	—	—
Mr A M J Collette	12,000	—	12,000
Mr G D Stanley	23,919	—	23,919
Mr S L Fabian	120,000	—	120,000
Mr C Cannon Brookes	—	—	—
Mr T Buenger	—	—	—
	<u>167,919</u>	<u>—</u>	<u>167,919</u>

FIRST TIN PLC
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

The following amounts were due to the Directors' in respect of Director's fees:

	2021 £	2020 £
Mr M E Thompson	6,000	4,500
Mr A J Truelove	2,149	–
Mr A M J Collette	6,000	3,000
Mr G D Stanley	–	10,000
Mr S L Fabian	2,000	50,000
Mr C Cannon Brookes	1,000	–
Mr T Buenger	–	–
	<u>17,149</u>	<u>67,500</u>

Other fees and transactions

Other fees and transactions with the Company are disclosed in note 21 to the consolidated financial statements.

The Company was also owed €6,796,169 (£5,707,709) (2020: €5,462,333 (£4,913,053)) by Saxore, a wholly owned subsidiary incorporated in Germany. In the year to 31 December 2021 a net of €1,099,483 (£945,106) (2020: €330,000 (£299,777)) in cash was transferred from the Company to Saxore, and interest of €234,353 (£214,815) (2020: €202,319 (£179,989)) was accrued in respect of the loan. The loan carries interest at 4% per annum.

At the year end, the Company was also owed €385,371 (£323,651) (2020: €370,549 (£325,331)) from Saxore in relation to the Tin International AG loan. Interest is accrued based on a fixed rate of 4% plus Euro LIBOR.

14. Share capital

Ordinary share capital

	2021 £	2020 £
<i>Issued and fully paid</i>		
138,868,305 (2020: 70,176,522) ordinary £0.001 shares	<u>138,868</u>	<u>70,177</u>

Movement of the share capital is disclosed on note 22 to the consolidated financial statements.

Share premium account

	2021 £	2020 £
Share premium account	<u>17,931,296</u>	<u>10,264,409</u>

15. Shares to be issued

	2021 £
As at 31 December 2020	50,411
Interest accrued in the year on convertible loan note	54,247
Shares issued for interest payment	(104,658)
As at 31 December 2021	<u>–</u>

FIRST TIN PLC
NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

16. Reserves

The warrant reserve is used to hold the fair value of warrants issued but not yet exercised.

The retained earnings reserve contains the accumulated losses of the Company.