

# **INDEPENDENT AUDITOR'S REPORT TO THE PARTNERS OF LISHEEN MINE PARTNERSHIP**

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## **Report on the Annual Financial Statements**

### **Opinion**

We have audited the financial statements of Lisheen Mine Partnership ('the Qualifying Partnership') for the year ended 31 March 2022, which comprise the which comprise the Income statement, statement of financial position, statement of changes in equity and notes to the financial statements, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 101 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued in the United Kingdom by the Financial Reporting Council.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Qualifying Partnership as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 101 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) 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 in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), 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.

### **Conclusion relating to going concern**

In auditing the financial statements, we have concluded that the partners' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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 Qualifying Partnership's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

## **Other information**

The partners are responsible for the other information. The other information comprises the information included in the Reports and Financial Statements other than the financial statements and our auditor's report thereon. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 2014, to qualifying partnerships**

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

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

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion the accounting records of the Qualifying Partnership were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

## **Matters on which we are required to report by exception**

Based on the knowledge and understanding of the Qualifying Partnership and its environment obtained in the course of the audit, we have not identified material misstatements in the partners' report.

The Companies Act 2014, as applied to qualifying partnerships, requires us to report to you if, in our opinion, the disclosures of partners' remuneration and transactions required by sections 305 to 312 of the Act, which relate to disclosures of partners' remuneration and transactions are not complied with by the Qualifying Partnership. We have nothing to report in this regard.

## **Respective Responsibilities**

### **Partners Responsibility for the Annual Financial Statements**

As explained more fully in the partners' responsibilities statement set out on page 4, the partners are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they 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 partners are responsible for assessing the Qualifying Partnership'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 management either intends to liquidate the Qualifying Partnership or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) 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.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf).

## The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Qualifying Partnership's partners, as a body, in accordance with section 391 of the Companies Act 2014 as applied by Regulation 30 of European Union (Qualifying Partnerships: Accounting and Auditing) Regulations 2019. Our audit work has been undertaken so that we might state to the Qualifying Partnership'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 Qualifying Partnership and the Qualifying Partnership's members, as a body, for our audit work, for this report, or for the opinions we have formed.



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Aidan Kearney  
For and on behalf of  
Baker Tilly  
Statutory Audit Firm  
Joyce House  
21-23 Holles Street  
Dublin 2

Date: 08 July 2022

# LISHEEN MINE PARTNERSHIP

Annual Financial Statements for the year ended 31 March 2022

## REPORT OF THE PARTNERSHIP

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### Auditor

Ernst & Young, resigned as auditors during the financial year and the directors appointed Baker Tilly to fill the vacancy.

The auditors, Baker Tilly have indicated their willingness to continue in office in accordance with the provisions of the section 383 (2) of the Companies Act 2014.

The annual financial statements were authorised for issue and were signed on 8 July 2022.



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P.Singla  
Director  
Date: 08/07/2022



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P. Van Greunen  
Director  
Date: 08/07/2022

# LISHEEN MINE PARTNERSHIP

Annual Financial Statements for the year ended 31 March 2022

## **PARTNERS' RESPONSIBILITIES STATEMENT**

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The partners are responsible for preparing Partners' Report and the financial statements in accordance with Irish law and regulations.

Irish Company law requires the partners to prepare financial statements for each financial year. Under the law, the partners have elected to prepare the financial statements in accordance Financial Reporting Standard 101 'Reduced Disclosure Framework'.

Under company law, the partners 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 partnership and of the profit or loss for that year.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identifying those standards and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the partnership will continue in business.

The partners are responsible for ensuring that the Partnership keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Partnership, enable at any time the assets, liabilities, financial position and profit or loss of the Partnership to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with S.I. No. 396/1993 - European Communities (Accounts) Regulations, 1993. They are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Signed on behalf of the board**



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P. Singla

Director

Date: 08/07/2022



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P. Van Greunen

Director

Date: 08/07/2022

# LISHEEN MINE PARTNERSHIP

Financial Statements for the year ended 31 March 2022

## STATEMENT OF FINANCIAL POSITION

Figures in US\$	Notes	2022	2021
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	8	-	-
		<u>-</u>	<u>-</u>
<b>Current Assets</b>			
Trade and other receivables	9	5,310,905	106,948
Cash and cash equivalents	10	1,022,411	6,018,988
		<u>6,333,316</u>	<u>6,125,936</u>
Trade and other payables	11	(3,576,032)	(2,377,198)
<b>Net Current Assets</b>		<u>2,757,284</u>	<u>3,748,738</u>
<b>Total Assets less Current Liabilities</b>		<u>2,757,284</u>	<u>3,748,738</u>
Provisions	12	(2,757,284)	(3,748,738)
<b>Total Assets</b>		<u>-</u>	<u>-</u>
<b>Capital and Reserves</b>			
Cash contributed - Vedanta Lisheen Mining Limited		-	-
Cash contributed - Killoran Lisheen Mining Limited		-	-
Share of profits - Vedanta Lisheen Mining Limited	13	-	-
Share of profits - Killoran Lisheen Mining Limited	13	-	-
<b>Total Liabilities and Equity</b>		<u>-</u>	<u>-</u>

The financial statements were approved by the partners and signed on its behalf by:

Signed by: Pushpender Pushpender  
Signed at: 2022-07-08 11:57:35 +02:00  
Reason: I approve this document



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P. Singla  
Director  
Date: 08/07/2022



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P. Van Greunen  
Director  
Date: 08/07/2022

# **LISHEEN MINE PARTNERSHIP**

**Annual Financial Statements  
for the year ended 31 March 2022**

# LISHEEN MINE PARTNERSHIP

Annual Financial Statements for the year ended 31 March 2022

## INDEX

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The reports and statements set out below comprise the annual financial statements presented to the partners:

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# LISHEEN MINE PARTNERSHIP

Annual Financial Statements for the year ended 31 March 2022

## GENERAL INFORMATION

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### PARTNERS

Vedanta Lisheen Mining Limited  
Killoran Lisheen Mining Limited

### MANAGEMENT COMMITTEE

P. Singla  
P. Van Greunen

### REGISTERED OFFICE

Deloitte & Touche House  
Charlotte's Quay  
Limerick  
Ireland

### SOLICITOR

James J Kelly & Son,  
Solicitors,  
Patrick Street,  
Templemore,  
Co. Tipperary

### BANKERS

Barclays Bank Plc  
47/48 St. Stephen's Green  
Dublin 2

### INDEPENDENT AUDITORS

Baker Tilly  
Joyce House  
21-23 Holles Street  
Dublin  
Ireland  
D02 YP92

### COMPANY SECRETARY

K. Quinn

# LISHEEN MINE PARTNERSHIP

Annual Financial Statements for the year ended 31 March 2022

## REPORT OF THE PARTNERSHIP

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The partners present their report and the audited financial statements for the financial year ended 31 March 2022.

### Principal activities and review of the business

The Lisheen Mine Partnership is a partnership between Vedanta Lisheen Mining Limited and Killoran Lisheen Mining Limited both subsidiaries of Vedanta Lisheen Holdings Limited. The principal activity of the partnership is the development and operation of a zinc/lead mine at Killoran, Moyne, Thurles, Co. Tipperary.

Mining operations ceased on 18th December 2015 due to the exhaustion of ore reserves at the mine.

### Going concern

The directors, having made appropriate enquiries, consider it reasonable to assume that the company has adequate resources to continue for the foreseeable future and for this reason, have continued to adopt the going concern basis in preparing the accounts.

The directors of Lisheen Mine Partnership have received confirmation that Vedanta Limited, an ultimate holding company of the company is fully prepared and able to support the company as necessary.

### Risks and uncertainties

#### RISK

Health, safety

#### IMPACT

The resources sector is subject to extensive health, safety, and environmental laws, regulations and standards. Evolving regulations, standards and stakeholder expectations could result in increased cost and litigation.

#### MITIGATION

Health, Safety and Environment (HSE) is a high priority. Compliance with international and local regulations and standards, and protecting our people, communities and the environment from harm, are our key focus areas.

#### Results

The result for the financial year ended 31 March 2022 is a profit of US\$12,780 (2021: loss of US\$ US\$2,038,042).

#### Events after reporting date

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

#### Partners' interests

The partners' interests are represented by the Management Committee, the membership of which is set out on page 1.

# LISHEEN MINE PARTNERSHIP

Annual Financial Statements for the year ended 31 March 2022

## REPORT OF THE PARTNERSHIP

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### **Auditor**

Ernst & Young, resigned as auditors during the financial year and the directors appointed Baker Tilly to fill the vacancy.

The auditors, Baker Tilly have indicated their willingness to continue in office in accordance with the provisions of the section 383 (2) of the Companies Act 2014.

The annual financial statements were authorised for issue and were signed on 8 July 2022.

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P.Singla  
Director  
Date: 08/07/2022

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P. Van Greunen  
Director  
Date: 08/07/2022

# LISHEEN MINE PARTNERSHIP

Annual Financial Statements for the year ended 31 March 2022

## PARTNERS' RESPONSIBILITIES STATEMENT

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The partners are responsible for preparing Partners' Report and the financial statements in accordance with Irish law and regulations.

Irish Company law requires the partners to prepare financial statements for each financial year. Under the law, the partners have elected to prepare the financial statements in accordance Financial Reporting Standard 101 'Reduced Disclosure Framework'.

Under company law, the partners 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 partnership and of the profit or loss for that year.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identifying those standards and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the partnership will continue in business.

The partners are responsible for ensuring that the Partnership keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Partnership, enable at any time the assets, liabilities, financial position and profit or loss of the Partnership to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with S.I. No. 396/1993 - European Communities (Accounts) Regulations, 1993. They are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Signed on behalf of the board

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P. Singla

Director

Date: 08/07/2022

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P. Van Greunen

Director

Date: 08/07/2022

# **INDEPENDENT AUDITOR'S REPORT TO THE PARTNERS OF LISHEEN MINE PARTNERSHIP**

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## **Report on the Annual Financial Statements**

### **Opinion**

We have audited the financial statements of Lisheen Mine Partnership ('the Qualifying Partnership') for the year ended 31 March 2022, which comprise the which comprise the Income statement, statement of financial position, statement of changes in equity and notes to the financial statements, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 101 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued in the United Kingdom by the Financial Reporting Council.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Qualifying Partnership as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 101 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) 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 in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), 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.

### **Conclusion relating to going concern**

In auditing the financial statements, we have concluded that the partners' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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 Qualifying Partnership's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the partners with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, these statements are not a guarantee as to the Qualifying Partnership's ability to continue as a going concern.

## **Other information**

The partners are responsible for the other information. The other information comprises the information included in the Reports and Financial Statements other than the financial statements and our auditor's report thereon. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 2014, to qualifying partnerships**

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

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

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion the accounting records of the Qualifying Partnership were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

## **Matters on which we are required to report by exception**

Based on the knowledge and understanding of the Qualifying Partnership and its environment obtained in the course of the audit, we have not identified material misstatements in the partners' report.

The Companies Act 2014, as applied to qualifying partnerships, requires us to report to you if, in our opinion, the disclosures of partners' remuneration and transactions required by sections 305 to 312 of the Act, which relate to disclosures of partners' remuneration and transactions are not complied with by the Qualifying Partnership. We have nothing to report in this regard.

## **Respective Responsibilities**

### **Partners Responsibility for the Annual Financial Statements**

As explained more fully in the partners' responsibilities statement set out on page 4, the partners are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they 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 partners are responsible for assessing the Qualifying Partnership'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 management either intends to liquidate the Qualifying Partnership or to cease operations, or has no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) 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.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf).

This description forms part of our auditor's report.

## **The purpose of our audit work and to whom we owe our responsibilities**

Our report is made solely to the Qualifying Partnership 's partners, as a body, in accordance with section 391 of the Companies Act 2014 as applied by Regulation 30 of European Union (Qualifying Partnerships: Accounting and Auditing) Regulations 2019. Our audit work has been undertaken so that we might state to the Qualifying Partnership '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 Qualifying Partnership and the Qualifying Partnership's members, as a body, for our audit work, for this report, or for the opinions we have formed.

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Aidan Kearney  
For and on behalf of  
Baker Tilly  
Statutory Audit Firm  
Joyce House  
21-23 Holles Street  
Dublin 2

Date: 08/07/2022

# LISHEEN MINE PARTNERSHIP

Financial Statements for the year ended 31 March 2022

## STATEMENT OF COMPREHENSIVE INCOME

Figures in US\$	Notes	2022	2021
Operating expenses		(3,605)	(3,061,375)
<b>Operating Loss</b>		<b>(3,605)</b>	<b>(3,061,375)</b>
Other income	4	17,754	1,024,732
Redundancy provision	12	(1,369)	(1,399)
<b>Net profit/(loss) before tax</b>		<b>12,780</b>	<b>(2,038,042)</b>
Tax	7	-	-
<b>Net profit / (loss)</b>		<b>12,780</b>	<b>(2,038,042)</b>
Other Comprehensive income		-	-
<b>Total Comprehensive profit/(loss) for the year</b>		<b>12,780</b>	<b>(2,038,042)</b>



# LISHEEN MINE PARTNERSHIP

Financial Statements for the year ended 31 March 2022

## STATEMENT OF FINANCIAL POSITION

Figures in US\$	Notes	2022	2021
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	8	-	-
		<u>-</u>	<u>-</u>
<b>Current Assets</b>			
Trade and other receivables	9	5,310,905	106,948
Cash and cash equivalents	10	1,022,411	6,018,988
		<u>6,333,316</u>	<u>6,125,936</u>
Trade and other payables	11	(3,576,032)	(2,377,198)
		<u>2,757,284</u>	<u>3,748,738</u>
<b>Net Current Assets</b>		<u>2,757,284</u>	<u>3,748,738</u>
<b>Total Assets less Current Liabilities</b>		<u>2,757,284</u>	<u>3,748,738</u>
Provisions	12	(2,757,284)	(3,748,738)
		<u>-</u>	<u>-</u>
<b>Total Assets</b>		<u>-</u>	<u>-</u>
<b>Capital and Reserves</b>			
Cash contributed - Vedanta Lisheen Mining Limited		-	-
Cash contributed - Killoran Lisheen Mining Limited		-	-
Share of profits - Vedanta Lisheen Mining Limited	13	-	-
Share of profits - Killoran Lisheen Mining Limited	13	-	-
		<u>-</u>	<u>-</u>
<b>Total Liabilities and Equity</b>		<u>-</u>	<u>-</u>

The financial statements were approved by the partners and signed on its behalf by:

\_\_\_\_\_  
P. Singla  
Director  
Date: 08/07/2022

\_\_\_\_\_  
P. Van Greunen  
Director  
Date: 08/07/2022

# LISHEEN MINE PARTNERSHIP

Financial Statements for the year ended 31 March 2022

## ACCOUNTING POLICIES

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### 1. Basis of preparation and accounting policies

Lisheen Mine Partnership is a partnership between Vedanta Lisheen Mining Limited and Killoran Lisheen Mining Limited both subsidiaries of Vedanta Lisheen Holdings Limited. The principal activity of the partnership is the development and operation of a zinc/lead mine at Killoran, Moyne, Thurles, Co. Tipperary.

These financial statements were prepared in accordance with applicable accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants of Ireland, including FRS 101 'Reduced Disclosure Framework' (Generally Accepted Accounting Practice in Ireland).

#### **Basis of accounting**

The partnership prepares its financial statements denominated in US dollars on the historical cost convention.

#### **Basis of preparation**

The Partnership meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with Financial Reporting Standard 101 (FRS 101) Reduced Disclosure Framework, as defined above.

FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in FRS 101 which addresses the financial reporting requirements and disclosure exemptions in the financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the partnership's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

# LISHEEN MINE PARTNERSHIP

Financial Statements for the year ended 31 March 2022

## ACCOUNTING POLICIES

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### *Basis of preparation and accounting policies continued...*

The following paragraphs of IAS 1, 'Presentation of financial statements':

- 10(d), (statement of cash flows),
  - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements. or when it reclassifies items in its financial statements),
  - 16 (statement of compliance with all IFRS),
  - 38A (requirement for minimum of two primary statements. including cash flow statements),
  - 38B D (additional comparative information),
  - 40A D (requirements for a third statement of financial position),
  - 111 (cash flow statement information), and
  - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'

Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)

The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)

Disclosure requirements of IFRS 9: Financial Instruments

Where relevant, equivalent disclosures have been given in the group accounts of Vedanta Resources Plc. The group accounts of Vedanta Resources Plc are available to the public.

### **Going concern**

The directors, having made appropriate enquiries, consider it reasonable to assume that the company has adequate resources to continue for the foreseeable future and for this reason, have continued to adopt the going concern basis in preparing the accounts.

The directors of Lichen Mine Partnership have received confirmation that Vedanta Limited , an ultimate holding company of the company is fully prepared and able to support the company as necessary.

### **Other income**

Other income comprises of rental income earned. Rental income includes amounts received from the rental of buildings as well as the rental of the windfarms situated on the property. Rental income is recognised net of repairs, maintenance, rates and insurance.

### **Property, plant and equipment**

#### **Freehold Land**

Freehold land is stated at cost. Depreciation is not provided on freehold land.

#### **Impairment**

At each statement of financial position date, the net book value of assets is reviewed and compared to its recoverable value. Expected future cash flows from the assets are discounted to their present values in determining the recoverable amount. If the recoverable amount is less than the unamortised cost of the asset then the deficiency arising is provided for to the extent that, in the opinion of the directors it represents a permanent diminution in the value of the asset. Where provision is made it is dealt with in the statement of comprehensive income in the financial year in which it arises as additional depreciation.

# LISHEEN MINE PARTNERSHIP

Financial Statements for the year ended 31 March 2022

## ACCOUNTING POLICIES

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### *Basis of preparation and accounting policies continued...*

Impairment losses which have been previously recognised are reversed only if the asset has increased in value and that increase in value arises due to a change in economic conditions or a change in the expected useful life of the asset. The recognition of a reversal of impairment is credited to the statement of comprehensive income to the extent of the original recognition of the impairment.

### **Foreign currency translation**

The functional currency of the company is US dollars.

Transactions denominated in foreign currencies relating to revenues, costs and non-monetary assets are translated to US dollars at the spot rate of exchange prevailing at transaction date. Monetary assets and liabilities denominated in foreign currencies are translated to US dollars at the rate of exchange ruling at the statement of financial position date. The resulting profits or losses are dealt with in the statement of comprehensive income.

### **Closure costs**

Provision is made for the estimated closure and related costs arising at the end of the economic useful life of the mine. This provision represents the present value, at the statement of financial position date, of the estimated costs of restoring the environment disturbance. Changes in these estimates and changes to the discount rate are dealt with prospectively in the financial statements.

### **Provisions**

Provisions are recognised when the company has a legal or constructive obligation as a result of a past event, a reliable estimate of that obligation can be made and it is probable that an outflow of economic benefits will be required to settle the obligation.

When the effect of the time value of money is material, provisions are recognised at a discounted rate. The discount rate is based on an inflation rate of 2% (2021: 2%) and the rate of return on the deposit and the finance charge is included in the statement of comprehensive income and added to the provision each financial year.

## **2. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Partnership's accounting policies, which are described in note 1, the partners are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Lisheen Mine Partnership considers the following areas as the key sources of estimation uncertainty:

### **Impairment**

Management reviews its property, plant and equipment, including mining properties, for possible impairment if there are events or changes in circumstances that indicate that carrying values of the assets may not be recoverable. In assessing the property, plant and equipment for impairment, factors leading to significant reduction in profits such as changes in commodity prices, business plans and changes in regulatory environment are taken into consideration.

# LISHEEN MINE PARTNERSHIP

Financial Statements for the year ended 31 March 2022

## ACCOUNTING POLICIES

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### *Basis of preparation and accounting policies continued...*

The carrying value of the assets of a cash generating unit (CGU) is compared with the recoverable amount of those assets, that is, the higher of fair value less costs of disposal and value in use. Recoverable value is based on the management estimates of commodity prices, market demand and supply, economic and regulatory climates, long-term plan, discount rates and other factors. Any subsequent changes to cash flow due to changes in the above-mentioned factors could impact the carrying value of the assets.

### **Provision for closure costs**

Provision is made for costs associated with restoration and rehabilitation of mining related sites as soon as the obligation to incur such costs arises. Such restoration and closure costs are typical of extractive industries and they are normally incurred at the end of the life of the mine. Management estimates are based on local legislation and/or other agreements. The actual costs and cash outflows may differ from estimated because of changes in laws and regulations, changes in prices, analysis of site conditions and changes in restoration technology. Details of the closure provision are disclosed in note 12 (i).

### **Provisions for redundancy costs**

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can be reasonably estimated. Under an orderly closure programme, the company agreed the terms of redundancy with employees and a provision for such costs has been recognised to reflect the estimated cost of redundancies up to the balance sheet date. The actual cash outflows may take place over a number of years and hence the carrying amounts are regularly reviewed and adjusted to take into account changes in legislation or other factors that may influence the provision. Details of the closure provision are disclosed in note 12 (ii).

# LISHEEN MINE PARTNERSHIP

Financial Statements for the year ended 31 March 2022

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in US\$

### 3. Employees and remuneration

2022

2021

The average number of persons employed during the financial year is 1 (2021: 1) and this is analysed into the following categories:

	Number	Number
Development and production	1	1
The staff costs are comprised of:	US\$	US\$
Wages and salaries	77,612	52,555
Social welfare costs	9,104	35,091
Other pensions costs	3,359	3,939
	<u>90,075</u>	<u>91,585</u>

The partnership has availed of the exemption set out in Financial Reporting Standard 101Section 8(j) from disclosing key management personnel compensation in accordance with International Accounting Standard 24 "Related Party Disclosures".

### 4. Other income

2022

2021

Rental income	<u>17,754</u>	<u>1,024,732</u>
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Rental income comprises of rental of buildings and windfarms situated on the property of the company.

### 5. Auditors' Remuneration

2022

2021

Auditors' remuneration for work carried out for the company in respect of the financial year is as follows:

Audit of individual company accounts	33,978	26,000
Other assurance services	7,496	-
	<u>41,474</u>	<u>26,000</u>

### 6. Directors' remuneration

The directors' of the company has received nil remuneration for the year ended 31 March 2022 (2021: \$nil).

### 7. Taxation

Any tax payable is the responsibility of the Partners.

# LISHEEN MINE PARTNERSHIP

Financial Statements for the year ended 31 March 2022

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in US\$

### 8. Property, plant and equipment

	Mining US\$	Freehold Land US\$	Mobile Equipment US\$	Total US\$
Cost:				
At 1 April 2021	-	-	-	-
Reclassification	-	-	-	-
Disposals	-	-	-	-
At 31 March 2022	-	-	-	-
Depreciation and Impairment:				
At 1 April 2021	-	-	-	-
Charge for the financial year	-	-	-	-
Disposals	-	-	-	-
At 31 March 2022	-	-	-	-
Net Book Value:				
At 31 March 2022	-	-	-	-
At 31 March 2021	-	-	-	-

Following a review by the directors in accordance with the provisions of International Accounting Standard 36 "Impairment of Assets", and based on the current market value of land, the directors consider that the recoverable amount of tangible assets exceeds the carrying value. As such, there was no impairment charge for the years ended 31 March 2021 (2020: Nil).

### 9. Trade and other receivables

	2022	2021
Prepayments and other receivables	595,055	89,325
Amounts owed to group companies	4,691,836	-
VAT - receivable or debit	24,014	17,623
	<u>5,310,905</u>	<u>106,948</u>

Intercompany amounts are unsecured, non-interest bearing and are repayable on demand.

### 10. Cash and cash equivalents

	2022	2021
Cash at bank and in hand	1,022,411	6,018,988
	<u>1,022,411</u>	<u>6,018,988</u>

# LISHEEN MINE PARTNERSHIP

Financial Statements for the year ended 31 March 2022

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in US\$

<b>11. Trade and other payables</b>	<b>2022</b>	<b>2021</b>
Trade creditors	54,563	47,424
Accruals	196,399	344,252
Amounts owed to group companies	3,325,070	1,985,522
	<u>3,576,032</u>	<u>2,377,198</u>

Intercompany amounts are unsecured and non-interest bearing.

<b>12. Provisions for liabilities and charges</b>	<b>2022</b>	<b>2021</b>
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The following provisions are included in accounts payable

### (i) Provision for closure costs

Carrying amount at the beginning of the year	3,361,402	1,424,367
(Release)/Charge for the financial year	(308,202)	-
Unwinding of discount rate	18,355	15,042
Paid during the financial year	(218,985)	1,888,248
Foreign exchange (gain)/loss	(169,475)	33,745
Carrying amount at end of the year	<u>2,683,095</u>	<u>3,361,402</u>

The provision represents the present value at the statement of financial position date of the estimated costs of restoring the environmental disturbance at the end of the economic useful life of the mineral processing site. The provision has been estimated using existing technology, at current prices inflated at 2% (2021: 1.88%) and discounted using a discount rate of 1.49% (2021: 0.76%). The estimate of future costs to restore the environmental disturbance and reviewed and approved on a quarterly basis by the Environmental Protection Agency (Ireland), the Department of Communications, Climate Action and Environment and the Tipperary County Council through the mechanism of the Mine Closure and Rehabilitation Agreement.

### (ii) Provision for redundancy costs

Carrying amount at the beginning of the year	76,874	70,785
Charge for financial year	1,369	1,399
Paid during the financial year	-	-
Foreign exchange (gain)/loss	(4,054)	4,690
Carrying amount at end of the year	<u>74,189</u>	<u>76,874</u>

In 2009 under an orderly closure programme for the remaining mine life, the partnership agreed the terms of redundancy with employees and a provision for such costs has been recognised to reflect the estimated cost of redundancies up to the statement of financial position date.

### (iii) Other provisions

Carrying amount at the beginning of the year	310,162	311,611
(Credit)/charge for financial year	(310,162)	(1,449)
Carrying amount at end of the year	<u>-</u>	<u>310,162</u>

Total provision for liabilities and charges	<u>2,757,284</u>	<u>3,748,438</u>
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# LISHEEN MINE PARTNERSHIP

Financial Statements for the year ended 31 March 2022

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in US\$

### 13. Share of profits/(losses)

The interests of the partners are as follows:

	2022	2021
Vedanta Lisheen Mining Limited	50%	50%
Killoran Lisheen Mining Limited	50%	50%

For the year ended 31 March 2022, the share on the losses of the partners are as follows:

	Vedanta Lisheen Mining Limited US\$	Killoran Lisheen Mining Limited US\$	Total US\$
Opening balance at 1 April	-	-	-
Profit for the financial year	6,391	6,391	12,781
Transfer of profit to partners	(6,391)	(6,391)	(12,781)
	<u>-</u>	<u>-</u>	<u>-</u>

### 14. Event after the reporting date

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

### 15. Parent company

The company is a wholly owned subsidiary of Vedanta Lisheen Holdings Limited, incorporated in Ireland. Vedanta Limited is the smallest group company which prepares consolidated financial statements that are available to the public. The ultimate parent company is Vedanta Resources Plc., a company incorporated in the United Kingdom. The consolidated financial statements of Vedanta Resources Plc. may be obtained from the Companies House, Cardiff, Wales.

### 16. Approval of financial statements

The directors approved the financial statements on 8 July 2022.