RNS Number : 8790V
First Tin PLC
12 April 2023

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First Tin Plc

("First Tin" or "the Company")

Final Audited Results for the year ended 31 December 2022

First Tin, a tin development company with advanced, low capex projects in both Germany and Australia, today publishes its final audited results for the year ended 31 December 2022.

Highlights

- Significant progress in the development of the Company's portfolio of tin assets since listing the Company on the Standard List of the London Stock Exchange in April 2022
- Successful £20m fundraise at IPO, enabling the Company to commence Definitive Feasibility Studies at both assets in order to add substantial value and drive the projects towards production
- Ended the period with a significant cash position of £13.8m (31 December 2021: £2.5m)
- Loss before tax of £3.2m (31 December 2021: £1.2m) reflecting a ramp up in operational activities
- The fully funded DFS continues at pace at Taronga, Australia:
    - Diamond drilling confirmed the previous Newmont exploration results with good alignment between First Tin and Newmont's historical drillholes
    - Reverse Circulation drilling has extended the known mineralisation by approximately 400m to the south of the previously defined Newmont area with mineralisation still open and drilling ongoing
    - Post period end, First Tin signed an agreement with BID Energy Partners to provide a feasibility study on renewable energy supply options which has the potential to materially reduce the power costs of the project, supports permitting and is aligned with First Tin's desire to have the highest ESG credentials for the benefit of all our stakeholders
    - The Environmental Impact Study is also progressing positively and results from ongoing mineral processing studies so far confirm the previous hypotheses that a majority of the tin will be liberated via a simple coarse crush, followed by gravity separation
    - New South Wales government has shown its support by providing a cash grant of almost A$0.5M to the project from its Critical Minerals and High-Tech Metals Activation Fund
- Highly encouraging results to date from DFS drilling at Tellerhauser
    - Saxonian Mining Authority has confirmed eligibility to move straight to the construction and operational permitting process, reducing the overall permitting timeframe by up to 12-18 months
    - Holes returned to date have confirmed the skarn horizon is present, continuous and tin mineralised as previously identified by Wismut over 40 years ago
    - Discovery of a considerable amount of additional historical drilling data which should result in a more robust resource model and may lead to additional resource tonnes being added cost effectively

effectively

- Signed a Memorandum of Understanding ("MOU") with Ecobat Resources Freiberg GmbH ("ERF") with the intention to jointly establish a fully integrated 'mine to metal' value chain in Germany

- Inaugural ESG rating received from Digbee, demonstrating First Tin's commitment to transparent reporting of its performance and progress

Thomas Buenger, Chief Executive Officer, commented:

"2022 has been a year of a strong operational performance for First Tin at both our assets in Australia and Germany. We expect 2023 to be another busy and exciting year for us where we will continue to build on the momentum achieved last year to add further value to our assets.

"This will be achieved through the completion of our DFS at Taronga and the release of updated resources for each project in 2023. We have already gathered a significant amount of data from both, and with no red flags having emerged to date, we remain optimistic for the future.

"Our macro view of the tin market remains bullish with tin spot prices having risen in recent years, with record highs in March 2022 of US$49,000 per tonne. It is clear that the demand for tin will remain strong in the years ahead as the metal continues to be an important component for soldering electronics including semiconductors, solar panels, electronic systems in electric vehicles (EVs) and batteries. These significant drivers, together with a rapid increase in battery production and the rise of big data, are expected to create a material tin deficit from 2025 and we are confident that First Tin remains well positioned to take advantage of this opportunity and become a material tin supplier from its conflict-free and low political risk jurisdictions."

Analyst Presentation

There will be a Zoom webinar for equity analysts at 10:30am BST on the day of results, hosted by Thomas Buenger, CEO. Any analysts wishing to register for the event should email firsttin@secnewgate.co.uk.

Investor Presentation Reminder

Additionally, Thomas Buenger will provide a live presentation for investors via the Investor Meet Company platform at 09:00am BST on the day of results.

The presentation is open to all existing and potential shareholders. Questions can be submitted pre-event via the Investor Meet Company dashboard up until 9:00am the day before the meeting or at any time during the live presentation.

Investors can sign up to Investor Meet Company for free and click "Add to Meet" First Tin via:

https://www.investormeetcompany.com/first-tin-plc/register-investor

Enquiries:

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CHAIRMAN'S STATEMENT

Despite the Company facing strong macro headwinds which included higher inflation rates, supply chain issues, Covid-19 lockdowns in China and the threat of a global recession, I am pleased to report on the strong operational progress that the Company has made during the year ended 31 December 2022, our first as a listed company. First Tin came to market in April 2022, successfully raising £20m to progress its two low capex, high margin tin assets, located in the Tier 1 jurisdictions of Australia (Taronga) and Germany (Tellerhäuser).

With both of the Company's assets having demonstrated compelling economics at today's tin price of US$25,000 in previous independent studies, the Company has rapidly set to work on commencing Definitive Feasibility Studies ("DFS") at each asset to capitalise on the advanced nature of our projects. While we have experienced some minor delays at Tellerhäuser due to issues with our drilling contractor, we have made strong operational progress at Taronga and aim to complete the DFS there by the end of 2023 as previously indicated. During the period under review, First Tin undertook substantial drill programmes at both our assets after a period of over 40 years of inactivity at each project. These have confirmed historical mineralisation at both Taronga and Tellerhäuser, as well proving up extensions to the previously known resources, highlighting the strong potential to increase the overall resource and create exploration upside. Substantial progress has also been made in proving up the mineral processing and final flow sheets at both assets and in developing sustainable solutions for their respective water and power requirements.

Whilst the ongoing macro-economic challenges during the period certainly had a material short term negative impact on the spot tin price, post period end the spot price has started to strengthen again, and with a significant tin deficit anticipated by the International Tin Association (ITA) from 2025 onwards, we are hopeful that higher prices will emerge in future periods. The Company still aims to have both of its assets enter production during this deficit period in order to help mitigate this future supply gap and to take advantage of any increases in the tin price.

The surge in demand for tin in the next decade will be driven by the global transition to clean energy and technological revolutions. Tin remains crucial in the creation of any electronic device found in electric vehicles, computers and control equipment, power transmission and other renewable technologies. In particular, the rise in the solar, battery and big data industries is expected to drive demand. Electric vehicles now amount to 15% of car sales after record sales in 2021 and 2022 and are expected to rise to 60% of sales by 2030. Solar power generation also experienced strong growth at 40% year-on-year, and data storage requirements are expected to increase 10-fold by 2030. It is therefore essential that this demand is met by companies that are dedicated to supplying tin responsibly. Currently, 97% of global tin supply comes from emerging or developing economies, with tin mining in these regions often linked to local conflicts and poor ESG standards and practices. Indeed, most of the world's tin comes from alluvial mining, a highly unsustainable and environmentally damaging practice. Conversely, First Tin is focused on becoming a sustainable, professional, responsible, and regulated tin supplier in conflict-free, low political risk jurisdictions.

During the period under review, it was pleasing to report that Taronga Mines Pty Ltd, an Australian registered, 100% owned subsidiary of First Tin, was awarded a significant grant of A$494,038 by the Government of New South Wales in Australia under its Critical Minerals and High-Tech Metals Activation Fund. The grant reinforces the support and commitment we have from the Government and will help fund the ongoing development on this important tin deposit.

We were also pleased to welcome Nick Mather to the Board as a Non-Executive Director on 30 September 2022. Nick has 40 years' experience in all aspects of resource exploration and brings technical expertise and a track record of successful business development which will be valuable as we focus on achieving the Company's objective of becoming a low-cost tin producer, through exploration and development of our two flagship assets in Germany and Australia.

First Tin's commitment to strong Environmental, Social and Governance (ESG) principles has been at the forefront of our Company since inception, and we remain committed to developing a conflict-free source of tin through sustainable, professional, responsible, and regulated mining. In line with this, in April 2023 (post period end), we signed a partnership agreement with BID Energy Partners, an Australia based energy company specialising in strategy, project development and delivery of renewable energy projects, to provide a feasibility study on renewable energy supply options for Taronga. This workstream is designed to benefit all our stakeholders.

Looking to the future of First Tin, we remain confident in our ability to progress both our assets in Australia and Germany. The global clean energy and technological revolutions and resultant significant future demand for tin, remain an exciting opportunity to First Tin and our ability to deliver a sustainable answer to the global supply shortage, remains our focused objective.

I would like to take this opportunity to thank my fellow Directors, the First Tin team and our shareholders for their ongoing commitment and support as we strive for another busy and successful year ahead.

C Cannon Brookes
Chairman

CHIEF EXECUTIVE OFFICER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

I am pleased to report that 2022 saw First Tin make strong progress in developing both of our assets in Australia and Germany, with the ultimate goal of delivering on a low-capex, value-accretive path to achieve annual tin production of 6,000 tonnes or more.

We have achieved a range of milestones towards this objective since listing on the London Stock Exchange in April 2022 and in just one year have rapidly put the building blocks in place to progress Definitive Feasibility Studies ("DFS") at both of our assets. We also began our fully funded deep drilling operations at Tellerhäuser, Germany and commenced drilling at our Taronga Tin project in Australia, with the intention of expanding the existing resources at each asset.

The period under review has not been without its challenges, with the ongoing war in Ukraine, impact of China's strict Covid-19 lockdowns and fears of a global recession all putting extreme pressure on the spot tin price. However, our assets show robust economics at US$25,000 tin and we have confidence that our production schedule is well aligned with a sustained tin deficit forecast from 2025, which has the potential to create significant price rises.

This deficit is being driven by tin's role as a critical metal, vital for the decarbonisation and electrification of the world. Yet Europe has very little tin supply, particularly from conflict-free jurisdictions such as those in which we operate. Increasing EV uptake and the surge in solar and data centres is driving demand, yet Indonesia, which at 34% is the largest producer of primary tin globally, has stated its intention to reduce non-beneficiated tin metal exports in favour of manufactured tin products, while consumer stocks of tin remain at historical low.

Together, First Tin's assets represent the 5th largest undeveloped tin reserves globally, outside China, Russia, Kazakhstan and the Democratic Republic of Congo. They are located in tier 1 jurisdictions and have been de-risked significantly, with extensive historical work undertaken to date. We intend to deliver a new, ESG compliant source of tin and the solid economics that our assets have already demonstrated (by scoping and pre-feasibility studies) provides the Company with significant leverage to higher tin prices.

Taronga - Australia

Our Taronga project, situated in New South Wales, is a low risk asset in a low risk jurisdiction. Acquired in 2022 by First Tin, it is surrounded by excellent existing infrastructure and benefits from over a century of development and abundant underexplored tin showings, providing major exploration upside potential. Significant exploration work was undertaken by BHP in 1933, 1958, and 1964, and by the Newmont Joint Venture from 1979 to 1983.

Following the commencement of a DFS in August 2022, First Tin began drilling operations just a month later. Diamond drilling was conducted with the aim of confirming historical data by twinning historical holes drilled by Newmont, while RC drilling focused on testing for extensions to the south of Newmont's Southern Zone deposit in order to add tonnage to the Indicated Resources.

Diamond drilling was completed post period end with a total of 1,619m drilled in 12 holes. Pleasingly, the results have confirmed the previous Newmont results with the alignment between First Tin and Newmont's drillholes generally being very good.

RC extension drilling is ongoing, but we were pleased to report in January 2023 that the programme to date has extended the known mineralisation by approximately 400m to the south of the Newmont area and is still open to the south. 2,435m have been completed to date (1,957m of infill and extension drilling completed in 13 drillholes and 478m twin drilling completed in four drillholes) with better results including (downhole widths):

- 41m @ 0.20% Sn from surface

- 22m @ 0.12% Sn from 62m
- 19m @ 0.20% Sn from surface
- 9m @ 0.20% Sn from 133m
- 32m @ 0.28% Sn from 118m
- 33m @ 0.18% Sn from 109m
- 56m @ 0.12% Sn from 5m

The drill rig is now infilling this area with the aim of adding tonnage to the Company's existing Indicated Resource.

Drilling has also been undertaken in an area previously assumed to be barren, in the centre of the Newmont resource area. To date, results have been received for one drillhole which returned several zones of tin mineralisation. This confirms that tin mineralisation continues in this previously assumed barren zone and has enabled a revised geological interpretation of the mineralisation as being semi-continuous across this zone.

As well as drilling for confirmatory and extension purposes, 670m of diamond drilling has been completed for geotechnical purposes and 300m of RC drilling has been completed for ground-water monitoring.

The fully funded DFS continues at pace, and is on track to be completed by the end of 2023. The project is shaping up well, with alternative energy studies highlighting the economic and social licence benefits of using low carbon power generation, in line with our corporate values. In line with this, post period end we were pleased to sign an agreement with BID Energy Partners to provide a feasibility study on renewable energy supply options for the Taronga Tin Project in Australia. Taronga is well placed to take advantage of renewable energy as it is located within the New England Renewable Energy Zone ("REZ"), one of the priority REZs in New South Wales. It has high solar capacity and good wind speed characteristics, and is located very close to a power line.

Our Environmental Impact Study is also progressing positively. We are also advancing mineral processing studies and no red flags have been identified to date. We are pleased to confirm that results so far, underpin our previous hypotheses that most tin will be liberated via a simple coarse crush.

Most data collection is planned to be completed and results received in H1 or early H2, when some major decisions concerning the size and style of operation will be finalised and the Feasibility Study can progress from that point forward with a single option. We look forward to sharing more results as they come to hand.

I am also delighted to note that the New South Wales (NSW) government has shown its support for the project by providing a grant of almost A$0.5M to the project from its Critical Minerals and High-Tech Metals Activation Fund.

Germany

Tellerhäuser

Our Tellerhäuser project is one of the world's most advanced tin deposits. It is located in the tin district of Saxony, which enjoys an exceptionally long history of mining, and has an active Mining Licence for the extraction of mineral resources valid until 30 June 2070. It has major existing infrastructure benefits which ensure that future development capital expenditure will remain low.

A Scoping Study, undertaken in 2021, demonstrated that an operation with a throughput rate of 500,000 tonnes per annum is financially robust with a low projected start-up capital expenditure of US$49 million, which, at US$30,000 per tonne of tin, suggested a Net Present Value ("NPV") of US$264 million (using an 8% discount rate) and an Internal Rate of Return ("IRR") of 58%.

We commenced a DFS in the summer of 2022 and began drilling as part of this. This programme has been focused on adding high grade tin mineralisation from the Dreiberg zone to the Indicated Resources already present at the project, thus enabling it to be used for economic evaluation under JORC guidelines. We successfully intersected high grade tin mineralisation at depth along strike from the known resources at the Tellerhäuser project from each of the four holes drilled, returning the following intercepts:

Drillhole Number	From (m)	To (m)	Interval (m)	Sn (%)	Zn (%)	In (ppm)	Ag (g/t)	Notes
SAXDRE25	794.65	795.30	0.65	0.34	0.74	34.9	11.3	Upper Skarn
and	805.70	807.20	1.50	0.75	1.00	33.2	5.6	Lower Skarn
incl	806.00	806.60	0.60	1.43	1.99	61.5	10.9	0.5% Sn cut-off

incl.	[illegible]	[illegible]	[illegible]	[illegible]	1.99	61.5	10.9	0.5% Sn cut-off
SAXDRE24	810.30	816.20	5.90	0.40	0.74	43.0	5.9	Skarn
incl.	811.60	813.00	1.40	1.26	2.16	130.3	20.0	0.5% Sn cut-off
SAXDRE34	886.60	890.45	3.85	0.63	1.29	58.4	4.5	Skarn/schist
incl.	887.75	889.10	1.35	1.49	0.78	122.1	7.1	0.5% Sn cut-off
SAXDRE31	877.2	880.1	2.90	0.71	0.48	56.4	6.5	Skarn/marble
incl.	877.65	878.60	0.95	2.02	1.39	163.0	18.7	0.5% Sn cut-off

These highly encouraging drilling results have confirmed the skarn horizon is present, continuous and tin mineralised as was previously identified by Wismut over 40 years ago. This suggests that the skarn horizon is continuous for at least 1.5km southeast of the Indicated Resources at Dreiberg and is open to the southeast.

The next Dreiberg hole, the fifth drilled by First Tin, is scheduled to commence in Q2 2023. Should this also prove successful, the programme may be expanded to define additional Indicated Resources in the Dreiberg area.

We are currently in the process of selecting a new drilling contractor due to the poor performance of the previous one which has put the proposed drilling programme behind schedule by around six-months. Unfortunately, this means that the DFS at Tellerhäuser is now targeted to be completed in 2024 instead of end of 2023, as previously expected. However, with the forthcoming tin deficit expected to be of a long-term nature, our project is still well aligned to provide critical supply to meet rising demand.

On a more pleasing note, drilling to date has obtained enough drill core to undertake mineral processing test work from Dreiberg with half of the core from the drillholes being sent to ALS in Burnie, Australia. This will be the first mineral processing testwork conducted on Dreiberg mineralisation in over 40 years and will be useful as variability testwork for the project as a whole.

Another recent pleasing development is the discovery of a considerable amount of additional historical drilling data for the Tellerhäuser project area. Following granting of the Mining Licence in 2021, Saxore was able to request additional historic data, in particular drillholes targeting uranium mineralisation, that were also assayed for tin and other metals.

This data is currently being added to the main database and should result in a more robust resource model and may lead to additional resource tonnes being added very cost effectively. The additional identified data represents an equivalent of around 3,500m of core drilling from surface, 4,500m of core drilling from underground and a number of other channel samples. Based on the new data from the Tellerhäuser drilling programme, plus the additional historical data recently received, we expect to publish an updated JORC compliant Resource Statement for Tellerhäuser in June/July 2023.

While waiting for additional drilling results to be returned and while the new historical drilling data is being analysed, the DFS will continue to progress and will focus on the areas of mineral processing as well as investigating optimal mining methods, mine access and environmental studies. All these activities are well financed until end of 2023. A potential adjusted and extended drilling programme for Tellerhäuser based on the results of the updated Resource Statement may require further funding beyond the existing budget.

Furthermore, post period end we received good news in respect to the permitting process at Tellerhäuser, with the Saxonian Mining Authority confirming the asset's eligibility to move straight to the construction and operational permitting process. This reduces the overall permitting timeframe by a period of up to 12-18 months. This decision was made due to the minimal environmental footprint that the project is anticipated to have throughout both the construction and production phases.

Gottesberg

During the period, we also commenced drilling at our Gottesberg project, which we believe represents a possible satellite orebody development for processing at Tellerhäuser, due to its close proximity. A historical project of historic significance, it has an existing JORC resource of 42.1Mt grading 0.27% Sn (114,000t tin).

16 holes have been drilled for a total length of 2080.5m across seven drill sites in the project area, and we have been pleased with the results to date, which have confirmed a higher-grade section within the existing resource. This has validated the Board's belief that a higher-grade core exists within the large but moderate grade deposit. Of particular note was a high-grade intercept of 73.3m @ 0.49% tin from 91.7m which included 15.6m @ 0.74% tin from 149.4m.

MOU with ERF

During the period, First Tin signed a non-binding Memorandum of Understanding ("MOU") with Ecobat Resources Freiberg GmbH ("ERF"), a market leader in the collection, recycling, production, and distribution of resources for battery systems. Our intention is to jointly establish a fully integrated 'mine to metal' value chain in Germany, which is closely aligned with our strategy to provide a fully traceable, ESG compliant supply of tin to Germany and the EU from conflict-free locations.

ESG

First Tin is committed to provide an ethically sourced supply of tin through sustainable, professional, responsible, and regulated mining. Our priorities remain to minimize our CO2 footprint from an early stage by utilising renewable energy and by using electrification options wherever possible for future mine equipment. We focus on safety as one of the Company's core values and aim for a fatality, injury and illness free workplace.

The Company will also try to minimise its environmental footprint through identification and implementation of "leave-no-trace solutions" wherever possible and will operate in an ethical and respectful way that is built on a transparent relationship with local communities and their culture and laws. Wherever possible First Tin will source goods and hire employees locally and will plan to leave a positive legacy on its local environment.

During the period under review, First Tin received its inaugural environmental, social and governance (ESG) rating from Digbee. Digbee is a leading independent assessment platform for ESG disclosure in the mining industry. Based on ESG achievements in the Company's first six months of operations since listing on the London Stock Exchange in April 2022, First Tin achieved an overall rating of BB.

The Digbee ESG assessment is a further demonstration of our commitment to transparent reporting of our performance and progress as we work to achieve the highest levels of ESG compliance and practice across our operations.

Finance Review

In respect of the financial results, First Tin posted a comprehensive loss for the period of £3.1m and ended the period with a healthy cash position of £13.8m and a net asset value of £41.8m. Expenditure during the period was primarily focussed on drilling activities and other DFS related costs as well as on strategic land and property acquisitions. The Company believes that it has adequate cash resources to fund its operating activities throughout 2023 allowing it to deliver a DFS study at Taronga in late 2023 while at the same time advancing the DFS work currently ongoing at Tellerhäuser.

Outlook

2022 has been a year of a strong operational performance for First Tin at both our assets in Australia and Germany. We expect 2023 to be another busy and exciting year for us where we will continue to build on the momentum achieved last year to add further value to our assets.

This will be achieved through the completion of our DFS at Taronga and the delivery of updated resources for each project in 2023. We have already gathered a significant amount of data from both, and with no red flags having emerged to date, we remain optimistic for the future.

Our macro view of the tin market remains bullish with tin spot prices having risen in recent years, with record highs in March 2022 of US$49,000 per tonne. It is clear that the demand for tin will remain strong in the years ahead as the metal continues to be an important component for soldering electronics including semiconductors, solar panels, electronic systems in electric vehicles (EVs) and batteries. These significant drivers, together with a rapid increase in battery production and the rise of big data, are expected to create a material tin deficit from 2025 and we are confident that First Tin remains well positioned to take advantage of this opportunity and become a material tin supplier from its conflict-free and low political risk jurisdictions.

We have the right strategy and business model to unlock the significant value potential of our tin assets and pursue our purpose to develop a sustainable tin mining company to generate a long-term value for all our stakeholders.

Mr. T Buenger
Chief Executive Officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Administrative expenses		**(3,240,389)**	(1,321,977)
Operating loss	6	**(3,240,389)**	(1,321,977)
Other gains and losses	8	**-**	167,795
Finance costs	9	**(2,557)**	(58,495)
Loss before tax		**(3,242,946)**	(1,212,677)
Income tax expense	10	**-**	-
Loss for the year		**(3,242,946)**	(1,212,677)
Other comprehensive income/(loss)			
Exchange differences on translation of foreign operations		**118,937**	(117,093)
Changes in the fair value of equity instruments at fair value	8	**-**	(582,750)
Other comprehensive income/(loss) for the year		**118,937**	(699,843) (699,843)
Total comprehensive loss for the year		**(3,124,009)**	(1,912,520)
Total comprehensive loss attributable to the equity holders of the company		**(3,124,009)**	(1,912,520)
Basic loss - pence per share	11	**(1.40)**	(1.02)
Diluted loss - pence per share	11	**(1.40)**	(1.02)

The Notes form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £

	Note		
Non-current assets			
Intangible assets	13	**27,367,552**	3,380,913
Investments	14	**-**	1,543,670
Property, plant and equipment	15	**1,589,748**	28,851
		28,957,300	4,953,434
Current assets			
Trade and other receivables	16	**808,711**	413,620
Cash and cash equivalents		**13,823,173**	2,503,714
		14,631,884	2,917,334
Current liabilities			
Trade and other payables	17	**(1,805,298)**	(301,452)
Net current assets		**12,826,586**	2,615,882
Total assets less current liabilities		**41,783,886**	7,569,316
Net assets		**41,783,866**	7,569,316
Capital and reserves			
Called up share capital	21	**265,535**	138,868
Share premium account	21	**18,391,046**	17,931,296
Merger relief reserve	22	**17,940,000**	-
Warrant reserve	22	**269,138**	95,372
Retained earnings	22	**4,887,594**	(10,507,856)
Translation reserve	22	**30,573**	(88,364)
Shareholders' funds		**41,783,886**	7,569,316

The Notes form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital £	Share premium £	Merger relief reserve £	Warrant reserve £	Retained earnings £	Translati reser
At 1 January 2022	**138,868**	**17,931,296**	**-**	**95,372**	**(10,507,856)**	**(88,3**
Loss for the year	-	-	-	-	(3,242,946)	
Other comprehensive loss for the year	-	-	-	-	-	118,9
Total comprehensive loss for the year	**-**	**-**	**-**	**-**	**(3,242,946)**	**118,9**
Transactions with owners:						

Capital reduction	-	(17,931,296)	-	-	17,931,296	
Issuance of shares (net of issuance costs)	66,667	18,564,812	-	-	-	
Shares issued to acquire Taronga	60,000	-	17,940,000	-	-	
Share-based payments	-	(173,766)	-	173,766	707,100	
Total transactions with owners	**126,667**	**459,750**	**17,940,000**	**173,766**	**18,638,396**	
At 31 December 2022	**265,535**	**18,391,046**	**17,940,000**	**269,138**	**4,887,594**	**30,5**

	Share capital	Share premium	Shares to be issued	Warrant reserve	Retained earnings	Transl res
	£	£	£	£	£	
At 1 January 2021	**70,177**	**10,264,409**	**50,411**	**-**	**(8,861,429)**	**2**
Loss for the year	-	-	-	-	(1,212,677)	
Other comprehensive loss for the year	-	-	-	-	(582,750)	(117
Total comprehensive loss for the year	**-**	**-**	**-**	**-**	**(1,795,427)**	**(117**
Transactions with owners:						
Accrued interest on convertible loan notes	-	-	54,247	-	-	
Issuance of shares	68,691	7,747,650	(104,658)	-	-	
Share based payments	-	(80,763)	-	95,372	149,000	
Total transactions with owners	**68,691**	**7,666,887**	**(50,411)**	**95,372**	**149,000**	
At 31 December 2021	**138,868**	**17,931,296**	**-**	**95,372**	**(10,507,856)**	**(88**

The Notes form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash flows from operating activities		
Operating loss	**(3,240,389)**	(1,321,977)
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation of tangible assets	**20,597**	8,845
Share-based payment expense	**707,100**	163,609
Increase in trade and other receivables	**(357,635)**	(317,770)
Increase in trade and other payables	**1,503,846**	113,731
Cash used in operations	**(1,366,481)**	(1,353,562)
Interest paid	**(2,557)**	(4,248)
Net cash flows used in operating activities	**(1,369,038)**	(1,357,810)
Cash flows from investing activities		
Purchase of intangible fixed assets	**(5,288,557)**	(588,255)
Purchase of property, plant and equipment	**(600,907)**	(28,165)
Initial consideration to acquire Taronga	**-**	(734,182)
Loan advanced to Taronga	**-**	(813,762)
Proceeds from sale of investment	**-**	333,000
Cash acquired on acquisition of Taronga	**102**	-
Net cash flows used in investing activities	**(5,889,362)**	(1,831,364)
Cash flows from financing activities		
Proceeds from issue of shares	**19,000,000**	5,601,000
Share issuance costs	**(368,521)**	-
Interest paid in respect of convertible loans	**-**	(200,000)
Net cash flows generated from financing activities	**18,631,479**	5,401,000
Net increase in cash	**11,373,079**	2,211,826
Cash and cash equivalents at beginning of year	**2,503,714**	245,740
Exchange loss on cash and cash equivalents	**(53,620)**	46,148
Cash at the end of period	**13,823,173**	2,503,714

As disclosed in Note 19 and Note 12, the material non-cash transactions relate to the issue of new shares as part of the consideration to acquire Taronga Mines Pty Ltd ("Taronga") and the settlement of broker commission.

The Notes form an integral part of these Consolidated Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. General Information

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

On 15 March 2022 the Company re-registered as a public company in the name of First Tin Plc.

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

2. Presentation of financial statements

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

3. Significant accounting policies

3.1 Basis of preparation

These financial statements have been prepared on the going concern basis in accordance with International Financial Reporting Standards as adopted by the UK and the requirements of the Companies Act 2006. The financial statements have been prepared on a historical cost basis.

3.2 Going concern

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

During the year the Company's shares were admitted to trading on the London Stock Exchange raising equity of £20 million. At 31 December 2022, the Group had cash of £13.8 million (2021: £2.5 million).

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

It is anticipated that additional capital will need to be raised by the end of the second quarter of 2024 in order to continue to fund the Group's activities at their planned levels beyond this date. This represents a material uncertainty that may cast significant doubt the Group's and Company's ability to continue as a going concern. However, the Directors have a reasonable expectation that this uncertainty can be managed to a successful outcome, and based on that assessment, the Group and Company will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, these financial statements have been prepared on the going concern basis.

The financial statements do not reflect any adjustments that would be required to be made if they were to be prepared on a basis other than the going concern basis.

3.3 Basis of consolidation

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

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

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

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

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

3.4 Intangible assets other than goodwill

Exploration and evaluation assets

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

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

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

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

3.5 Property, plant and equipment

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

Land and buildings	Land is not depreciated
Motor vehicles	3 years
Fixtures and fittings	3 - 15 years

3.6 Impairment of non-financial assets

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

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

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

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

3.7 Segment reporting

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

3.8 Cash and cash equivalents

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

3.9 Financial assets

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

Financial assets are classified into specified categories. The classification depends on the

Group's business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are initially measured at fair value plus transaction costs.

Loans and receivables

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

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

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

Impairment of financial assets

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

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

Derecognition of financial assets

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

3.10 Financial liabilities

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

Other financial liabilities

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

Derecognition of financial liabilities

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

3.11 Equity instruments

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

3.12 Taxation

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

Current tax

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

Deferred tax

Deferred tax

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

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

3.13 Foreign exchange

Functional and presentation currency

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

Transactions and balances

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

Group companies

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

3.14 Leases

The Directors assess whether a Group's contract is, or contains, a lease at inception of the contract. Payments associated with short-term leases or leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease-term of 12 months or less without a purchase option.

3.15 Share-based payments

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

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

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

3.16 New and amended standards adopted by the Group

The Group has applied the following amendments for the first time for the annual reporting period commencing 1 January 2022:

- *Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16*
- *Onerous Contracts - Cost of Fulfilling a Contract - Amendments to IAS 37*
- *Annual Improvements to IFRS Standards 2018-2020; and*
- *Reference to the Conceptual Framework - Amendments to IFRS 3.*

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

3.17 New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

4. Critical accounting estimates and judgements

The preparation of the Group's financial statements under IFRS requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

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

Recoverability of intangible exploration and evaluation assets

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

Acquisition of Taronga

On 8 April 2022, the Company acquired the entire issued share capital of Taronga Mines Pty Limited. The Company acquired a collection of assets comprising some property and exploration equipment and the Taronga exploration and evaluation assets. The Company evaluated the acquisition to determine whether it met the definition of a business in accordance with IFRS 3 and concluded that since there were no processes or outputs present at the time of acquisition, it did not gain control of an integrated set of assets and therefore the acquisition was that of a group of assets and not of a business.

5. Segmental analysis

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

The Group also analyses and measures its performance into geographic regions, specifically Germany and Australia.

Non-current assets by region are summarised below:

	2022	2021
	£	£
Germany	**6,824,224**	3,409,764
Australia	**22,133,076**	1,543,670
	28,957,300	4,953,434

6. Operating loss

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

	2022 £	2021 £
At 1 January 2021 Additions Currency translation At 31 December 2021		
Depreciation	**20,597**	8,845
Expenses relating to short-term leases	**90,914**	44,586
Share-based payment expense (Note 12)	**707,100**	14,609
IPO and acquisition related costs	**737,040**	-
Auditor's renumeration:		
Fees payable to the Company's auditor for the audit of the Company and consolidated financial statements	**62,000**	35,000
Fees payable to the Company's auditor for		
Other services: Other transaction work	**218,000**	130,800
Review of interim accounts	**5,500**	-
Amounts reclassified as prepayments	**-**	(130,800)
Total auditor's renumeration	**285,500**	35,000

7. Staff costs and Director's renumeration

	2022 £	2021 £
At 1 January 2021 Additions Currency translation At 31 December 2021		
Wages and salaries	**1,124,086**	309,857
Social security costs	**104,671**	52,298
Pension costs	**36,683**	-
	1,265,440	362,155
Amount capitalised as intangible asset	**(791,342)**	(117,548)
Total staff cost recognised in the profit and loss	**474,098**	244,607

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

	2022 No.	2021 No.
At 1 January 2021 Additions Currency translation At 31 December 2021		
Management and administration	**11**	3
Geology and environment	**12**	3
Average number of staff employed by the Group	**23**	6

Directors' remuneration and fees are disclosed in the Directors' Remuneration Report. The Directors are regarded as the key management personnel regarded as the key management personnel.

8. Other gains and losses

	2022 £	2021 £
At 1 January 2021		
Additions		
Currency translation		
At 31 December 2021		
Gain on fair value of conversion option	**-**	167,795

In 2021 the Group disposed of an equity investment in Panthera Resources Plc, a company listed on the AIM market of the London Stock Exchange. The loss on disposal of £582,750 was recognised in other comprehensive income.

9. Finance costs

	2022 £	2021 £
At 1 January 2021		
Additions		
Currency translation		
At 31 December 2021		
Interest on convertible loan notes	**-**	54,247
Bank charges and other finance costs	**2,557**	4,248
	2,557	58,495

10. Income tax expense

	2022 £	2021 £
At 1 January 2021		
Additions		
Currency translation		
At 31 December 2021		
Current tax	**-**	-
Deferred tax	**-**	-
	-	-

	2022 £	2021 £
At 1 January 2021		
Additions		
Currency translation		
At 31 December 2021		
Loss before taxation on continued operations	**(3,242,946)**	(1,212,677)
Loss on before taxation multiplied by standard rate of UK corporation tax of 19% (2021 - 19%)	**(616,159)**	(230,409)
Difference in overseas tax rate	**(174,737)**	(61,154)
Expenses not deductible for tax	**257,155**	31,519
Effect of tax losses not recognised as deferred tax assets	**533,741**	260,044
Total tax charge for the year	**-**	-

The Group has tax losses carried forward of approximately £12.3 million (2021: £7.4 million). The unutilised tax losses have not been recognised as a deferred tax asset due to uncertainty over the timing of future profits and gains.

An increase in the UK corporation tax rate from 19% to 25% for the financial year beginning 1 April 2023 was substantively enacted on 24 May 2021.

11. Loss per Ordinary share

	2022	2021
Loss for the period attributable to the ordinary equity holders of the Company (£)	(3,242,946)	(1,212,677)
Basic loss per Ordinary share		
Weighted average number of Ordinary shares in issue	231,872,871	118,813,650
Basic loss per Ordinary share (pence)	(1.40)	(1.02)
Diluted loss per Ordinary share		
Weighted average number of Ordinary shares in issue	232,112,833	122,593,003
Diluted loss per Ordinary share (pence)	(1.40)	(1.02)

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

12. Share-based payments

Share options and warrants

The Group adopted the First Tin Option Plan ("FT Option Plan"), effective from 8 April 2022. In addition to the FT Option Plan the Group as certain outstanding warrants and options issued under previous schemes.

The options issued under previous schemes vest 7 business days after the grant date, have an exercise price of 13p and, if they remain unexercised after 4 years, they expire. If the employees leave the Company, the options expire 90 days after their leaving date.

The options issued under the FT Option Plan vested on admission to the London Stock Exchange and are exercisable for periods between 2 and 3 years from issue.

	No. of options 2022	No. of options 2021	**No. of warrants 2022**	No. of warrants 2021
Outstanding at beginning of period	**1,560,000**	2,210,000	**3,168,000**	2,407,048
Granted during the period	**8,500,000**	-	**2,500,000**	3,168,000
Expired during the period	**-**	(650,000)	**-**	(2,407,048)
Outstanding at the end of the period	**10,060,000**	1,560,000	**5,668,000**	3,168,000
Exercisable at the end of the period	**10,060,000**	1,560,000	**5,668,000**	3,168,000
Weighted average exercise price (pence)	**30**	13	**26**	20

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant date	Expiry date	Exercise price pence	No. of Options 2022	No. of Options 2021
4 March 2019	4 March 2023	13	**1,560,000**	1,560,000
6 April 2022	5 April 2025	33	**8,500,000**	-
			10,060,000	1,560,000
Weighted average remaining contractual life of options outstanding at the end of the year			**1.94**	1.17

Warrants outstanding at the end of the year have the following expiry dates and exercise prices:

Grant date	Expiry date	Exercise price pence	No. of Options 2022	No. of Options 2021
27 April 2021	9 April 2024	20	**2,668,000**	2,668,000
29 June 2021	9 April 2024	20	**500,000**	500,000
29 March 2022	6 April 2024	33	**2,500,000**	-
			5,668,000	3,168,000
Weighted average remaining contractual life of options outstanding at the end of the year			**1.27**	2.27

12. Share-based payments (continued)

Share options and warrants (continued)

Fair value of options granted

The assessed fair value at the grant date of options granted during the year ended 31 December 2022 was £0.08 per option. The fair value at grant date is determined using the Black-Scholes model, which takes into account the following inputs:

	2022	2021
Grant date	8 April 2022	-
Exercise price	33 pence	-
Market value at grant date	30 pence	-
Expected term	3 years	-
Volatility	44%	-
Risk free rate	1.5%	-

The volatility is calculated based upon the volatilities of peer group companies since there is insufficient historic data available for the Group.

Fair value of warrants granted

The Group issued 2,500,000 warrants (2021 - 3,168,000) at an exercise price of 33 pence, exercisable over a period of two years from the date of grant. The fair value was calculated at £173,766 (2021 - £80,763). The fair value was determined using the Black-Scholes model, with the following inputs: market value at grant date of 30 pence, expected term of 2 years, volatility of 46% and risk free rate of 1.4%.

Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period were as follows:

	2022 £	2021 £
Recognised in profit or loss:		
Options issued to Directors under the FT Option Plan	**582,317**	-
Options issued to staff and consultants under the FT Option Plan	**124,783**	-
Warrants issued to consultants	**-**	14,609
	707,100	14,609
Recognised against share premium:		
Warrants issued in respect of broker services	**173,766**	80,763
Shares issued in settlement of broker commission	**1,000,000**	-
	1,173,766	80,763
	1,880,766	95,372

13. Intangible assets

	Exploration and evaluation assets £
Cost	
At 1 January 2021	
Additions	
Currency translation	
At 31 December 2021	
At 1 January 2021	2,950,227
Additions	588,255
Currency translation	(157,569)
At 31 December 2021	3,380,913
Additions	**5,288,557**
Acquisition of Taronga (Note 19)	**18,558,503**
Currency translation	**139,579**
At 31 December 2022	**27,367,552**

The intangible assets relate to the Tellerhäuser and Taronga tin projects located in southern Saxony in the east of Germany and Australia, respectively.

The Directors assess for impairment when facts and circumstances suggest that the carrying amount of an Exploration and evaluation ("E&E") asset may exceed its recoverable amount. In making this assessment, the Directors have regard to the facts and circumstances noted in IFRS 6 paragraph 20. In performing their assessment of each of these factors, at 31 December 2022, the Directors have:

a) reviewed the time period that the Group has the right to explore the area and noted no instances of expiration, or licences that are expected to expire in the near future and not be renewed;
b) determined that further E&E expenditure is either budgeted or planned for all licences;
c) not decided to discontinue exploration activity due to there being a lack of quantifiable mineral resource; and
d) not identified any instances where sufficient data exists to indicate that there are licences where the E&E spend is unlikely to be recovered from successful development or sale.

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

14. Investments

	2022	2021
	£	£
Investment deposit	**-**	734,182
Long-term receivables	**-**	809,488
	-	1,543,670

In November 2021, the Company entered into a Sale and Purchase Agreement with Aus Tin, the parent entity of Taronga, to acquire the entire share capital of Taronga for an initial cash consideration of £734,182 (AUD$1,350,000) followed by the issue of 60,000,000 ordinary shares of the Company on completion. The acquisition was subject to a number of conditions including the Company's share capital being admitted to trading on the main market of the London Stock Exchange and completing a capital raising of £20 million by no later than 30 June 2022. The Company also provided an unsecured, interest free loan to Taronga to the value of £813,762 (AUD$1,505,000) as working capital. The acquisition was completed on 8 April 2022 as disclosed further in Note 19.

No provision for impairment was recognised as at 31 December 2022 or 2021.

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

Name of company	**Place of operation**	**Principal activity**	**Shareholding**
Saxore Bergbau GmbH ("Saxore") (incorporated in Germany)	Platz der Oktoberopfer 1A 09599 Freiberg Germany	Mineral exploration	100%
Taronga Mines Pty Ltd (incorporated in Australia)	2 Glen Innes Road, Emmaville, NSW 2371 Australia	Mineral exploration	100%
First Tin Australia Pty Ltd (incorporated in Australia)	2 Glen Innes Road, Emmaville, NSW 2371 Australia	Dormant	100%

15. Property, plant and equipment

	Land & Buildings	**Motor Vehicles**	**Fixtures & Fittings**	**Total**
	£	**£**	**£**	**£**
Cost				
At 1 January 2021	**-**	**15,550**	**41,957**	**57,507**
Additions	**-**	**24,842**	**3,323**	**28,165**
Currency translation	**-**	**(1,589)**	**(7,483)**	**(9,072)**
At 31 December 2021	**-**	**38,803**	**37,797**	**76,600**
Additions	**415,220**	**110,583**	**75,104**	**600,907**
Acquisition of Taronga (Note 19)	**965,939**	**-**	**34,202**	**1,000,141**
Currency translation	**(21,179)**	**1,658**	**3,119**	**(16,402)**
At 31 December 2022	**1,359,980**	**151,044**	**150,222**	**1,661,246**

At 31 December 2022	**1,359,980**	**151,044**	**150,222**	**1,661,246**
Depreciation				
At 1 January 2021	**-**	**13,518**	**33,059**	**46,577**
Charge for year	**-**	**4,811**	**4,034**	**8,845**
Currency translation	**-**	**(762)**	**(6,911)**	**(7,673)**
At 31 December 2021	**-**	**17,567**	**30,182**	**47,749**
Charge for year	**-**	**9,334**	**11,263**	**20,597**
Currency translation	**-**	**1,160**	**1,992**	**3,152**
At 31 December 2022	**-**	**28,061**	**43,437**	**71,498**
Net book value				
At 31 December 2022	**1,359,980**	**122,983**	**106,785**	**1,589,748**
At 31 December 2021	-	21,236	7,615	28,851

16. Trade and other receivables

	2022	2021
	£	£
Prepayments and other receivables	**386,287**	311,549
Recoverable value added taxes	**422,424**	102,071
	808,711	413,620

17. Trade and other payables

	2022	2021
	£	£
Trade payables	**761,512**	210,521
Accruals	**949,004**	79,449
Other payables	**94,782**	11,482
	1,805,298	301,452

18. Financial instruments

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

Financial assets

	2022	2021
	£	£
Measured at amortised cost		
Cash and cash equivalents	**13,823,173**	2,503,714
Trade and other receivables	**52,428**	67,736
	13,875,601	2,571,450

Financial liabilities

	2022	2021
	£	£
Liabilities measured at amortised cost		
Trade and other payables	**1,805,298**	301,452

All financial assets and liabilities are due within one year.

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

Market risk

Market risk is the risk that the fair value of future cash flows will fluctuate because of changes in market price. This risk is primarily comprised of interest risk and foreign currency risk.

Foreign currency risk management

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

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities as at 31 December 2022 is as follows:

	2022	2021
	£	£
Australian dollars		
Long-term receivables	**-**	809,488
Cash balances	**5,616,478**	-
	5,616,478	809,488

	2022	2021
	£	£
Euro		
Cash balances	**4,973,867**	-

As at 31 December 2022, if all foreign currencies in which the Group transacts, had strengthened or weakened by 10% against pound sterling with all other variables held constant, post-tax loss for the year would have increased/(decreased) by:

	2022	2021
	£	£
Strengthened by 10% increase in post-tax loss	**962,765**	75,583
Weakened by 10% decrease in post-tax loss	**(1,176,716)**	(89,932)

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

Credit risk

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

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

The concentration of the Group's credit risk is considered by counterparty, geography and currency. The Group does not have any significant concentrations of credit risk at the reporting date related to external third parties.

As at 31 December 2022, the Group held no collateral as security against any financial asset. No financial assets were past their due date and there were no problems with the credit quality of any financial assets in the year. As a result, there has been no impairment of financial assets during the year.

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

The Group recognises a loss allowance for expected credit losses in debt instruments at each reporting date. As at 31 December 2022 and 2021, no impairment was recognised.

Liquidity risk

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

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

	2022	2021
	£	£
Due within 1 month		
Trade and other payables	**1,805,298**	301,452

Fair values

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

Capital management

For the purposes of capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Directors' capital management is to ensure that the Group will be able to continue as a going concern while sustaining the future development of the business.

19. Acquisition of subsidiary

On 8 April 2022, First Tin Plc acquired 100% of the share capital of Taronga Mines Pty Ltd ("Taronga") in exchange for a combination of cash, shares in First Tin Plc and assumption of the liability due to First Tin Plc. The assets were acquired in line with the Company's aim of being able to deliver a sustainable answer to the material supply issues faced by industrial tin consumers. The acquisition has been accounted for as an asset acquisition, with the cost of the group of assets and liabilities allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase.

Total consideration transferred as part of the acquisition was:

Total consideration transferred as part of the acquisition was:

	Fair value £
Consideration	
Total cash transferred	**734,182**
Shares transferred (60,000,000 shares at 30p)	**18,000,000**
Assumption of liability due to First Tin Plc	**862,020**
	19,596,202

The fair value of the 60,000,000 shares issued as part of the consideration paid for Taronga of £18 million was based on the Company's share price of 30 pence per share as at 8 April 2022.

The total consideration has been allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase as follows:

	Fair value £
Recognised amounts of assets acquired and liabilities assumed	
Property, plant and equipment - plant and machinery	**34,202**
Property, plant and equipment - land and buildings	**965,939**
Intangibles - exploration and evaluation assets	**18,558,503**
Cash balances	**102**
Other current assets	**37,456**
Total identifiable net assets	**19,596,202**

The loss reported by Taronga Mines Pty Ltd included in the consolidated statement of comprehensive income for the period is £376,101. There would have been no material difference to the consolidated loss for the year if the acquisition had occurred on 1 January 2022.

20. Related party transactions

Directors' remuneration and fees

Directors' remuneration and fees are disclosed in the Directors' Remuneration Report.

Other fees and transactions

Mr C Cannon Brookes was a director of Arlington Group Asset Management Limited ("Arlington") for the reporting period. During the year, Arlington invoiced and was paid £876,004 (2021: £420,499 in respect of fund-raising commissions and expenses, financial advisory fees and director's fees.

Mr M E Thompson and Mr S L Fabian were directors of Tungsten West Plc ("Tungsten") for the reporting period. During the year, Tungsten invoiced and was paid £nil (2021: £8,000) in respect of shared office rental charges.

Mr M E Thompson was a director of Treliver Minerals Trustees Limited ("Treliver") for the reporting period. During 2021, Treliver repaid an unsecured interest free loan of £69,818. At 31 December 2022 £nil (2021: £nil) was owed to the Group.

21. Share capital and share premium

	2022	2021
	£	£
Allotted, called up and fully paid share capital		
265,534,972 (2021: 138,868,305) Ordinary shares of £0.001 each	**265,535**	138,868

Movements in ordinary shares

	No. of	Share	Share	

	shares	Capital	premium	Total
		£	£	£
Opening balance at 1 January 2021	70,176,522	**70,177**	**10,264,409**	**10,334,586**
Shares issued on conversion of loan notes	27,691,781	**27,691**	**2,187,651**	**2,215,342**
Shares issued as part of fundraising	40,000,002	**40,000**	**5,960,000**	**6,000,000**
Shares issued to T Buenger under the terms of his CEO contract	1,000,000	**1,000**	**-**	**1,000**
	138,868,305	**138,868**	**18,412,060**	**18,550,928**
Less: issuance costs			**(400,001)**	**(400,001)**
Less: warrant expense	-	**-**	**(80,763)**	**(80,763)**
Opening balance at 1 January 2022	138,868,305	**138,868**	**17,931,296**	**18,070,164**
Shares issued on IPO	66,666,667	**66,667**	**19,933,333**	**20,000,000**
Shares issued to acquire Taronga	60,000,000	**60,000**	**-**	**60,000**
	265,534,972	**265,535**	**37,864,629**	**38,130,164**
Less: issuance costs settled in shares	-	**-**	**(1,000,000)**	**(1,000,000)**
Less: issuance costs settled in cash	-	**-**	**(368,521)**	**(368,521)**
Less: warrant expense	-	**-**	**(173,766)**	**(173,766)**
Less: capital reduction	-	**-**	**(17,931,296)**	**(17,931,296)**
Closing balance at 31 December 2022	265,534,972	**265,535**	**18,391,046**	**18,656,581**

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

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

On 8 April 2022 the Company issued 66,666,667 Ordinary shares of £0.001 each at 30 pence per share under the terms of its Initial Public Offering.

On 8 April 2023 the Company issued 60,000,000 Ordinary shares of £0.001 each at 30 pence per share as part of the consideration for the acquisition of Taronga (see Note 19).

22. Reserves

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

The merger reserve is used to hold the premium on share issued to acquire subsidiaries where merger relief applies under Section 612, Companies Act 2006.

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

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

23. Net debt reconciliation

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

	2022	2021
	£	£
Cash and cash equivalents	**13,823,173**	2,503,714
Net funds	**13,823,173**	2,503,714

Net funds	13,823,173	2,503,714

	Cash and cash equivalents £	Convertible Loan note £	Total £
Net funds			
At 1 January 2021	**245,740**	**(2,478,479)**	**(2,232,739)**
Cash flows	**2,211,826**	**-**	**2,211,826**
Currency translation	**46,148**	**-**	**46,148**
Movement in fair value	**-**	**781,955**	**781,955**
Shares issued on redemption of loan	**-**	**1,696,524**	**1,696,524**
At 31 December 2021	**2,503,714**	**-**	**2,503,714**
Cash flows	**11,371,009**	**-**	**11,371,009**
Currency translation	**(51,550)**	**-**	**(51,550)**
At 31 December 2022	**13,823,173**	**-**	**13,823,173**

24. Ultimate controlling party

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

25. Events after the reporting period

There have been no material events to report since the year end.

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