

Thalanga Copper Mines Pty Ltd
ABN 72 004 797 335
Annual Financial Statements
For The Year Ended 31 March 2024

Thalanga Copper Mines Pty Ltd

ABN 72 004 797 335

Financial Statements for the year ended 31 March 2024

DIRECTORS' REPORT

The Directors present their report, together with the financial statements, on the Company for the year ended 31 March 2024.

Directors

The following persons were Directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Pushpender Singla

Mr Pieter Van Greunen

Mr Clint Mayes *Resigned 30 November 2023*Don Grinstead *Appointed 30 November 2023***Principal Activities**

The Company's principal activities during the year consisted of maintaining and rehabilitating areas of interest.

During the year, the Company carried out the rehabilitation work on the mine owned under the Mount Windsor Joint Venture. The rehabilitation of Highway Reward mining lease areas commenced in December 2006 and is still being undertaken. Ongoing monitoring will continue until the leases are relinquished.

The Mount Windsor Joint Venture of which the Company has 70% interest, holds the following areas of interest: ML 10028, ML 1571, ML 1734, ML 1739, ML 1758.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The loss for the Company after providing for income tax amounted to \$5 951 276 (31 March 2023: loss of \$160 177).

A summary of revenues and results is set out below:

	2024	2023
	\$	\$
Other income	614 048	574 086
Total income	<u>614 048</u>	<u>574 086</u>
Profit (Loss) from ordinary activities before income tax expense	(5 951 276)	(293 576)
Income tax expense	-	133 399
Profit (Loss) for the year after income tax expense	<u>(5 951 276)</u>	<u>(160 177)</u>

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company during the financial year other than the below.

In the current year, the parent company of Thalanga Copper Mines Pty Ltd disposed of their interest in fellow subsidiary, Copper Mines of Tasmania Pty Ltd which has impacted the inter-company accounts and tax sharing balances between the two entities.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 31 March 2024 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the Company and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Company.

Operating results

The Company ceased its operations in July 2005. Thereafter, the Company has been carrying out rehabilitation work.

DIRECTORS' REPORT (Continued)

Environmental regulation

The Company is subject to environmental regulations in respect of its mining activities, including the Minerals Resources Act 1989, the Environmental Protection Act 1994, Water Act 2000 and the Workplace Health and Safety Act 2011 and the Mineral and Energy Resources (Financial Provisioning) Act 2018.

Compliance with these acts has been achieved through the implementation of the EMOS (Environmental Management Overview Strategy), the Plan of Operations, an Integrated Environmental Management System, the conformance with the Environmental Authority and permits from the Department of Environment and Heritage Protection.

Shares under option

There were no unissued ordinary shares of the Company under option outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of the company issued on the exercise of options during the year ended 31 March 2024 and up to date of this report.

Indemnity and insurance of officers and auditors

During the financial year, a related Company paid a premium to insure the Directors of the Company, the Company secretary and the other executive officers of the Company against a liability incurred as such a Director, Company Secretary or other executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). The indemnity does not extend to any liability resulting from a negligent, wrongful or wilful act or omission by Ernst & Young.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

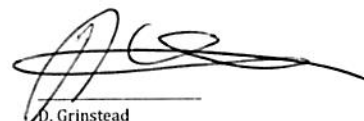
Auditors independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Director' report.

Director's report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.



P. Singla
Director
Date: 21 May 2024



D. Grinstead
Director
Date: 21 May 2024



**Building a better
working world**

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Auditor's independence declaration to the directors of Thalanga Copper Mines Pty Limited

As lead auditor for the audit of the financial report of Thalanga Copper Mines Pty Limited for the financial year ended 31 March 2024, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

Ernst & Young

Richard Bembridge
Partner

Melbourne
21 May 2024

Thalanga Copper Mines Pty Ltd

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Financial Statements for the year ended 31 March 2024

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General information

The financial statements cover Thalanga Copper Mines Pty Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Thalanga Copper Mines Pty Ltd.'s functional and presentation currency.

Thalanga Copper Mines Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office and principal place of business

C/o Norton Rose Fulbright Australia
Level 6, 60 Martin Place,
Sydney, New South Wales, 2000.

A description of the nature of the Company's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 21 May 2024. The Directors have the power to amend and reissue the financial statements.

Thalanga Copper Mines Pty Ltd

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Financial Statements for the year ended 31 March 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Figures in AUD\$	Note	31 March 2024	31 March 2023
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Other income	3	614 048	574 086
Expenses			
Site and administration expenses	4	157 007	(687 897)
Loan forgiveness	5	(6 514 644)	-
Finance costs	6	(207 687)	(179 765)
Profit/(loss) before income tax (expense)/benefit		(5 951 276)	(293 576)
Income tax (expense)/benefit	7	-	133 399
Loss after income tax (expense)/benefit for the year attributable to the owners of Thalanga Copper Mines Pty Ltd	14	(5 951 276)	(160 177)
Other comprehensive income / (loss) for the year, net of tax		-	-
Total comprehensive loss for the year attributable to the owners of Thalanga Copper Mines Pty Ltd		(5 951 276)	(160 177)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Thalanga Copper Mines Pty Ltd

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Financial Statements for the year ended 31 March 2024

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH 2024

Figures in AUD\$	Note	31 March 2024	31 March 2023
Assets			
Current assets			
Cash and cash equivalents	8	6 633 925	5 505 175
Trade and other receivables	9	1 539 439	9 370 466
Other assets	10	82 633	140 075
Total current assets		<u>8 255 997</u>	<u>15 015 716</u>
Non-current assets			
Property, plant and equipment		-	-
Total non-current assets		<u>-</u>	<u>-</u>
Total assets		<u>8 255 997</u>	<u>15 015 716</u>
Liabilities			
Current liabilities			
Trade and other payables	11	60 582	22 542
Provisions	12	378 005	370 250
Total current liabilities		<u>438 587</u>	<u>392 792</u>
Non-current liabilities			
Provisions	12	5 180 709	6 034 947
Total non-current liabilities		<u>5 180 709</u>	<u>6 034 947</u>
Total liabilities		<u>5 619 296</u>	<u>6 427 739</u>
Net assets		<u>2 636 701</u>	<u>8 587 977</u>
Equity			
Issued capital	13	578 240	578 240
Retained profits	14	2 058 461	8 009 737
Total equity		<u>2 636 701</u>	<u>8 587 977</u>

The above statement of financial position should be read in conjunction with the accompanying notes

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Financial Statements for the year ended 31 March 2024

STATEMENT OF CHANGES IN EQUITY

Figures in AUD\$	Issued capital	Retained profits	Total equity
Balance at 1 April 2022	578 240	8 169 914	8 748 154
Loss after income tax benefit for the year	-	(160 177)	(160 177)
Other comprehensive income / (loss) for the year, net of tax	-	-	-
Total comprehensive loss for the year	-	(160 177)	(160 177)
Balance at 31 March 2023	578 240	8 009 737	8 587 977
Loss after income tax benefit for the year	-	(5 951 276)	(5 951 276)
Other comprehensive income / (loss) for the year, net of tax	-	-	-
Total comprehensive loss for the year	-	(5 951 276)	(5 951 276)
Balance at 31 March 2024	578 240	2 058 461	2 636 701

The above statement of changes in equity should be read in conjunction with the accompanying notes

Thalanga Copper Mines Pty Ltd

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Financial Statements for the year ended 31 March 2024

STATEMENT OF CASH FLOWS

Figures in AUD\$	Note	31 March 2024	31 March 2023
Cash flows from operating activities			
Profit/(loss) before income tax (expense)/benefit for the year		(5 951 276)	(293 576)
<i>Adjustments for:</i>			
Loan forgiveness		6 514 644	-
Other income		(2 216)	-
Finance costs		13 610	-
Change in assumptions of rehabilitation provision		(1 040 560)	258 003
Unwinding of the discount on rehabilitation provisions		194 077	155 777
		<u>(271 721)</u>	<u>120 204</u>
<i>Change in operating assets and liabilities:</i>			
Decrease/(increase) in trade and other receivables		(389 581)	624 506
(Increase)/decrease in trade and other payables		38 040	955
		<u>(623 262)</u>	<u>745 665</u>
Net cash inflow/ (outflow) from operating activities			
Cash flows from investing activities			
Loans given to related parties		(1 547 988)	-
Proceeds from loans to related parties		3 300 000	-
Interest received			-
		<u>1 752 012</u>	<u>-</u>
Net cash from investing activities			
Cash flows from financing activities			
		<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents		1 128 750	745 665
Cash and cash equivalents at the beginning of the financial year		5 505 175	4 759 510
Cash and cash equivalents at the end of the financial year	8	<u>6 633 925</u>	<u>5 505 175</u>

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

Thalanga Copper Mines Pty Ltd

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Financial Statements for the year ended 31 March 2024

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Significant accounting policies

These financial statements are financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures, consistent with the prior year

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

The following Accounting Standards and Interpretations are most relevant to the Company:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The Company has adopted the revised Conceptual Framework from 1 April 2022. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Company's financial statements.

There was no impact on the amounts recognised, measured and classified in the financial statements of the Company as a result of the change in basis of preparation.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company'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.

Going Concern

The financial report has been prepared on the going concern basis, which assumes that the Company will be able to realise its assets and discharge its liabilities in the normal course of business. At 31 March 2024, the Company has net assets of \$2,636,701 (FY23: net assets of \$8,587,977). Notwithstanding that the Company is in a net asset position, the Company is reliant on the Parent company for financial support as it does not generate any revenue.

At the date of this report the Directors are confident that the Company will be able to continue as a going concern due to the following factor:

The company is a wholly owned subsidiary of Monte Cello B.V, incorporated in the Netherlands, who is wholly owned by Vedanta Limited. The ultimate parent company is Vedanta Resources Plc, a company incorporated in the United Kingdom.

The Company holds a letter of support issued by Vedanta Limited, the intermediate Parent company, that states that Vedanta Limited agrees to provide necessary financial support to the Company, in order to enable it to meet its liabilities as and when they fall due, at least for a period of not less than one year from the date of signing of these financial reports of the Company.

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Significant accounting policies (continued)

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

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Financial Statements for the year ended 31 March 2024

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Significant accounting policies (continued)

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Joint venture arrangements

Jointly controlled assets

Interests in jointly controlled assets in which the Company is a venture (and so has joint control) are included in the financial statements by recognising the Company's share of jointly controlled assets (classified according to their nature), the share of liabilities incurred (including those incurred jointly with other ventures) and the Company's share of expenses incurred by or in respect of each joint venture. The Company also recognises income from the sale or use of output from the joint venture in accordance with the revenue policy in note 3.

The Company's interests in assets where the Company does not have joint control are accounted for in accordance with the substance of the Company's interest. Where such arrangements give rise to an undivided interest in the individual assets and liabilities of the joint venture, the Company recognises its undivided interest in each asset and liability and classifies and presents those items according to their nature.

Jointly controlled operations

Where the Company is a venturer (and so has joint control) in a jointly controlled operation, the Company recognises the assets that it controls and the liabilities that it incurs, along with the expenses that it incurs and the Company's share of the income that it earns from the sale of goods or services by the joint venture.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Rehabilitation provision

The provision for rehabilitation costs represents the present value of the Directors' best estimate of the future sacrifice of economic benefits that will be required to rehabilitate the mining property. The Directors' estimates are primarily based on the most recent plan of operations lodged with the Department of Environment and Heritage Protection and updated for latest estimates. Further judgements are required in determining the time period to achieve successful rehabilitation.

NOTES TO THE FINANCIAL STATEMENTS

Figures in AUD\$	31 March 2024	31 March 2023
Note 3. Other income		
Interest income	504 293	169 500
Sundry income	109 755	-
Claim from Cromarty Resources Pty Ltd (in liquidation) on royalty dispute (i)	-	404 586
	<u>614 048</u>	<u>574 086</u>

(i) On the 19th of November 2021, the NSW Court of Appeal dismissed the appeal by Cromarty Resources Pty Ltd (in liquidation), a wholly owned subsidiary of Red Resources Limited (Administrators appointed), in relation to its royalty dispute with the Company and ordered that the judgement sum be paid.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods

There is no income from sale of goods as the entity has ceased operations.

Royalty income

Royalties are recognised on an accrual basis in accordance with the terms of the relevant agreement (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

Interest revenue

Interest revenue is accrued on a timely basis, by reference to the principal outstanding at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount.

Note 4. Site and administration expenses

Administration and monitoring cost	(883 553)	(429 894)
Change in rehabilitation provision	1 040 560	(258 003)
	<u>157 007</u>	<u>(687 897)</u>

Note 5. Loan forgiveness

Loan forgiveness	<u>(6 514 644)</u>	<u>-</u>
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The loan with Copper Thalanga Mines Pty Ltd (CMT) was forgiven in the current year as apart of the divesting of CMT out of the Vedanta group.

Note 6. Finance costs

Bank charges and forex	(13 610)	(23 988)
Unwinding discount on rehabilitation provision	(194 077)	(155 777)
	<u>(207 687)</u>	<u>(179 765)</u>

Note 7. Income tax

Income tax expense/(benefit)

Current tax	-	(277 861)
Adjustment recognised for prior periods	-	411 260
Aggregate income tax expense/(benefit)	<u>-</u>	<u>133 399</u>

Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate

Profit/(loss) before income tax (expense)/benefit	(5 951 276)	(293 576)
Tax at the statutory tax rate of 30%	(1 785 383)	88 073
Adjustment recognised for prior periods	-	411 260
Non-deductable expenses	1 954 393	-
Deferred Tax Asset losses not brought to account	75 635	-
Current year temporary differences not recognised	(244 645)	(365 934)
Income tax expense/(benefit)	<u>-</u>	<u>133 399</u>

Thalanga Copper Mines Pty Ltd has unutilised tax losses for which no deferred tax asset has been recognised of AUD 43,268,378 (2023: AUD 36,944,510).

As at 17 November 2023, Copper Mines of Tasmania Pty Ltd (CMT) was divested out of the Vedanta group and as such Thalanga Copper Mines Pty Ltd (TCM) has become the new Provisional Head Entity of the MEC group. As part of the CMT exit, TCM increased its unutilised tax losses by AUD 6,071,753.

Thalanga Copper Mines Pty Ltd

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Financial Statements for the year ended 31 March 2024

NOTES TO THE FINANCIAL STATEMENTS

Note 7. Income tax (continued)

Accounting policy for income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Tax Consolidation

Relevance of tax consolidation to the Group

The Company and its related Australian resident entity have formed a Multiple Entry Consolidated Group with effect from 1 April 2007 and are therefore taxed as single entity from that date. The head entity within the tax-consolidated group is Copper Mines of Tasmania Pty Ltd. The members of the tax-consolidated group are Copper Mines of Tasmania Pty Ltd and Thalanga Copper Mines Pty Ltd.

As at 17 November 2023, Copper Mines of Tasmania Pty Ltd was divested out of the Vedanta group and as such Thalanga Copper Mines Pty Ltd has become the new Provisional Head Entity of the MEC group.

Nature of funding arrangements and tax sharing agreements

Entities within the tax-consolidated group have entered into a tax funding arrangement and a tax-sharing agreement with the head entity. Under the terms of the tax funding arrangement, Thalanga Copper Mines Pty Ltd has agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity. Such amounts are reflected in amounts receivable or payable to other entities in the tax-consolidated group.

The tax sharing agreement entered into between members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations or if any entity should leave the tax-consolidated group. The effect of the tax sharing agreement is that each member's liability for tax payable by the tax-consolidated group is limited to the head entity under the tax funding agreement.

From 17 November 2023, Thalanga Copper Mines Pty Ltd is the only entity in the MEC group.

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NOTES TO THE FINANCIAL STATEMENTS

Figures in AUD\$	31 March 2024	31 March 2023
Note 8. Cash and cash equivalents		
<i>Current assets</i>		
Cash at bank	6 610 839	2 331 547
Cash at bank (JV share)	23 086	121 383
Cash on deposit	-	3 052 245
	<u>6 633 925</u>	<u>5 505 175</u>

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 9. Trade and other receivables

<i>Current assets</i>		
GST receivable	2 846	-
Related party loans (i)	1 536 593	9 370 466
	<u>1 539 439</u>	<u>9 370 466</u>

There has been no history of bad debt, nor are there any expected future events anticipated at the reporting date, in relation to economic dependence from related parties. The Company determines that no provision for expected credit loss is required under AASB 9 *Financial Instruments*.

(i) In the current year, the loan with Copper Thalanga Mines Pty Ltd (CMT) was forgiven as apart of the divesting of CMT from the Vedanta group.

Further, a loan of USD\$ 1 million was advanced to the holding company, Monte Cello BV.

Accounting policy for trade and other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 10. Other assets

<i>Current assets</i>		
Prepayments	82 633	140 075

Note 11. Trade and other payables

<i>Current liabilities</i>		
Trade creditors	28	7 931
Accrued expenses	60 554	14 043
GST payable	-	568
	<u>60 582</u>	<u>22 542</u>

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Thalanga Copper Mines Pty Ltd

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Financial Statements for the year ended 31 March 2024

NOTES TO THE FINANCIAL STATEMENTS

Figures in AUD\$	31 March 2024	31 March 2023
Note 12. Provisions		
<i>Current liabilities</i>		
Rehabilitation provision	378 005	370 250
<i>Non-current liabilities</i>		
Rehabilitation provision	5 180 709	6 034 947
	<u>5 558 714</u>	<u>6 405 197</u>

The provision for rehabilitation costs are primarily based on the most recent plan of obligations lodged with the Department of Environment and Heritage and updated for latest estimates.

As at 31 March 2024, TCM had lodged updated Progressive Rehabilitation and Closure Plan (PRCP) and Estimated Rehabilitation Cost (ERC) with the Department of Environment and Science (DES). Both the ERC and PRCP is still under review by DES.

Movements in provisions

Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

Carrying amount at the start of the year	6 405 197	5 991 418
Change in estimate	(1 040 560)	258 003
Unwinding of discount	194 077	155 776
Carrying amount at the end of the year	<u>5 558 714</u>	<u>6 405 197</u>

Provision for restoration and rehabilitation

A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of exploration, development and production activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the costs of removing facilities and restoring the affected areas.

The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each reporting date.

The initial estimate of the restoration and rehabilitation provision relating to exploration, development and production facilities is capitalised at the start of each project into the cost of the related asset and is charged to the income statement as depreciation on the same basis as the related asset, unless the present obligation arises from the production of inventory in the period, in which case the amount is included in the cost of production for the period. Changes in the estimate of the provision for restoration and rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset.

Costs for restoration of subsequent site damage which is caused on an ongoing basis during production are provided for at their net present values and charged to the profit and loss account as extraction progresses. Where the costs of site restoration are not anticipated to be material, they are expensed as incurred.

Note 13. Issued capital

	2024	2023	2024	2023
	Shares	Shares	AUD\$	AUD\$
Ordinary shares - fully paid	<u>578 240</u>	<u>578 240</u>	<u>578 240</u>	<u>578 240</u>

Thalanga Copper Mines Pty Ltd

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Financial Statements for the year ended 31 March 2024

NOTES TO THE FINANCIAL STATEMENTS

Figures in AUD\$	31 March 2024	31 March 2023
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Note 13. Issued capital (continued)*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Accounting policy for issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 14. Retained profits

Retained profits/(accumulated losses) at the beginning of the financial year	8 009 737	8 169 914
Profit/(loss) after income tax (expense)/benefit for the year	<u>(5 951 276)</u>	<u>(160 177)</u>
Retained profits at the end of the financial year	<u>2 058 461</u>	<u>8 009 737</u>

Note 15. Dividends*Dividends*

There were no dividends paid, recommended or declared during the current or previous financial year.

Franking credits

Franking credits available for subsequent financial years based on a tax rate of 30%	<u>-</u>	<u>-</u>
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The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- Franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date;
- Franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; and
- Franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

Note 16. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Ernst & Young, the auditor of the Company:

Audit services - Ernst & Young

Audit of the financial statements	<u>37 000</u>	<u>22 200</u>
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Thalanga Copper Mines Pty Ltd

ABN 72 004 797 335

Financial Statements for the year ended 31 March 2024

NOTES TO THE FINANCIAL STATEMENTS

Figures in AUD\$	31 March 2024	31 March 2023
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Note 17. Contingent assets

The contingent assets for the year ended 31 March 2024 were \$nil (2023: \$nil).

Note 18. Contingent liabilities and guarantees

Bank guarantee	4 684 980	4 684 980
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The Company has issued Bank Guarantee as financial assurance for mining leases (ML) 1571, 1734, 1739, 1758 and 10028 in the area known as Highway Reward Mining Project in favour of the State of Queensland.

Note 19. Commitments

The commitments for the year ended 31 March 2024 were \$nil (2023: \$nil).

Note 20. Related party transactions*Parent entities*

The Parent entity is Monte Cello B.V. (incorporated in the Netherlands) that owns 100% of the issued ordinary shares of Thalanga Copper Mines Pty Limited.

Vedanta Limited is the immediate Parent entity of Monte Cello B.V. The ultimate Parent entity is Vedanta Resources PLC (incorporated in London, United Kingdom) that indirectly owns 50.31% of the issued ordinary shares of Monte Cello BV.

*Transactions with related parties**Loans to/from related parties*

The following balances are outstanding at the reporting date in relation to loans with related parties:

Current receivables:

Loan to other related party	1 536 593	9 370 466
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Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 21. Events after the reporting period

No matter or circumstance has arisen since 31 March 2024 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Thalanga Copper Mines Pty Ltd

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Financial Statements for the year ended 31 March 2024

DIRECTORS' DECLARATION

In the Director's opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Stanadrads - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 31 March 2024 and of its performance for the financial year ended on that date; and
- there are reasonable grounds tp believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On Behalf of the Directors

Signed by: Pushpender Pushpender
Signed at: 2024-05-21 11:05:36 +02:00
Reason: Witnessing Pushpender Pushpen



P . Singla

Director

Date: 21 May 2024



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working world**

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Independent auditor's report to the members of Thalanga Copper Mines Pty Limited

Opinion

We have audited the financial report of Thalanga Copper Mines Pty Limited (the Company), which comprises the statement of financial position as at 31 March 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the Company's financial position as at 31 March 2024 and of its financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards 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 this financial report.

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

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive style.

Ernst & Young

A handwritten signature in black ink that reads 'R Bembridge' in a cursive style.

Richard Bembridge
Partner

Melbourne
21 May 2024