



**TMK ENERGY LIMITED**  
**(formerly Tamaska Oil & Gas)**

**ANNUAL REPORT**  
For the year ended 30 June 2022

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## Corporate Directory

<b>Directors</b>	Brett Lawrence – Non Executive Director Gema Gerelsaikhan – Non Executive Director Tim Wise – Non Executive Director Stuart Baker – Non Executive Director
<b>Chief Executive Officer</b>	Brendan Stats
<b>Company Secretary</b>	Dougal Ferguson
<b>Registered &amp; Head Office</b>	1202 Hay Street West Perth WA 6005 Telephone: + 61 8 6319 1900
<b>Mongolian Office</b>	Level 9, Niislel, 15 <sup>th</sup> Khoroo Buyanzurkh District, Ulaanbaatar
<b>Auditors</b>	BDO Audit (WA) Pty Ltd Level 9, Mia Yellagonga Tower 2, 5 Spring St, Perth WA 6000
<b>Solicitors</b>	Steinepreis Paganin Level 4, The Read Buildings 16 Milligan Street Perth WA 6000
<b>Website Address</b>	<a href="http://www.tmkenergy.com.au">www.tmkenergy.com.au</a>
<b>Stock Exchange Listings</b>	TMK Energy Ltd securities are listed on the Australian Stock Exchange under the code TMK
<b>Share Registry</b>	Automatic Registry Services Level 2, 267 St Georges Terrace Perth WA 6000 Telephone: +61 8 9324 2099 Facsimile: + 61 8 9321 2337

## Directors' Report

### Review of Operations

#### Corporate Activities

During the year ended 30 June 2022, there was a significant change in the state of affairs of TMK Energy Limited (TMK or the Company) and the consolidated entity (the "Group") with the acquisition of Telmen Energy Limited (Telmen). Telmen holds a 100% interest in the Gurvantes XXXV Coal Seam Gas Project in the South Gobi Desert in Mongolia.

The acquisition of Telmen was announced on 16 December 2021 and was subsequently approved by shareholders on 11 February 2022 with the acquisition completing on 15 February 2022.

The acquisition consisted of the issue of securities (Consideration Securities) to the shareholders of Telmen. The Consideration Securities consisted of fully paid shares and performance shares, with the performance hurdles being linked to the Gurvantes XXXV Coal Seam Gas Project (the Project). The total Consideration Securities issued were as follows:

- 1,600,000,000 fully paid ordinary shares;
- 600,000,000 Class A Performance Shares;
- 600,000,000 Class B Performance Shares; and
- 400,000,000 Class C Performance Shares.

The Performance Share Vesting Conditions are as follows:

- Class A: 600,000,000 performance shares shall vest and be convertible into fully paid ordinary shares upon both of the following occurring: (i) the volume weighted average price of TMK shares being equal or greater than 2 cents for 20 trading days; and (ii) commencement of a drilling program within the Gurvantes XXXV Project area within 3 years from the date of issue;
- Class B: 600,000,000 performance shares shall vest and be convertible into fully paid ordinary shares upon either: (i) intersection of 25m of coal seams in any 2 of the first 4 wells within the Gurvantes XXXV Project area; or (ii) 100 billion cubic feet (bcf) of 2C (best estimate contingent resource) Petroleum Resources Management System (PRMS) compliant resource within five years from date of issue; and
- Class C: 400,000,000 performance shares shall vest and be convertible into fully paid ordinary shares upon 100 bcf 2C PRMS resource within the Gurvantes XXXV Project area within five years from date of issue.

On 9 June 2022, the Class B Performance Hurdle was met, and this class of Performance Shares converted into fully paid ordinary shares. Class A and Class C performance hurdles have not been met as at the date of this report.

On 15 February 2022, the Company received firm commitments to raise \$1,960,000 (before costs) by way of the issue of 245,000,000 fully paid shares each at an issue price of \$0.008, with Chieftain Securities acting as lead manager for the raising (Capital Raising). Chieftain was paid fees of 5% of the funds raised and receive an introduction fee of 50 million fully paid shares and 75 million options to acquire TMK shares exercisable at \$0.008 per option on or after the date that the volume weighted average price of TMK shares over 20 consecutive trading days is at least \$0.02 expiring 3 years from the date of issue.

The Company also issued 210,000,000 Performance Rights to the management and certain directors of the Company which have the same performance hurdles as the Performance Shares noted above.

Further details on the acquisition are provided below.

TMK's capital structure as at the date of this Directors' Report is summarised as:

Security	Price	Number on Issue
Ordinary Shares on Issue (ASX:TMK)	\$0.014 (30 September 2022)	3,520,781,250

#### Financial Position and Performance

The Company had a closing cash balance of \$3,607,909 at 30 June 2022 (30 June 2021: \$4,678)

The net operating loss for the Group for the year ended 30 June 2022 after income tax amounted to \$9,949,720 (2021: \$172,492).

## Directors' Report

### Company Projects

#### *Gurvantes XXXV Coal Seam Gas Project (Mongolia)*

The Gurvantes XXXV CSG Project covers a very large area of 8,400 km<sup>2</sup>. Within the Project area, multiple very thick, high quality coal seams outcrop at the surface and extend along an east-west strike for approximately 150km. Within the Project area there are six active coal mining operations, twenty-six coal mining leases and numerous coal exploration licenses with a substantial amount of exploration for coal having previously been undertaken. Preliminary exploration for CSG was initially completed in 2004-2005 and CSG test work characterised the coal as containing high gas quantities of ~10 m<sup>3</sup>/t with very high methane (CH<sub>4</sub>) concentration of >95%.

The Gurvantes XXXV CSG Project area is situated less than 20 km from the Chinese-Mongolian border and close to the extensive Northern China gas transmission and distribution network. Notably, it is the closest of Mongolia's CSG projects to China's West-East Gas Pipeline and is proximate to several large-scale mining operations with high energy needs. As such, the Gurvantes XXXV CSG Project is ideally situated for future gas sales to support both local Mongolian, as well as Chinese, energy requirements.

TMK's interest is held by its wholly owned subsidiary, Telmen Resource LLC, via a Production Sharing Agreement (PSA). On 21 January 2019, Telmen Resource LLC entered into a Petroleum Prospecting Agreement for three years on the Tenement with the Mineral Resources and Petroleum Authority (MRPAM), the main government organization in charge of minerals and petroleum related matters. On completion of the work program undertaken for the Petroleum Prospecting Agreement in September 2020, Telmen Resource LLC submitted the prospecting work report which was approved and accepted by MRPAM and a request to proceed to the award of a PSA was lodged. The PSA was subsequently awarded in July 2021.

Subsequent to the award of the PSA in July 2021, TMK submitted its request for an exploration license which was awarded in September 2021. This exploration license has a duration of 10 years and can be extended for a further 5 years in certain circumstances.



**Figure 1: Location of the Gurvantes XXXV Coal Seam Gas Project, South Gobi Desert of Mongolia**

TMK commenced its high impact drilling program at the Gurvantes XXXV CSG Project in March 2022. The first phase of the exploration program included the drilling of four fully tested cored holes which has recently been completed (Snow Leopard-01, 02, 03 and 04). The program was expanded to include the drilling of an additional well (Snow Leopard-05) following encouraging results from the initial drilling program.

## Directors' Report

Results from all wells drilled to date are commercially encouraging, with all wells encountering thick gassy coals, with high gas content, excellent gas composition and good permeability. The results from the initial drilling program is expected to allow for the estimation of Contingent Resources and assist in the design of a pilot well program. The second phase of the exploration program is to undertake a pilot well program, to prove and measure gas flow to surface to better understand potential commercialisation of the resource, which TMK plans to commence in late 2022.

A summary of the drilling results to date is provided in the table below:

**Table 1: Drilling Results from Snow Leopard 01 (SL-01), SL-02 and SL-03**

		SL-01	SL-02	SL-03
Drill hole Details	<i>Date Completed</i>	May-22	Jun-22	July-22
	<i>Total Depth</i>	675m	540m	348m
Coal	<i>Net Coal Thickness (m)</i>	60m	91m	60m
	<i>Top Coal Intersection</i>	405m	170m	190m
Gas Content	<i>Gas Content m<sup>3</sup>/t average (as received)</i>	13.2	9.3	9.8
	<i>Gas Content average m<sup>3</sup>/t (daf basis)</i>	15.7	10.6	11.8
Gas Compositions	<i>Methane (CH<sub>4</sub>) % (avg)</i>	96%	97%	95%
	<i>Carbon Dioxide (CO<sub>2</sub>) %</i>	3.0%	1.4%	2.8%
Permeability (Upper Seam)	<i>Flow Capacity mD.m</i>	4.1	1,090	760
	<i>Coal Permeability mD</i>	0.1	47	15

### Talon Energy Farmout Agreement

The initial exploration program has been majority funded pursuant to a farmout agreement with ASX-listed Talon Energy Limited (ASX:TPD) (Talon) which required Talon to spend US\$4.65 million to earn a 33% Working Interest in the PSA via a two-stage farmin (Farmout Agreement). TMK is and will remain as the Operator under the terms of the Farmout Agreement.

The Farmout Agreement requires Talon to fund 100% of the costs of an agreed budget for an initial work program including the drilling of at least four core holes up to an amount of US\$1.5 million. This initial stage was completed recently and Talon has met its initial funding commitment and now has 90 days (from 26 September 2022) to elect to proceed to the next stage of the Farmout Agreement.

If Talon elects to proceed, it will be committing to spending 100% of the costs of a secondary work program up to an amount of US\$3.15 million. Talon will be assigned its Working Interest in the Gervantes XXXV CSG Project only after it has made the election to proceed with the secondary work program. Following completion of the first and second stage of the exploration program, TMK will be required to contribute 67% of the costs towards any subsequent work programs and will retain a 67% Working Interest in the PSA, with Talon having the remaining 33% Working Interest.

## Directors' Report

### Independent Prospective Resource Assessment

The Gurvantes XXXV CSG Project is highly prospective for coal seam gas (CSG) and a maiden independent prospective resource assessment was completed in August 2021 by NSAI and delivered a risked 2U (best case) resource of 5.96 TCF.

**Table 2: Gurvantes XXXV CSG Project - Gross (100%) Prospective Gas Resources (TCF)\***

Region	Unrisked Prospective Resource (TCF)			Risked Prospective Resource (TCF)		
	1U (Low)	2U (Best)	3U (High)	1U (Low)	2U (Best)	3U (High)
<b>Prospect Area</b>	1.30	2.02	3.38	1.17	1.82	3.04
<b>Lead Area</b>	6.89	17.94	38.24	1.95	4.14	8.21
<b>Total</b>	8.19	19.96	41.62	3.12	5.96	11.25

Gas volumes are expressed in the table above are in trillion cubic feet (TCF) at standard temperature and pressure basis.

*\*Cautionary Statement: The estimated quantities of petroleum that may be potentially recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation are required to determine the existence of a significant quantity of potentially movable hydrocarbons.*

*\*\*Totals of unrisked prospective resources beyond the prospect and lead levels are not reflective of volumes that can be expected to be recovered and are therefore not shown in the NSAI report.*

The prospective resources shown in the table above have been estimated by NSAI using probabilistic methods and are dependent on a CSG discovery being made. If a discovery is made and development is undertaken, the probability that the recoverable volumes will equal or exceed the unrisked estimated amounts is 90 percent for the low estimate, 50 percent for the best estimate, and 10 percent for the high estimate.

The above table represents 100% of the Gurvantes XXXV CSG Project which is TMK's current Working Interest. However, as disclosed above, TMK has entered into a Farmout Agreement with Talon that will entitle Talon to a 33% Working Interest in the Gurvantes XXXV CSG Project if, after completion of the initial work program, Talon elects to proceed to the second stage work program. During the initial work program, TMK retains 100% Working Interest and will continue to report prospective resources on a 100% basis. If Talon elects to enter the second stage work program, then Talon will earn a 33% Working Interest and accordingly TMK's Working Interest thereafter will reduce to 67%.

Additionally, the above table represents TMK's current Working Interest in the Gurvantes XXXV CSG Project and PSA of 100% before any Government share. As royalties are not payable in kind in Mongolia, no netting-out adjustment has been made. The Gurvantes XXXV PSA has terms that determine Government share in various ways. At this stage of the asset life, it's not possible to determine the level of Government take given significant uncertainty over possible gas prices, development and operating costs, and production rates. TMK therefore currently considers it more appropriate to report Prospective Resources on a Working Interest basis until there is more certainty with respect to the many variables that affect the overall Government share in the production from the Gurvantes XXXV CSG Project.

### Napoleon Prospect (Australia)

Napoleon is located in the Dampier basin, North-West Shelf. TMK holds the right to a 20% working interest in Napoleon comprising production licence WA-8-L at depths below 2,700m.

ERC Equipose Pty Ltd (ERCE) independently certified undiscovered recoverable resources (Prospective Resources) and geological chance of success for multiple stacked prospective intervals at Napoleon, with the principal target being the 197T interval. The Prospective Resources and geological chance of success for each reservoir interval are summarised in Table 4 below.



## Directors' Report

**Table 4: Net Working Interest to TMK, Unrisked Prospective Resources and COS, Napoleon Prospect**

Prospect Interval	Unrisked Gross Prospective Gas Resources (Bscf)				Unrisked Gross Prospective Condensate Resources (MMstb)				Chance of Geological Success
	1U	2U	3U	Mean	1U	2U	3U	Mean	
Napoleon 176S	5	15	44	30	0.1	0.6	1.9	1.3	19%
Napoleon 182S	4	15	43	29	0.1	0.6	1.9	1.2	20%
Napoleon 186S	4	14	42	28	0.1	0.5	1.8	1.2	26%
Napoleon 197T	30	107	324	223	1	4.1	14.1	9.7	24%

1. Net Working Interest volumes have been limited to licence WA-8-L and assume a conversion of TMK's 20% shareholding of the Napoleon Deep project into a direct working interest and has been applied deterministically based on GRV
2. Net Working interest = Gross prospective resources x On-block% x block interest%
3. ERCE has made estimates only for the most likely hydrocarbon phase expected in the success case. The COS shown here exclude phase risk which ERCE has estimated to be 60% gas (40% oil) for the 176S, 182S and 189S intervals and 90% gas (10% oil) for the 197T interval.
4. The Prospective Resources have also not been adjusted for the chance of development (COD). Quantifying the COD requires consideration of both economic contingencies and other contingencies, such as legal, regulatory, market access, political, social license, internal and external approvals and commitment to project finance and development timing.

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

### Summary of the Napoleon Prospect

- Napoleon is located in WA-8-L, in the premier Barrow-Dampier sub-basin on Australia's North West coast. The lead is an upthrown tilted fault block with closure in the prolific North Rankin, Brigadier and Mungaroo Formations.
- Extensive 3D seismic reprocessing by Downunder Geosciences (to improve the imaging of the structure) and basin analysis studies have been completed.
- Mapping of the reprocessed seismic data indicates strong amplitudes associated with the North Rankin, Brigadier and Mungaroo Formation reservoirs. In contrast, the overlaying seal facies are dominated by low amplitudes on top and on the downthrow of the structure.
- The main target is estimated to be at a total vertical depth of approximately 4,500 meters, located in about 80 meters of water depth. Accordingly, the target can be drilled by a jack-up rig.

Detailed well planning and cost estimates for a 4,900m exploration well to intersect the four targets has been undertaken, with a preliminary dry-hole cost estimate of AU\$41.1 million.

### West Klondike Project (USA)

TMK participated in the drilling of the West Klondike discovery well in late 2012. The well commenced producing gas from the lower Nod Blan on 4 September 2014. Once the lower gas zones were produced, the Operator commenced production of the remaining Lario oil zone. At the present, the field is producing intermittently, and sales occur once the tanks fill.

No material activities are planned for West Klondike and the Company will seek to dispose of its interest in the coming months.



## Directors' Report

Your Directors present their report on the consolidated entity (Group) for the year ended 30 June 2022.

TMK Energy Limited (Company) acquired Telmen Energy Limited (Telmen) during the year ended 30 June 2022. Prior to the acquisition of Telmen by the Company, also in the year ended 30 June 2022, Telmen acquired Telmen Resource JSC (TRJ). Both acquisitions have been accounted for using the reverse acquisition accounting methodology and the financial report ending 30 June 2022 has been prepared on that basis.

Information contained within the Directors Report section has been prepared on the basis that the Company is the legal parent entity, whilst the Consolidated Financial Statements and Notes to the Consolidated Accounts are prepared in accordance with the reverse acquisition accounting methodology.

### Directors

The names and details of the Company's Directors in office at any time during the financial year and until the date of this report (unless otherwise stated) are detailed below.

Brett Lawrence – Non Executive Director (*resigned as Managing Director on 15 February 2022*)

Logan Robertson – Non Executive Director (*resigned 15 February 2022*)

Tim Wise – Non Executive Director

Gema Gerelsaikhan – Non Executive Director (*appointed 15 February 2022*)

Stuart Baker – Non Executive Director (*appointed 15 February 2022*)

### Principal Activities

The principal activity of the Group during the financial year was the acquisition of Telmen which indirectly owns a 100% interest in the Gurvantes XXXV Coal Seam Gas Project in the South Gobi Basin of Mongolia. Since the date of acquisition (15 February 2022), the Company's principal activity was the commencement of its initial drilling program in Mongolia (refer to Review of Operations).

There were no changes in the nature of the activities of the group during the year.

### Operating Results

The net operating loss of the Group for the year ended 30 June 2022 after income tax amounted to \$9,949,720 (2021: \$172,492).

### Dividends Paid or Recommended

No dividend was paid or declared during the year and the Directors do not recommend the payment of a dividend (2021: Nil).

### Review of Operations

Information on the operations and corporate activities of the group and its business strategies and prospects is set out in the review of operations and activities on page 3 of this financial report.

### Significant Changes in the State of Affairs

The significant changes in the state of affairs of the Company during the year was the acquisition of Telmen and the commencement of the initial drilling program in Mongolia (refer to Review of Operations).

### Events since the end of the financial year

On 14 July 2022, the Company has announced that the Class B Performance Rights had vested and 40,781,250 Class B Performance Rights were converted to ordinary fully paid shares, with a further 37,500,000 Class B Performance Rights vested but not yet converted into ordinary fully paid shares. The vested (but as yet unconverted Class B Performance Rights) can be converted into ordinary fully paid shares at any time at the election of the holder of those Performance Rights.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

## Directors' Report

### Likely developments and expected results of operations

There were no likely developments in the operations of the Group that were not finalised at the date of this report.

### Environmental Regulations

The consolidated entity's operations are not subject to any significant environmental regulations under either Mongolian, Commonwealth or State legislation. However, the Board believes there are adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply.

### NGER Act

The Directors consider the National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the Directors have determined that the NGER Act will have no effect on the Company for the current nor subsequent financial year. The Directors will reassess this position as and when the need arises.

### Corporate Governance

The Company's Corporate Governance Statement and ASX Appendix 4G are released to ASX on the same day the Annual Report is released. TMK Energy Limited's Corporate Governance Statement, and the Company's Policies, Charters and Procedures, can be all found on the Company's website at <http://tmkenergy.com.au/display/index/corporate-governance>

### Information on Directors and Secretary

Names, qualifications, experience and special responsibilities of current directors and company secretary:

#### **Brett Lawrence – Non-Executive Director** **(Appointed 1 February 2015)**

Mr Lawrence has 17 years of diverse experience in the oil and gas industry. Mr Lawrence worked with Apache Energy for over eight years, performing roles in drilling engineering, reservoir engineering, project development and commercial management before seeking new venture opportunities with ASX listed companies. Brett holds a Master of Petroleum Engineering, a Bachelor of Engineering (Mining) and Bachelor of Commerce (Finance) from Curtin University in Western Australia.

Current Directorships and date of appointments:

None

Other Directorships within the last three years:

Calima Energy Ltd (ASX: CE1)

Sparc Technologies Ltd (ASX:SPN) (formerly Acacia Coal Ltd)

#### **Gema Gerelsaikhan – Non-Executive Director** **(Appointed 15 February 2022)**

Ms Gerelsaikhan has more than ten years of experience in marketing/communications and business development in real estate, mining and hospitality sectors. Previously she was Director of Communications / Marketing at Shangri-La Hotel, Ulaanbaatar. She also headed the Singapore and Hong Kong offices of Asia Pacific Investment Partners (APIP) as Chief Marketing & Business Development Officer.

Prior to joining APIP, Ms Gerelsaikhan was a Business Analyst at SouthGobi Resources, a TSX & HKEx listed coal mining company (TSX:SGQ & HKEx: 1878). She is a founding member of both Mongolian Chamber of Commerce in Hong Kong, as well as Mongolian Chamber of Trade and Commerce in Singapore (currently serving as President). She holds a Master's and Bachelor's degree in Economics and Business Administration from Roskilde University in Denmark.

Current Directorship and date of appointment:

None

Other Directorships within the last three years:

None

## Directors' Report

### **Stuart Baker – Non-Executive Director (Appointed 15 February 2022)**

Mr Baker has more than four decades of experience in the oil and gas sector and currently provides independent advice to corporates and investors in the Australian oil and gas industry. Previously he was Executive Director, Morgan Stanley with dual roles as Co-Head Asia Oil, Gas and Chemicals Research and team leader, Australian energy, mining and utility research, with positions held over a 13-year period. He has a Bachelor of Engineering and holds an MBA from the Melbourne University Graduate School of Management.

He also worked as a Petrophysical Engineer at Schlumberger Inc. based in Southeast Asia, rising to General Field Engineer. Mr Baker is currently a member of the investment committee of resource focused ASX listed Lowell Resources Fund (ASX:LRT). Mr Baker was a director of Central Petroleum Limited (ASX:CTP) from 7 December 2018 until 30 August 2022.

Current Directorship and date of appointment:  
None

Other Directorships within the last three years:  
Central Petroleum Ltd (ASX: CPL)

### **Tim Wise – Non-Executive Director (Appointed 4 November 2019)**

Mr Wise (BSc) is a corporate executive, experienced in the growth of early stage businesses, and providing strategic advice to a broad range of companies. Mr Wise is the founder and former CEO of The Tap Doctor, and Kalina Power(ASX:KPO).

Current Directorship and date of appointment:  
entX Limited (appointed February 2019)  
Environmental Clean Technologies Limited (ASX:ECT) (appointed September 2021)

Other Directorships within the last three years:  
Graft Polymer (UK) Plc (LSE:GPL)

### **Dougal Ferguson – Company Secretary (Appointed 1 April 2022)**

Mr Ferguson holds a Bachelor of Business and is an experienced oil and gas executive with substantial international experience and is the former Managing Director of several ASX listed oil and gas exploration companies including XCD Energy Limited (ASX:XCD) and Elixir Energy Limited (ASX:EXR).

Dougal is a Graduate of the Australian Institute of Company Directors and has previously qualified through the Governance Institute of Australia and has completed his Certified Practicing Accountant qualifications.

### **Meetings of Directors**

The numbers of meetings attended by each director to the report date were:

Director	Board Meetings Held When in Office	Board Meetings Attended
Brett Lawrence	7	7
Logan Robertson ( <i>resigned 15 February 2022</i> )	3	3
Tim Wise	7	7
Gema Gerelsaikhon ( <i>appointed 15 February 2022</i> )	4	4
Stuart Baker ( <i>appointed 15 February 2022</i> )	4	4

## Directors' Report

### Securities held and controlled by Directors

As at the date of this report, the interests of the Directors in shares and options of the Company were:

#### Ordinary Shares

Holder	Balance at beginning of year	Other purchases/ (Sales)	Other changes during the year	Balance at the date of report
Brett Lawrence	-	1,875,000 <sup>(iii)</sup>	-	1,875,000
Logan Robertson ( <i>resigned 15 February 2022</i> )	-	-	-	-
Gema Gerelsaikhon ( <i>appointed 15 February 2022</i> )	-	3,000,000 <sup>(ii)</sup>	8,000,000 <sup>(i)</sup>	11,000,000
Stuart Baker ( <i>appointed 15 February 2022</i> )	-	1,500,000 <sup>(ii)</sup>	4,000,000 <sup>(i)</sup>	5,500,000
Tim Wise	20,000,000	2,500,000 <sup>(iii)</sup>	-	22,500,000
	<b>20,000,000</b>	<b>8,875,000</b>	<b>12,000,000</b>	<b>40,875,000</b>

- (i) Gema Gerelsaikhon and Stuart Baker acquired shares in TMK Energy via the acquisition of Telmen Energy
- (ii) Telmen Energy shareholders were issued with three tranches of Performance Shares of which Tranche B vested during the year. Both Gema Gerelsaikhon and Stuart Baker were Telmen Energy shareholders and therefore were awarded fully paid shares on conversion of the Tranche B Performance Shares.
- (iii) Brett Lawrence and Tim Wise participated in the placement undertaken as part of the acquisition of Telmen Energy.

### REMUNERATION REPORT (AUDITED)

The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporation Act 2001.

This report outlines the remuneration arrangements in place for directors and executives of TMK Energy Limited. This report has been set out under the following main headings:

- A. Principles Used to Determine the Nature and Amount of Remuneration
- B. Remuneration Consultants
- C. Service Agreements
- D. Details of Remuneration
- E. Share-based Compensation
- F. Group Performance
- G. Equity instruments held by key management personnel
- H. Loans to key management personnel
- I. Other transactions with key management personnel
- J. Additional Information

As noted in the corporate governance, section of this Financial Report, under council principle 8, the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of a remuneration committee. The Board manages the remuneration policy, setting the terms and conditions for Executive Directors and other senior executives.

#### A. Principles Used to Determine the Nature and Amount of Remuneration

The Board of Directors is responsible for determining and reviewing compensation arrangements for the Directors and Executive Officers. The Board will assess the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and executive team.

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms with market best practice for delivery of reward.

The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- Competitiveness and reasonableness
- Acceptability to shareholders
- Performance linkage/alignment of executive compensation

## Directors' Report

- Transparency
- Capital management

The Board policy is to remunerate Non-Executive Directors at fair market rates for comparable companies for the relevant time, commitment and responsibilities. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually based on market practice, duties and accountability. The maximum amount of fees that can be paid to directors is subject to approval by shareholders at the Annual General Meeting. The maximum amount approved is \$300,000. Fees for Non-Executive Directors are not linked to the performance of the Group. However, to align director's interests with shareholder interests the Directors are encouraged to hold shares in the Company and may be issued with additional securities as deemed appropriate.

The Board believes that the remuneration policy is appropriate given the stage of development of the Company and the activities which it undertakes and is appropriate for aligning director and executive objectives with shareholder and business objectives. The Board will continually develop new practices which are appropriate to the Company's size and stage of development.

All contracts with non-executive directors have no termination date, benefits or notice period noted.

Executive Officers are those directly accountable for the operational management and strategic direction of the Company and the consolidated entity. The Company currently has a Chief Operating Officer and a Chief Commercial Officer both of whom have Service Agreements in place. The details of these Service Agreements are noted below.

### Fixed Remuneration

Fixed remuneration consists of a base remuneration package, which includes directors' fees (in the case of Directors), salaries, consulting fees and employer contributions to superannuation funds.

Fixed remuneration levels for directors and executive officers will be reviewed annually by the Board through a process that considers the employee's personal development, achievement of key performance objectives for the year, industry benchmarks wherever possible and CPI data.

### Performance-linked Remuneration

All employees may receive bonuses and/or equity incentive securities based on achievement of specific goals related to performance against individual KPIs and to the performance of the Company as a whole as determined by the Directors, based on a range of factors. These factors include traditional financial considerations such as operating performance, share price performance and deals concluded. They also include industry-specific factors relating to the advancement of the Company's activities and relationships with third parties and internal employees.

There were 210,000,000 Performance Rights issued during the year ended 30 June 2022 associated with the acquisition of Telmen. Of these, 100,000,000 were issued to key management personnel (refer to paragraph E of the Remuneration Report) with the remainder issued to other employees or consultants of the Group.

During the year ended 30 June 2022, none of these performance rights vested and 1,250,000 of the Performance Rights were cancelled due to employees either resigning or their employment being terminated prior to 30 June 2022.

### B. Remuneration Consultants

The Company did not engage with remuneration consultants during the year.

### C. Service Agreements

Remuneration, consulting and other terms of employment for the key management personnel are determined by the Board. Other current provisions are set out below.

## Directors' Report

Key Management Personnel	Details of service agreements
Mr Brett Lawrence Non-Executive Director (Resigned as Managing Director on 15 February 2022)	<ul style="list-style-type: none"> <li>• Agreement commenced 1 February 2015 with no termination date, benefits or notice period noted.</li> <li>• Directors' fees reduced from \$60,000 per annum to \$36,000 per annum on 15 February 2022.</li> </ul>
Mr Tim Wise Non-Executive Director	<ul style="list-style-type: none"> <li>• Agreement commenced 4 November 2019 with no termination date, benefits or notice period noted.</li> <li>• Directors' fees reduced from \$60,000 per annum to \$36,000 per annum on 15 February 2022.</li> </ul>
Mr Gema Gerelsaikhan Non-Executive Director	<ul style="list-style-type: none"> <li>• Agreement commenced 15 February 2022 with no termination date, benefits or notice period noted.</li> <li>• Directors' fees \$36,000 per annum.</li> </ul>
Mr Stuart Baker Non-Executive Director	<ul style="list-style-type: none"> <li>• Agreement commenced 15 February 2022 with no termination date, benefits or notice period noted.</li> <li>• Director's fees of \$36,000 per annum.</li> </ul>
Mr Brendan Stats Chief Executive Officer	<ul style="list-style-type: none"> <li>• Agreement commenced on 15 February 2022 with no termination date, and a 3 month notice period.</li> <li>• Annual salary of \$250,000 per year plus statutory superannuation.</li> </ul>
Mr Dougal Ferguson Chief Commercial Officer and Company Secretary (from 1 April 2022)	<ul style="list-style-type: none"> <li>• Agreement commenced on 15 February 2022 on a 12-month fixed term contract.</li> <li>• Monthly retainer of \$15,000 per month plus \$1,500 per day for any additional days worked during any one month.</li> </ul>

No termination payments were made during the financial year.

### D. Details of Remuneration

The key management personnel of the Company during the year ended 30 June 2022 includes all directors and executives mentioned above. There are no other executives of the company which are required to be disclosed.

Remuneration packages contain the following key elements:

- Primary benefits – salary/fees and bonuses;
- Post-employment benefits – including superannuation;
- Equity – performance rights and other equity securities; and
- Other benefits.

## Directors' Report

Nature and amount of remuneration for the year ended 30 June 2022:

	Short-term employee benefits		Post- Employment Benefits	Share-based payment		
	Salary, consulting fees AU\$	Annual Leave AU\$	Super- annuation AU\$	Performance Rights AU\$	Total AU\$	Performance related %
<b>Non-executive Directors</b>						
Brett Lawrence <sup>(1)</sup>	51,000	-	-	60,596	111,596	54.3
Logan Robertson <sup>(2)</sup>	10,500	-	-	-	10,500	-
Tim Wise	50,750	-	-	-	50,750	-
Gema Gerelsaikhan <sup>(3)</sup>	12,000	-	-	90,893	102,893	88.3
Stuart Baker <sup>(3)</sup>	13,500	-	-	60,596	74,096	81.8
<b>Total Director</b>	<b>137,750</b>	<b>-</b>	<b>-</b>	<b>212,085</b>	<b>349,835</b>	<b>60.6</b>
<b>Key Management Personnel</b>						
Brendan Stats <sup>(3)</sup>	94,494	7,268	9,091	212,085	322,938	65.7
Dougal Ferguson <sup>(3)</sup>	80,250	-	-	181,787	262,037	69.4
Sylvia Moss <sup>(4)</sup>	27,000	-	-	-	27,000	-
<b>Total Key Management Personnel</b>	<b>201,744</b>	<b>7,268</b>	<b>9,091</b>	<b>393,938</b>	<b>611,975</b>	<b>64.4</b>
<b>Total Compensation</b>	<b>339,494</b>	<b>7,268</b>	<b>9,091</b>	<b>605,956</b>	<b>961,809</b>	<b>63.0</b>

<sup>(1)</sup> Resigned as Managing Director on 15 February 2022

<sup>(2)</sup> Resigned 15 February 2022

<sup>(3)</sup> Appointed 15 February 2022

<sup>(4)</sup> Resigned 1 April 2022

Nature and amount of remuneration for the year ended 30 June 2021:

	Short-term employee benefits		Post- Employment Benefits	Share-based payment		
	Salary, consulting fees AU\$	Annual leave AU\$	Super- annuation AU\$	Options/ Performance rights AU\$	Total AU\$	Performance related %
<b>Executive Directors</b>						
Brett Lawrence	60,000	-	-	-	60,000	-
<b>Non-executive Directors</b>						
Logan Robertson	12,000	-	-	-	12,000	-
Tim Wise	40,000	-	-	-	40,000	-
Joseph Graham <sup>(1)</sup>	-	-	-	-	-	-
<b>Total Director's Compensation</b>	<b>112,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>112,000</b>	<b>-</b>
<b>Key Management Personnel</b>						
Sylvia Moss	32,400	-	-	-	32,400	-
<b>Total Key Management Personnel</b>	<b>32,400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,400</b>	<b>-</b>
<b>Total Compensation</b>	<b>144,400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>144,400</b>	<b>-</b>

<sup>(1)</sup> Resigned 15 June 2021



## Directors' Report

### E. Share based compensation

#### Options

No new options were issued to key management personnel or to any of their associates during the year.

#### Performance Rights

The number of performance rights granted to Directors and other key management personnel as part of compensation during the year ended 30 June 2022 are set out below:

Holder	Number granted during the year	Number granted during the year		Number vested during the year	
	2022	2021		2022	2021
Brett Lawrence	10,000,000	-		-	-
Tim Wise	-	-		-	-
Gema Gerelsaikhan	15,000,000	-		-	-
Stuart Baker	10,000,000	-		-	-
Brendan Stats	35,000,000	-		-	-
Dougal Ferguson	30,000,000	-		-	-
	100,000,000	-		-	-

The above Performance Rights are split between the three classes below on a percentage basis, being 37.5% are Class A, 37.5% are Class B and the remaining 25% are Class C Performance Rights. The Performance Right convert into fully paid ordinary shares upon meeting the following performance conditions:

Class	Performance Conditions	Expiry Date
Class A	Both of the following occurring: <ul style="list-style-type: none"> <li>The volume-weighted average price ('VWAP') of TMK shares over 20 consecutive trading days being at least \$0.02; and</li> <li>Commencement of a drilling program within the Gurvantes XXXV area within three years from the date of issue.</li> </ul>	14 February 2025
Class B	Vest upon either of the following occurring: <ul style="list-style-type: none"> <li>Intersection of 25m of coal seams in any two of the first four wells within the Gurvantes XXXV Project area; or</li> <li>100 billion cubic feet of 2C (best estimate of contingent resources) Petroleum Resources Management System ('PRMS') compliant resource within the Gurvantes XXXV Project area.</li> </ul>	14 February 2027
Class C	Determination of a 100 billion cubic feet 2C PRMS compliant resource within the Gurvantes XXXV Project Area	14 February 2027

## Directors' Report

### F. Group Performance

At present, no remuneration for key management personnel is directly linked to common financial measures of the Group's performance.

The table below shows various commonly used measures of performance for the 2018 to 2022 financial years:

	2018 \$	2019 \$	2020 \$	2021 \$	2022 \$
Revenues and finance income	72,951	39,915	24,945	11,065	530,329
(Loss) after tax	(190,787)	(209,387)	(1,095,863)	(574,165)	(9,949,720)
Share price at start of year	0.003	0.003	0.003	0.005	0.008
Share price at end of year	0.003	0.001	0.005	0.008	0.009
Loss per share (cents)	(0.01)	(0.04)	(0.16)	(0.06)	(0.38)

### G. Equity instruments held by key management personnel

#### Shareholdings:

The number of ordinary shares in the company held by each KMP of the Group during the financial year is as follows:

Holder	Balance at beginning of year	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
Brett Lawrence	-	-	-	1,875,000 <sup>(8)</sup>	1,875,000
Logan Robertson <sup>(1)</sup>	-	-	-	-	-
Tim Wise	20,000,000	-	-	2,500,000 <sup>(8)</sup>	22,500,000
Gema Gerelsaikhhan <sup>(2)</sup>	-	-	-	11,000,000 <sup>(4)</sup>	11,000,000
Stuart Baker <sup>(2)</sup>	-	-	-	5,500,000 <sup>(5)</sup>	5,500,000
Sylvia Moss <sup>(3)</sup>	-	-	-	-	-
Brendan Stats <sup>(2)</sup>	-	-	-	198,000,000 <sup>(6)</sup>	198,000,000
Dougal Ferguson <sup>(2)</sup>	-	-	-	117,990,000 <sup>(7)</sup>	117,990,000
	20,000,000	-	-	336,865,000	356,865,000

<sup>(1)</sup> Resigned 15 February 2022

<sup>(2)</sup> Appointed 15 February 2022

<sup>(3)</sup> Resigned 1 April 2022

<sup>(4)</sup> Other changes include 3,000,000 shares that were converted from Tranche B Performance Shares and 8,000,000 shares held on the date of appointment as director. Both the shares and performance shares were acquired through the acquisition of Telmen Energy Limited.

<sup>(5)</sup> Other changes include 1,400,000 shares that were converted from Tranche B Performance Shares and 4,000,000 shares held on the date of appointment as director. Both the shares and performance shares were acquired through the acquisition of Telmen Energy Limited.

<sup>(6)</sup> Other changes include 54,000,000 shares that were converted from Tranche B Performance Shares and 144,000,000 shares held on the date of appointment as the Chief Executive Officer. Both the shares and performance shares were acquired through the acquisition of Telmen Energy Limited.

<sup>(7)</sup> Other changes include 22,770,000 shares that were converted from Tranche B Performance Shares and 76,720,000 shares held on the date of appointment as a KMP. Both the shares and performance shares were acquired through the acquisition of Telmen Energy Limited. A further 12,500,000 shares were acquired as part of the capital raise undertaken by the Company at the time of the acquisition of Telmen Energy Limited.

<sup>(8)</sup> Brett Lawrence and Tim Wise participated in the placement undertaken as part of the acquisition of Telmen Energy.

## Directors' Report

### Performance rights:

The number of performance rights in the company held by each KMP of the Group during the financial year is as follows:

Holder	Balance at beginning of year	Granted as remuneration during the year	Vested	Expired/ Forfeited/ Other <sup>(1)</sup>	Balance at end of year
Brett Lawrence	-	10,000,000	-	-	10,000,000
Logan Robertson <sup>(2)</sup>	-	-	-	-	-
Tim Wise	-	-	-	-	-
Gema Gerelsaikhhan <sup>(3)</sup>	-	15,000,000	-	-	15,000,000
Stuart Baker <sup>(3)</sup>	-	10,000,000	-	-	10,000,000
Sylvia Moss <sup>(4)</sup>	-	-	-	-	-
Brendan Stats <sup>(3)</sup>	-	35,000,000	-	-	35,000,000
Dougal Ferguson <sup>(3)</sup>	-	30,000,000	-	-	30,000,000
	-	100,000,000	-	-	100,000,000

<sup>(1)</sup> Held as appointment date

<sup>(2)</sup> Resigned 15 June 2022

<sup>(3)</sup> Appointed 15 February 2022

<sup>(4)</sup> Resigned 1 April 2022

### Performance shares:

The number of performance shares in the company held by each KMP of the Group during the financial year is as follows:

Holder	Balance at beginning of year	Acquired during the year <sup>(5)</sup>	Vested <sup>(6)</sup>	Expired/ Forfeited/ Other <sup>(1)</sup>	Balance at end of year
Brett Lawrence	-	-	-	-	-
Logan Robertson <sup>(2)</sup>	-	-	-	-	-
Tim Wise	-	-	-	-	-
Gema Gerelsaikhhan <sup>(3)</sup>	-	8,000,000	(3,000,000)	-	5,000,000
Stuart Baker <sup>(3)</sup>	-	4,000,000	(1,500,000)	-	2,500,000
Sylvia Moss <sup>(4)</sup>	-	-	-	-	-
Brendan Stats <sup>(3)</sup>	-	144,000,000	(54,000,000)	-	90,000,000
Dougal Ferguson <sup>(3)</sup>	-	76,720,000	(28,770,000)	-	47,950,000
	-	232,720,000	(87,270,000)	-	145,450,000

<sup>(1)</sup> Held as appointment date

<sup>(2)</sup> Resigned 15 June 2022

<sup>(3)</sup> Appointed 15 February 2022

<sup>(4)</sup> Resigned 1 April 2022

<sup>(5)</sup> Part consideration for the acquisition of Telmen Energy Limited

<sup>(6)</sup> Tranche B Performance Shares converted into full paid shares on 9 June 2022

### H. Loans to key management personnel

No loans were provided to the key management personnel or to any of their associates.

### I. Other transactions with key management personnel

There were no other transactions with key management personnel during the financial year.

### Voting and comments made at the Company's 2021 Annual General Meeting

TMK received 100% of "yes" votes (excluding Director's votes) on its remuneration report for the 2021 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

## Directors' Report

### **END OF AUDITED REMUNERATION REPORT**

#### **Shares under option**

At the date of this report there were 75,000,000 unlisted options over unissued ordinary shares which vest when the share weighted average share price of the Company is equal or greater than \$0.02 for any 20 consecutive day period, have an exercise price of \$0.008 and expire on 14 February 2025.

As at the date of this report no listed options are on issue.

#### **Indemnification and Insurance of Directors and Officers**

During the financial year, the Company maintained an insurance policy which indemnifies the Directors and Officers of TMK Energy Limited in respect of any liability incurred in connection with the performance of their duties as Directors or Officers of the Company. The Company's insurers have prohibited disclosure of the amount of the premium payable and the level of indemnification under the insurance contract.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty or the improper use of position or information to gain advantage for themselves or someone else or to cause detriment to the Company.

#### **Indemnification and Insurance of the Auditor**

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related party.

#### **Proceedings on behalf of the Company**

No person has applied to the Court under section 237 of the Corporation 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.

No proceedings have been brought or intervened in on behalf of the company with leave of the court under section 237 of the Corporation Act 2001.

#### **Non-audit Services**

The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services have been reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

During the year \$42,658 was paid for non-audit services by BDO (WA) Pty Ltd and its related practices.

## Directors' Report

### Auditor's Independence Declaration

The Auditor's Independence Declaration, as required under Section 307c of the Corporations Act 2001, for the financial year ended 30 June 2022 has been received and can be found on page 20.

This report is made in accordance with a resolution of directors.



Brett Lawrence  
Director  
Perth, Western Australia  
30 September 2022

## DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF TMK ENERGY LIMITED

As lead auditor of TMK Energy Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of TMK Energy Limited and the entities it controlled during the period.



Dean Just

Director

BDO Audit (WA) Pty Ltd

Perth

30 September 2022

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2022

		Consolidated	
		30-Jun-22	30-Jun-21
	Notes	\$	\$
<b>Revenue</b>			
Other Income	5	528,051	-
Interest income		2,278	-
<b>Total revenue</b>		<b>530,329</b>	<b>-</b>
Accounting and audit fees		(33,185)	(2,598)
Directors' fees		(53,500)	-
Professional and consultancy fees		(311,767)	(1,654)
Regulatory expenses		(34,562)	-
Listing expense	17	(7,533,285)	-
Share based payments expense	19	(2,191,288)	-
Depreciation expense		(7,033)	(2,014)
Office and administrative expenses	6	(312,137)	(165,886)
<b>Loss of operating activities</b>		<b>(9,946,428)</b>	<b>(172,152)</b>
Foreign exchange gains/(losses)		(3,292)	(340)
<b>Loss before tax</b>		<b>(9,949,720)</b>	<b>(172,492)</b>
Income tax (expense)/benefit	7	-	-
<b>Loss for the year after income tax</b>		<b>(9,949,720)</b>	<b>(172,492)</b>
<b>Other comprehensive income for the year</b>			
<b>Items that may be reclassified to profit or loss</b>			
Exchange differences on the translation of foreign operations		34,523	-
<b>Other comprehensive income for the year, net of tax</b>		<b>34,523</b>	<b>-</b>
<b>Total comprehensive loss for the year</b>		<b>(9,915,197)</b>	<b>(172,492)</b>
<b>Loss attributed to:</b>			
Owners of TMK Energy Limited		(9,949,720)	(172,492)
<b>Total comprehensive loss for the year attributable to:</b>			
Owners of TMK Energy Limited		(9,915,197)	(172,492)
Loss per share for loss from continuing operations attributed to the ordinary equity holders of the company:			
Basic loss per share/diluted loss per share (cents per share)	18	(0.38)	(0.01)

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



## Consolidated Statement of Financial Position

As at 30 June 2022

		Consolidated	
	Notes	30-Jun-22 \$	30-Jun-21 \$
<b>Current assets</b>			
Cash and cash equivalents	8	3,607,909	4,678
Trade and other receivables	9	36,551	4,760
Other current assets		141,466	-
<b>Total current assets</b>		<b>3,785,926</b>	<b>9,438</b>
<b>Non-current assets</b>			
Investment in Associate (Talisman Project)	10	450,000	-
Property, Plant and Equipment		120,993	11,468
Oil and gas properties	11	44,037	-
Exploration and evaluation assets	12	632,999	737,458
<b>Total non-current assets</b>		<b>1,248,029</b>	<b>748,926</b>
<b>Total assets</b>		<b>5,033,955</b>	<b>758,364</b>
<b>Current liabilities</b>			
Trade and other payables	13	470,457	182,046
Loans		-	681,560
Provisions		19,000	-
<b>Total Current liabilities</b>		<b>489,457</b>	<b>863,606</b>
<b>Non-current Liabilities</b>			
Restoration Provision		38,236	-
<b>Total non-current liabilities</b>		<b>38,236</b>	<b>-</b>
<b>Total liabilities</b>		<b>527,693</b>	<b>863,606</b>
<b>Net assets</b>		<b>4,506,262</b>	<b>(105,242)</b>
<b>Equity</b>			
Issued share capital	14	12,804,079	68,666
Share based payment reserve	15	1,791,288	-
Foreign currency translation reserve	15	34,523	-
Accumulated losses	16	(10,123,628)	(173,908)
<b>Total equity</b>		<b>4,506,262</b>	<b>(105,242)</b>

*The above consolidated statement of financial position should be read in conjunction with the notes to the financial statements.*

## Consolidated Statement of Changes in Equity

For the year ended 30 June 2022

30 June 2022	Issued Share capital	Share Based Payment Reserve	Foreign Currency Translation Reserve	Accumulated losses	Total Equity
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>	<b>68,666</b>	<b>-</b>	<b>-</b>	<b>(173,908)</b>	<b>(105,242)</b>
Currency translation of foreign operations	-	-	34,523	-	<b>34,523</b>
Loss after tax	-	-	-	(9,949,720)	<b>(9,949,720)</b>
<b>Total comprehensive income/(loss) for the year</b>	<b>-</b>	<b>-</b>	<b>34,523</b>	<b>(9,949,720)</b>	<b>(9,915,197)</b>
<b>Transactions with equity holders in their capacity as equity holders</b>					
Issue of share capital	2,632,962	-	-	-	<b>2,632,962</b>
Capital Raising Costs	(107,800)	-	-	-	<b>(107,800)</b>
Conversion of Convertible Notes	789,750	-	-	-	<b>789,750</b>
Shares Issued to acquire Telmen	8,865,000	-	-	-	<b>8,865,000</b>
Share Based Payments	555,501	1,791,288	-	-	<b>2,346,789</b>
<b>Balance at 30 June 2022</b>	<b>12,804,079</b>	<b>1,791,288</b>	<b>34,523</b>	<b>(10,123,628)</b>	<b>4,506,262</b>

30 June 2021	Issued Share capital	Share Based Payment Reserve	Foreign Currency Translation Reserve	Accumulated losses	Total Equity
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2020</b>	<b>68,666</b>	<b>-</b>	<b>-</b>	<b>(1,416)</b>	<b>67,520</b>
Currency translation of foreign operations	-	-	-	-	-
Loss after tax	-	-	-	(172,492)	<b>(172,492)</b>
<b>Total comprehensive income/(loss) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(173,908)</b>	<b>(172,492)</b>
<b>Transactions with equity holders in their capacity as equity holders</b>					
Issue of share capital	-	-	-	-	-
Capital Raising Costs	-	-	-	-	-
<b>Balance at 30 June 2021</b>	<b>68,666</b>	<b>-</b>	<b>-</b>	<b>(173,908)</b>	<b>(105,242)</b>

*The consolidated statement of changes in equity should be read in conjunction with the notes to the financial statements.*

## Consolidated Statement of Cash Flows

For the year ended 30 June 2022

		Consolidated	
	Notes	30-Jun-22 \$	30-Jun-21 \$
<b>Cash flows from operating activities</b>			
Interest received		2,278	-
Payments to suppliers and employees (inclusive of GST)		(700,681)	(107,640)
Payment of production costs		-	-
GST Refunds		61,130	-
<b>Net cash and cash equivalents outflow from operating activities</b>	21	<b>(637,273)</b>	<b>(107,640)</b>
<b>Cash flows from investing activities</b>			
Back costs from farm-in partner		362,700	90,448
Contributions from farm-in partner		2,151,620	-
Loans received from related parties		-	586,562
Loans repaid to related parties		(248,060)	-
Exploration costs on oil and gas activities		(2,128,673)	(569,456)
Cash on acquisition of Telmen Energy Limited		174,973	-
Cash on acquisition of TMK Energy Limited		1,803,901	-
<b>Net cash and cash equivalents inflow from investing activities</b>		<b>2,116,461</b>	<b>107,554</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of ordinary shares and options		2,233,750	-
Capital raising cost		(107,800)	-
<b>Net cash and cash equivalents inflow from financing activities</b>		<b>2,125,950</b>	<b>-</b>
<b>Net increase/(decrease) in cash held</b>		<b>3,605,138</b>	<b>(86)</b>
Cash and cash equivalents at beginning of financial year		4,678	4,952
Foreign exchange movement on cash		(1,907)	(188)
<b>Cash and cash equivalents at end of financial year</b>	8	<b>3,607,909</b>	<b>4,678</b>

The above consolidated statement of cash flows should be read in conjunction with the notes to the financial statements.

## Notes to the Consolidated Financial Statements

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements and notes represent those of TMK Energy Limited ("TMK" or the "Company") (formerly Tamaska Oil and Gas Limited) and its controlled entities (the "Group").

The financial statements were authorised for issue by the Board of Directors on 30 September 2022.

The principal accounting policies adopted in the presentation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

#### (a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. TMK Energy Limited is a for-profit entity for the purposes of preparing these financial statements.

##### i) Compliance with IFRSs

The consolidated entity financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

##### ii) Historical Cost Convention

These consolidated financial statements have been prepared under the historical cost convention.

##### iii) Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group'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 3.

##### iv) Early Adoption on Standards

The Group has not elected to apply any pronouncements before their operative date for the annual reporting period beginning 1 July 2020.

##### v) Reverse acquisition

On 26 August 2021, Telmen has completed the acquisition of Telmen Resource JSC ("TRJ"). The transaction between TRJ and Telmen is treated as a reverse acquisition. Under the Australian Accounting Standard, TRJ was deemed to be the accounting acquirer in this transaction. This acquisition did not meet the definition of a business combination under AASB 3 Business Combinations and instead, has been accounted for as a share-based payment under the principles of AASB 2 Share-Based Payments by which TRJ acquires the net assets and status of Telmen.

On 15 February 2022, TMK completed the acquisition of acquire Telmen and its wholly owned subsidiary TRJ (referred as "Telmen Group"). The transaction between Telmen and TMK is treated as a reverse acquisition. Under the Australian Accounting Standard, Telmen Group was deemed to be the accounting acquirer in this transaction. This acquisition did not meet the definition of a business combination under AASB 3 Business Combinations and instead, has been accounted for as a share-based payment under the principles of AASB 2 Share-Based Payments by which Telmen Group acquires the net assets and the listing status of TMK.

Accordingly, the consolidated financial statements of TMK have been prepared as a continuation of the financial statements of TRJ while accounting for the reverse acquisition of Telmen and TMK. As the deemed acquirer, TRJ has accounted for the acquisition of Telmen from 26 August 2021 and TMK from 15 February 2022. The comparative information for the period ended 30 June 2021 is that of TRJ and is unaudited. Refer to note 17 for further details of the transaction.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The impact of the reverse acquisition on each of the primary statements is as follows:

Financial Statements / Reporting section	Current period ended or as at 30 June 2022	Comparative statement (Unaudited)
Statement of Profit or Loss and Other Comprehensive Income	Comprises of transactions of: <ul style="list-style-type: none"> <li>12 months of TRJ</li> <li>from 26 August 2021 for Telmen</li> <li>from 15 February 2022 for TMK's consolidated group</li> </ul>	Comprises of 12 months of TRJ ending 30 June 2021.
Statement of Financial Position	Represents the combination of TRJ, Telmen and TMK's consolidated group	Represent the position of TRJ as at 30 June 2021.
Statement of Changes in Equity	Comprises of <ul style="list-style-type: none"> <li>TRJ's opening balance at 1 July 2021</li> <li>TRJ's total comprehensive income for the financial year and transactions with equity holders for the 12 months and</li> <li>Telmen's transactions with equity holders from 26 August 2021</li> <li>TMK's transaction with equity holders from 15 February 2022</li> <li>the equity balance of the combined TRJ, Telmen and TMK as at 30 June 2022.</li> </ul> The number of shares on issue at period end represent those of TMK only.	Comprises of 12 months of TRJ ending 30 June 2021.
Statement of Cash Flows	Comprises of: <ul style="list-style-type: none"> <li>TRJ's balance at 1 July 2021</li> <li>transactions for the 12 months of TRJ</li> <li>transactions from 26 August 2021 for Telmen; and</li> <li>transactions from 15 February 2022 for TMK consolidated group.</li> </ul> The cash balance at 30 June 2022 is the combined TRJ, TMK and TMK consolidated group.	Comprises of 12 months of TRJ ending 30 June 2021.
Earnings per share	The weighted average number of shares outstanding for the year ended 30 June 2022 is based on the weighted average number of shares TMK outstanding in the period following the acquisition.	The weighted average number of shares outstanding for the year ended 30 June 2021 is based on the weighted average number of shares of TRJ for the year.

### (b) Principles of Consolidation

#### i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of TMK Energy Limited (the "parent entity") as at 30 June 2022 and the results of all subsidiaries for the year then ended.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

### ii) Jointly Controlled Assets and Operations

The majority of operations are carried out subject to joint venture arrangements. The proportionate interests in the assets, liabilities, income and expenditure of a joint venture activity have been incorporated in the financial statements under the appropriate headings.

### (c) 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.

### (d) Foreign Currency Translation

#### i) 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 Australian dollars, which is the Company's functional and presentation currency.

#### ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss and other comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit or Loss and Other comprehensive income on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Transaction difference on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

#### iii) Group Companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the statement of financial position;
- Income and expenses for each Statement of profit or loss and other comprehensive income are translated at average exchange rate (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange difference is reclassified to profit or loss, as part of the gain or loss on sale where applicable.

Exchange differences arising within the foreign currency translation reserve from the translation of foreign operations of entities which were discontinued by way of in-specie distribution during the year have been recognised against retained earnings as the transfer of entities was to members in whom there was common control.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at the closing rate.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (e) Revenue Recognition

#### i) Interest Income

Interest income is recognised on a time proportion basis using the effective interest method.

#### ii) Oil and Gas Revenue

Revenue is recognised when the control of the goods has been transferred to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### iii) Government Grant

Cash flow boost received from the Government is recognised in the period it was received.

### (f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and short-term deposits.

### (g) Trade and Other Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method, less Expected Credit Loss. Trade receivables are generally due for settlement between thirty (30) and ninety (90) days from the date of recognition. They are presented as current assets unless collection is not expected for more than 12 months after reporting date.

Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The movement in the provision is recognised in profit or loss.

#### *Expected credit losses of financial asset at amortised cost*

Loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

### (h) Other Financial Assets

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the statement of financial report date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position (note 9).

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Loans and receivables are carried at amortised cost using the effective interest method.

### (i) Exploration, Evaluation and Development Expenditure

Expenditure on exploration and evaluation is accounted for in accordance with the area of interest method which is closely aligned to the US GAAP based successful efforts method of accounting for oil and gas exploration and evaluation expenditure.

This approach is strongly linked to the Group's oil and gas reserves determination and reporting process and is considered to most fairly reflect the results of the Group's exploration and evaluation activity because only assets with demonstrable value are carried on the statement of financial position.

Once a well commences producing commercial quantities of oil and gas, capitalised exploration and evaluation costs are transferred to Oil and Gas Properties – Producing Projects and amortisation commences.

This method allows the costs associated with the acquisition, exploration and evaluation of a prospect to be aggregated on the Consolidated Statement of Financial Position and matched against the benefits derived from commercial production once this commences.

Restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are treated as exploration and evaluation expenditure.



## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **(j) Farm-out Arrangements**

The Group does not record any expenditure made by the farmee on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements but redesignates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Any cash consideration received directly from the farmee is credited against costs previously capitalised in relation to the whole interest as relating to the partial interest retained with any excess accounted for by the farmor as gain on disposal. Monies received pursuant to farm-in agreements are treated as a liability on receipt and until such time as the relevant expenditure is incurred.

### **(k) Impairment of Exploration and Evaluation Assets**

The ultimate recoupment of the value of exploration and evaluation assets, the Company's investment in subsidiaries, and loans to subsidiaries is dependent on the successful development and commercial exploitation, or alternatively, sale of the exploration and evaluation assets.

Impairment tests are carried out on a regular basis to identify whether the assets carrying values exceed their recoverable amounts. There is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts. The key areas of judgement and estimation include:

- Recent exploration and evaluation results and resource estimates;
- Environmental issues that may impact on the underlying tenements; and
- Fundamental economic factors that have an impact on the operations and carrying values of assets and liabilities.

### **(l) Oil and Gas Properties**

Following commencement of production activities all acquisition, exploration, evaluation and development expenditure in relation to an area of interest is accumulated into an oil and gas property.

When further development expenditure is incurred in respect of a property after the commencement of production, such expenditure is carried forward as part of the cost of that property only when substantial economic benefits are established, otherwise such expenditure is classified as part of the cost of production.

Amortisation of the cost of oil and gas properties is provided on the unit-of-production basis over the proved developed reserves of the field concerned with separate calculations being made for each resource. The unit-of-production basis results in an amortisation charge proportional to the depletion of the economically recoverable reserves. Amortisation is charged from the commencement of production.

Oil and Gas properties are tested for impairment as described in note 3(i).

In the absence of readily available market prices, the recoverable amounts of assets are determined using estimates of the present value of future cash flows using asset-specific discount rates. For oil & gas properties, these estimates are based on assumptions concerning reserves, future production profiles and costs.

### **(m) Investment in Associate**

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment. After application of the equity method, the company determines whether it is necessary to recognise any additional impairment loss with respect to the company's net investment in the associate.

The company's share of the associate post-acquisition profits or losses is recognised in the statement of profit or loss and other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivable, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value or the retained investments and proceeds from disposal is recognised in profit or loss.

### (n) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year, which remain unpaid at year end. The amounts are unsecured and are usually paid within 30 days of recognition. They are recognised at fair value on initial recognition and subsequently at amortised cost, using the effective interest rate method.

### (o) Employee Benefits

#### i) Short Term Obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Profit sharing and bonus plans are recognised as expenses in profit or loss. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

#### ii) Share Based Payments

Share based compensation benefits are provided to employees. Information relating to these granted Performance Rights are set out in note 19.

The fair value of the options is recognised as an employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the Performance Rights granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

Upon vesting of the Performance Rights, the proceeds received (if any) net of any directly attributable transaction costs are allocated to share capital.

### (p) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in the deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income.

Deferred income tax is provided on all temporary differences at the statement of financial position date, arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and are recognised for all taxable temporary differences:

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

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses to the extent it is probable that future taxable amounts will be available to utilise those temporary differences and losses:

- Except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future extent that it is probable that the temporary differences can be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of profit or loss and other comprehensive income.

### (q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authorities, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense item as applicable; and
- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authorities are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

### (r) Contributed Equity

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 proceeds.

Other components of equity include the following:

- Share based payment reserve, as described in note 15.
- Foreign currency translation reserve which comprises foreign currency translation differences arising on the translation of financial statements of the Group's foreign entities into Australian Dollars.

### (s) Earnings per Share

#### i) Basic Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

#### ii) Diluted Earnings per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary share and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

### (t) New Accounting Standards and Interpretations

The Group 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.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

## 2. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group monitors this risk and implements measures to minimise the impact of this risk. The Group uses different methods to measure different types of risk to which it is exposed, including sensitivity analysis in the case of interest rate, foreign exchange and other price risks, and ageing analysis for credit risk.

Risk management is carried out by the Board of Directors.

The Group holds the following financial instruments:

	2022 \$	2021 \$
<b>Financial Assets</b>		
Cash and cash equivalents	3,607,909	4,678
Trade receivables	178,017	4,760
	<u>3,785,926</u>	<u>9,438</u>
<b>Financial Liabilities</b>		
Trade and other payables	470,457	182,046
Loans	-	681,560
	<u>470,457</u>	<u>863,606</u>

### (a) Market Risk

#### (i) Foreign Exchange Risk

The Group operates internationally through foreign subsidiaries and is exposed to foreign exchange risk arising from currency exposures, primarily with respect to the US dollar.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency or from net investments in foreign operations. The risk is monitored using cash flow forecasting and regular management reporting.

Due to the nature of the Group's principal operation being oil & gas exploration and production the Group is exposed to the fluctuations in the price of oil & gas. Although the Group is economically exposed to commodity price risk of the above mentioned inputs, this is not a recognised market risk under the accounting standard as the risk is embedded within normal purchase and sales and are therefore not financial instruments.

## 2. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (ii) Cash Flow and Fair Value Interest Rate Risk

At reporting date, the Group has no long term borrowings and its exposure to interest rate risk is assessed as minimal.

The Group's exposure to interest rate risk which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets of the group are summarised in the following tables:

2022	Floating interest rate \$	Non-interest bearing \$	1 Year or less \$	Over 1 to 5 years \$	Total \$
<b>Financial assets</b>					
Cash and cash equivalents	-	3,607,909	-	-	3,607,909
	-	3,607,909	-	-	3,607,909

2021	Floating interest rate \$	Non-interest bearing \$	1 Year or less \$	Over 1 to 5 years \$	Total \$
<b>Financial assets</b>					
Cash and cash equivalents	-	4,678	-	-	4,678
	-	4,678	-	-	4,678

The Group has minimal exposure to interest rate risk other than reduction/increases in interest earned should the rates decrease/increase respectively. As an indication of possible sensitivity to changes in interest rates a 1% movement in interest rate, would increase/decrease the annual amount of interest received by \$Nil (2021: Nil)

### (b) Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is not significantly exposed to credit risk from its operating activities, however the Board constantly monitors customer receivables. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset. The Group does not hold collateral as security. No material exposure is considered to exist by virtue of the possible non-performance of the counterparties to financial instruments and cash deposits. The Group ensure the use of leading investment institutions in terms of managing cash. The cash is only held in institutions with at a minimum AA-credit rating. The maximum exposure to credit risk are the financial assets as disclosed at Note 2(a)(ii).

### (c) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions should they arise. Due to the dynamic nature of the underlying businesses, the Group aims at maintaining flexibility in funding by keeping committed credit lines available with a variety of counterparties. No unused lines of credit currently exist.

Contractual maturities of financial liabilities 30 June 2022	Less than 6 months \$	6-12 months \$	Between 1-5 years \$	Total \$	Carrying Value \$
<b>Financial Liabilities</b>					
Trade and other payables	470,457	-	-	470,457	470,457
	470,457	-	-	470,457	470,457

Contractual maturities of financial liabilities 30 June 2021	Less than 6 months \$	6-12 months \$	Between 1-5 years \$	Total \$	Carrying Value \$
<b>Financial Liabilities</b>					
Trade and other payables	182,046	-	-	182,046	182,046
Loans	681,560	-	-	681,560	681,560
	863,606	-	-	863,606	863,606

## 2. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (d) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement, and for disclosure purposes.

### (e) Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the assets or liability, either directly or indirectly; and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At year end 30 June 2022 the Group did not have any financial instruments that are subject to recurring or non-recurring fair value measurements.

### (f) Fair values of other financial instruments

Due to their short-term nature, the carrying amounts of the current receivables and current trade and other payables is assumed to equal their fair value.

The following methods and assumptions are used to determine the net fair value of financial assets and liabilities:

- Cash assets, borrowings and financial assets are carried at amounts approximating fair value because of their short term nature to maturity.
- Receivables and payables are carried at amounts approximating fair value.

### (g) Capital Risk Management

The Group's objective when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistently with others in the industry, the Group manages its capital by assessing the Group's financial risk and adjusts its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the group since the prior year. The Group is not subject to any externally imposed capital requirements.

## 3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

### (i) Estimated Impairment

The Group tests annually whether exploration and evaluation expenditure and Oil and Gas properties have suffered any impairment, in accordance with the accounting policy stated in note 1(i). During the year the group recognised \$Nil (2021: \$Nil) of impairment on exploration and evaluation expenditure. The recoverable amounts of cash generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions like commodity price and production quantity. Refer to note 12.

### (ii) Income Taxes

The Group expects to have carried forward tax losses which have not been recognised as deferred tax assets as it is not considered sufficiently probable that these losses will be recouped by means of future profits taxable in the relevant jurisdictions.

### 3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (CONTINUED)

#### (iii) *Coronavirus (Covid-19) pandemic*

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

#### (iv) *Exploration and evaluation costs*

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

#### (v) *Investments in associates*

Associates are those entities over which the Group is able to exert significant influence but which are not subsidiaries. A holding of 20% or more of the voting power will indicate significant influence. They are accounted for using the equity method. The carrying amount of the investment in associates is increased or decreased to recognise the group's share of the profit or loss and other comprehensive income of the associate, adjusted where necessary to ensure consistency with the accounting policies of the group.

The Group assesses the carrying amount of its investments in associates at each reporting period, or more frequently if events or changes in circumstances indicate impairment, in accordance with AASB 128 Investments in Associates and Joint Ventures. If impairment indicators are identified, the Group tests the investments for impairment in accordance with AASB 136 Impairment of Assets. In assessing the recoverability of its investments in associates management applies their estimates and judgements as to the recoverability of its investments.

The Group applies the requirements of AASB 9 Financial Instruments to its other interest in the associate such as loans to or receivables from the associate.

#### (vi) *Asset acquisition not constituting a Business*

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset.

In determining when an acquisition is determined to be an asset acquisition and not a business, significant judgement is required to assess whether the assets acquired constitute a business in accordance with AASB 3. Under AASB 3 a business is an integrated set of activities and assets that is capable of being conducted or managed for the purpose of providing a return, and consists of inputs and processes, which when applied to those inputs has the ability to create outputs.

#### (vii) *Share based payment transactions*

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.



#### 4. SEGMENT REPORTING

Management has determined the operating segments based on reports reviewed by the Board of Directors that are used to make strategic decisions. The Board of Directors considers the business from a geographic perspective and have identified the below reportable segments:

Geographical Segment - 2022					
	\$	\$	\$	\$	\$
	Mongolia	Australia	USA	Corporate/ Unallocated	Consolidated
<b>Results</b>					
Revenue	-	-	-	530,329	530,329
Loss for the period	(564,103)	-	-	(9,385,617) <sup>(i)</sup>	(9,949,720)
<b>Assets</b>					
Segment assets	1,110,155	450,000	44,037	3,429,763	5,033,955
<b>Liabilities</b>					
Segment liabilities	141,930	-	38,236	347,527	527,693

Geographical Segment - 2021					
	\$	\$	\$	\$	\$
	Mongolia	Australia	USA	Corporate/ Unallocated	Consolidated
<b>Results</b>					
Revenue	-	-	-	-	-
Loss for the period	(172,492)	-	-	-	(172,492)
<b>Assets</b>					
Segment assets	758,364	-	-	-	758,364
<b>Liabilities</b>					
Segment liabilities	(863,606)	-	-	-	(863,606)

<sup>(i)</sup> The Corporate/Unallocated loss for the 2022 period reconciles as follows:

	\$
Income (Debt forgiveness)	530,329
Less:	
Listing expense	(7,533,285)
Share Based Payments Expense	(2,191,288)
Other expenses	(191,373)
Corporate / Unallocated loss	(9,385,617)

#### 5. OTHER INCOME

	Consolidated	
	2022	2021
	\$	\$
Debt forgiveness <sup>(i)</sup>	516,327	-
Other income	11,723	-
	528,051	-

<sup>(i)</sup> During 2021 and up to the date of the acquisition of Telmen by the Company, Telmen Resource LLC was funded through various loans including loans from Telmen Resource LLC's major shareholder, Mr Tsetsen Zantav (and his related entities). Upon the acquisition of Telmen, the Company agreed with Mr. Zantav (and his related parties) that all but US\$150,000, which was repaid in cash at completion of the acquisition, would be forgiven. The remaining balance of the loans which totalled \$516,327 were forgiven during the year ended 30 June 2022 and brought to account as other income in the Group.

## 6. OFFICE AND ADMINISTRATIVE EXPENSES

	Consolidated	
	2022	2021
	\$	\$
<b>The loss from continuing operations includes the following specific expenses:</b>		
Office and administrative expenses		
Wages and Salaries	(169,040)	(127,156)
Advertising and Marketing	(48,346)	(47)
Office Rent	(20,640)	(28,880)
Other administrative expenses	(74,111)	(9,803)
<b>Total office and administration expenses</b>	<b>(312,137)</b>	<b>(165,886)</b>

## 7. INCOME TAX

	Consolidated	
	2022	2021
	\$	\$
Tax expense/(income) comprises:		
Current tax expense/(income) in respect of the current year	-	-
<b>Total tax expense/(income) from continuing operations</b>	<b>-</b>	<b>-</b>
<b>Total tax expense/(income) from discontinued operations</b>	<b>-</b>	<b>-</b>

The prima facie income tax expense/(income) on pre-tax accounting loss from operations reconciles to the income tax expense/(income) in the financial statements as follows:

	Consolidated	
	2022	2021
	\$	\$
Loss before income tax expense	(9,947,812)	(172,492)
Income tax expense/(income) calculated at 30% (2021:25%)	(2,984,343)	(43,123)
Effect of expenses that are not deductible in determining taxable profit	2,790,183	-
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	187,836	43,123
Other	6,324	-
	<b>-</b>	<b>-</b>

## 7. INCOME TAX (CONTINUED)

### Unrecognised deferred tax balances

	Consolidated	
	2022	2021
	\$	\$
Deferred tax assets/(liabilities)		
Tax losses	2,784,079	43,123
Provisions	17,171	-
Capital Raising Costs	7,013	-
Deferred tax liability:		
Oil and gas properties	(13,211)	-
Net deferred tax assets/(liabilities)	<b>2,795,052</b>	<b>43,123</b>
Unrecognized deferred tax assets	<b>(2,795,052)</b>	<b>(43,123)</b>
Deferred tax assets/(liabilities)	-	-

Net deferred tax assets have not been brought to account as it is not probable that immediate future profits will be available against which deductible temporary differences and tax losses can be utilised.

## 8. CASH AND CASH EQUIVALENTS

	Consolidated	
	2022	2021
	\$	\$
Cash at bank	<b>3,607,909</b>	<b>4,678</b>

The Group's exposure to interest rate risk and foreign exchange risk is discussed in note 2.

## 9. TRADE AND OTHER RECEIVABLES

	Consolidated	
	2022	2021
	\$	\$
<b>Current</b>		
GST/VAT Receivable	15,648	4,760
Other receivables	20,903	-
	<b>36,551</b>	<b>4,760</b>

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

## 10. INVESTMENT IN ASSOCIATE

TMK's interest in Talisman Deeps was acquired through the acquisition of a 20% shareholding in Skye Napoleon Pty Ltd (JV Company), which owns 100% of the Project comprising all the petroleum rights below 2,700m in offshore petroleum production licence WA-8-L. TMK has a right to convert this 20% shareholding to a 20% direct participating interest in the Project upon a joint venture for the Project being formed. TMK contributes to expenditure in accordance with its percentage interest.

As part of the reverse acquisition between Telmen and TMK (see note 17b), the fair value of the investment in Skye Napoleon Pty Ltd has been determined to be the carrying value of the investment in TMK's financial statements at the time of the reverse acquisition having reference to the valuation range published in the Independent Expert's Report included in the Notice of Meeting dated 12 January 2021.

Since the reverse acquisition date of 15 February 2022, there has been no material change in the value of the investment in Skye Napoleon Pty Ltd and accordingly, there has been no change to the fair value since that date.

Interest in associates are accounted for using the equity method of accounting. Since 15 February 2022, there has been no profit or loss recorded by Skye Napoleon Pty Ltd. Information relating to associates that are material to the consolidated entity are set out below:

		Ownership Interest	
Name	Principal place of business/ Country of Incorporation	2022 %	2021 %
Skye Napoleon Pty Ltd	Australia	20%	-
<i>Summarised statement of financial position</i>			
Current assets		3,449	-
Non-Current assets		26,865	-
Total assets		<b>30,314</b>	-
Current liabilities		41,819	-
Non-current liabilities		-	-
Total liabilities		<b>41,819</b>	-
<b>Net liability</b>		<b>11,505</b>	-
<i>Summarised statement of profit or loss and other comprehensive income</i>			
Expenses		-	-
Loss before income tax		-	-
Income tax expense		-	-
Loss after income tax		-	-
Other comprehensive income		-	-
Total comprehensive loss		-	-
<i>Reconciliation of the consolidated entity's carrying amount</i>			
Opening balance		-	-
Additions as part of TMK acquisition		450,000	-
Share of profit/(loss) after income tax		-	-
Closing balance		<b>450,000</b>	-

## 11. OIL AND GAS PROPERTIES

The ultimate recoupment of these costs is dependent on successful development and commercial exploitation, or alternatively, the sale of the respective areas.

As part of the reverse acquisition between Telmen and TMK (see note 17b), the fair value of the investment in Oil and Gas Properties has been determined to be the carrying value in TMK's accounts at the time of the reverse acquisition.

	Consolidated	
Oil and gas properties – cost	2022	2021
	\$	\$
Producing oil & gas asset at acquisition	44,037	-
Accumulated Amortisation	-	-
	<b>44,037</b>	<b>-</b>
Movements in carrying amounts are reconciled as follows:		
Opening balance	-	-
Additions through reverse acquisition	42,036	-
Additions during the year	-	-
Amortisation expense	-	-
Foreign exchange movement	2,001	-
<b>Closing balance</b>	<b>44,037</b>	<b>-</b>

## 12. CAPITALISED EXPLORATION AND EVALUATION EXPENDITURE

The below capitalised exploration and evaluation expenditure relates to one area of interest being the Gurvantes XXXV Project in Mongolia.

	Consolidated	
	2022	2021
	\$	\$
Opening balance	737,458	857,056
Additions during the year	2,254,349	52,932
Reimbursement of back costs from farm-in partner	(362,700)	(90,576)
Contributions from Partner <sup>(1)</sup>	(1,968,634)	-
Foreign exchange movement	(27,474)	(81,954)
<b>Closing balance</b>	<b>632,999</b>	<b>737,458</b>

<sup>(1)</sup> During 2022, the Company entered into a Farm-in agreement with Talon Energy Limited (Talon) in which Talon agreed to fund the initial US\$1.5 million of exploration costs (Stage 1) after which it must commit to fund a further US\$3.15 million (Stage 2) in return for a 33% interest in the Gurvantes XXXV Project. In addition, Talon paid a total of US\$350,000 in back costs to the Company, of which US\$250,000 was paid in the year ended 30 June 2022. As at 30 June 2022, the full amount of the initial US\$1.5 million has been received from Talon and US\$1.374 million has been spent based on the work program. The unspent funds are treated as liability until such time as the relevant expenditure is incurred. No further funds have been received from Talon at this stage. In accordance with the Farm-in agreement, Talon can only make the election to proceed to Stage 2 once the initial exploration program is completed and accordingly, Talon has not yet made any election to proceed to Stage 2 and therefore has not yet earned an interest in the project.

### 13. TRADE AND OTHER PAYABLES

	Consolidated	
	2022	2021
	\$	\$
<b>TRADE AND OTHER PAYABLES</b>		
Trade creditors	275,712	182,046
Trade accruals	10,268	-
Funds received from farm-in partner not yet spent	184,477	
	<b>470,457</b>	<b>182,046</b>

These amounts are expected to be settled within 12 months.

Due to the short-term nature of these payables, their carrying amount is assumed to approximate their fair value.

### 14. ISSUED CAPITAL

Ordinary shares	Consolidated			
	30-Jun-22 Shares	30-Jun-21 Shares	30-Jun-22 AUD	30-Jun-21 AUD
<b>Movements in share on issue</b>				
<b>Beginning of the period</b>	<b>91,800,000</b>	<b>91,800,000</b>	<b>68,666</b>	<b>68,666</b>
<b>Share Issued</b>				
Elimination of TRJ Share Capital	(91,800,000)	-	-	-
Existing issued capital of Telmen Energy	9,000	-	-	-
Shares issued to acquire TRJ	86,791,000	-	-	-
Conversion of Convertible Notes <sup>(1)</sup>	8,250,000	-	789,750	-
Capital raise <sup>(2)</sup>	1,255,000	-	272,962	-
Share based payment in lieu of services <sup>(3)</sup>	3,695,000	-	555,501	-
Elimination of Telmen Energy share capital	(100,000,000)	-	-	-
Existing issued capital of TMK Energy	985,000,000	-	-	-
Fully Paid Ordinary Shares to acquire Telmen <sup>(4)</sup>	1,600,000,000	-	8,865,000	-
Capital raise <sup>(5)</sup>	245,000,000	-	1,960,000	-
Share based payment <sup>(6)</sup>	50,000,000	-	400,000	-
Less: Capital raising cost	-	-	(107,800)	-
Class B Performance Shares <sup>(7)</sup>	600,000,000	-	-	-
<b>Total shares issued</b>	<b>3,480,000,000</b>	<b>91,800,000</b>	<b>12,804,079</b>	<b>68,666</b>

<sup>(1)</sup> Conversion of convertible notes in Telmen on 4 November 2021

<sup>(2)</sup> 1,255,000 shares issued in Telmen on 23 November 2021 @ \$0.2175 per share

<sup>(3)</sup> 3,695,000 shares issued in lieu of services on 23 November 2021 (shares issued to Dunedin Capital Advisors Pty Ltd)

<sup>(4)</sup> Consideration Shares issued to shareholders of Telmen on 14 February 2022

<sup>(5)</sup> 245,000,000 shares issued in TMK Energy on 14 February 2022 @ \$0.008

<sup>(6)</sup> Introduction securities issued to Chieftain Securities on 14 February 2022

<sup>(7)</sup> Class B Performance shares issued to Telmen shareholders on 9 June 2022

## 15. RESERVES

Consolidated		
	2022	2021
	\$	\$
Foreign currency translation reserve <sup>(1)</sup>	34,523	-
Share based payment reserve <sup>(2)</sup>	1,791,288	-
<b>Total reserve</b>	<b>1,825,811</b>	<b>-</b>
<b><sup>(1)</sup> Foreign currency translation</b>		
Balance at 1 July	-	-
Currency translation differences arising during the year	34,523	-
	<b>34,523</b>	<b>-</b>
<b><sup>(2)</sup> Share based payment reserve</b>		
Balance at 1 July	-	-
Share based payment movement during the year	1,791,288	-
	<b>1,791,288</b>	<b>-</b>

### Nature and purpose of reserves

#### <sup>(1)</sup> Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of self-sustaining foreign operations.

#### <sup>(2)</sup> Share based payment reserve

The share-based payment reserve is used to recognise the value of performance rights and options issued to employees, Directors, consultants, and external finance companies.

## 16. ACCUMULATED LOSSES

Consolidated		
	2022	2021
	\$	\$
Accumulated losses at 1 July	(173,908)	(1,416)
Net loss attributable to the members of the parent entity	(9,949,720)	(172,492)
<b>Accumulated losses at 30 June</b>	<b>(10,123,628)</b>	<b>(173,908)</b>

## 17. LISTING EXPENSE

	Consolidated	
	2022	2021
	\$	\$
Listing expense on acquisition of Telmen Resource LLC (see Note 17a)	496,113	-
Listing expense on acquisition of Telmen (see Note 17b)	6,665,671	-
Advisor fees in relation to the listing (see Note 19)	371,501	-
	<b>7,533,285</b>	<b>-</b>

### (a) Acquisition of Telmen Resource LLC (TRJ)

On 26 August 2021, TRJ and Telmen entered into a 1:1 share swap agreement, in which, Telmen issues 86,800,000 shares to the remaining TRJ's shareholders in order to bring its shareholdings in TRJ to 100%. The transaction between TRJ and Telmen was completed on 26 August 2021 and is treated as a reverse acquisition.

Details of the net assets acquired of Telmen, purchase consideration and listing expense are as follows:

	\$
<b>Net assets acquired:</b>	
Cash and cash equivalents	174,973
Trade and other receivables	1,745
Other non-current assets	157,400
Borrowings	(830,231)
<b>Adjusted net assets/(liabilities) of Telmen acquired</b>	<b>(496,113)</b>
Fair value of consideration	-
Less: total net liabilities/(assets) acquired on acquisition	496,113
<b>Amount recognised as listing expense upon acquisition</b>	<b>496,113</b>

### (b) Acquisition of Telmen Energy Limited

In November 2021, TMK entered into a binding agreement to acquire Telmen and its wholly owned subsidiary TRJ (referred as "Telmen Group") and completed the acquisition on 15 February 2022. TMK issued 1,600,000,000 shares and 1,600,000,000 performance shares (see Note 19 for the terms of the performance shares) to acquire 100% of Telmen Group. The transaction between Telmen and TMK is treated as a reverse acquisition.

	\$
<b>Net assets acquired:</b>	
Cash and cash equivalents	1,803,901
Trade and other receivables	57,543
Investments	450,000
Oil and Gas Properties	42,036
Trade and other payables	(117,994)
Provisions	(36,157)
<b>Adjusted net assets of TMK consolidated group acquired</b>	<b>2,199,329</b>
Fair value of consideration (both shares and performance shares)	8,865,000
Less: total net liabilities/(assets) acquired on acquisition	(2,199,329)
<b>Amount recognised as ASX listing expense upon acquisition</b>	<b>6,665,671</b>



## 18. LOSS PER SHARE

Consolidated		
	2022	2021
	\$	\$
<b>Reconciliation of earnings to net loss</b>		
Loss from continued operations	(9,949,720)	(172,492)
<b>Loss for the period</b>	<b>(9,949,720)</b>	<b>(172,492)</b>
Basic and dilutive EPS (cents per share)	(0.38)	(0.01)
	<b>Number</b>	<b>Number</b>
<b>Weighted average number of ordinary shares outstanding during the year used in calculation of basic and dilutive EPS</b>	<b>2,644,033,356</b>	<b>2,243,780,000</b>

Share options are considered to be potential ordinary shares and have been considered in the calculation of diluted EPS; the result of the conversion of these share options was anti-dilutive.

## 19. SHARE BASED PAYMENTS

During the year, the Company has issued share-based payment as follows:

- Share based payment recognised as listing expense in the statement of profit and loss:
  - Share issued for the reverse acquisition between TRJ and Telmen (see Note 17a).
  - Share issued for the reverse acquisition between Telmen and TMK (See Note 17b).
  - 1,695,000 of TEL's share issued as payment for advisory services on the acquisitions and listing. This amount to \$371,501 expensed as listing expense (see Note 17) in the statement of profit and loss.
- Share based payment recognised as share-based payment expense in the statement of profit and loss:
  - 50,000,000 of TMK's share issued to Chieftain as introduction securities. This amount to \$400,000 being expensed.
  - 75,000,000 of TMK's options issued to Chieftain as introduction securities (see Note 19a). This amount to \$600,000 being expensed.
  - 210,000,000 of TMK's performance rights issued to employees and management (see Note 19b) which amount to \$1,191,288 being expensed.
- Share based payment capitalised in exploration and evaluation asset
  - 2,000,000 of TEL's share issued as payment for advisory services on the farm-out arrangement which amount to \$184,000.

### (a) Options Issued

Set out below are summaries of options issued during the year.

Consolidated		
	2022	2021
	Number	Number
Outstanding at 1 July	-	-
Granted	75,000,000	-
Exercised	-	-
Expired	-	-
<b>Outstanding at 30 June</b>	<b>75,000,000</b>	<b>-</b>

## 19. SHARE BASED PAYMENTS (CONTINUED)

On 14 February 2022, the Company issued 75,000,000 options to Chieftain as introduction securities, which vest when the share weighted average share price of the Company is equal or greater than \$0.02 for any 20 consecutive day period, and have an exercise price of \$0.008 and expire on 14 February 2025. The options have been valued using the Black Scholes method and determined to have a fair value of \$600,000 using the following assumptions:

- Exercise price of \$0.008
- Volatility of 120%
- Implied life of 3 years
- Risk free rate of 1.59%
- Dividend yield of nil

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.37 years (2021: nil).

### (b) Performance Rights Issued

Set out below are summaries of performance rights issued during the year.

Consolidated		
	2022 Number	2021 Number
Outstanding at 1 July	-	-
Granted	210,000,000	-
Expired/Forfeited	(1,250,000)	-
<b>Outstanding at 30 June</b>	<b>208,750,000</b>	<b>-</b>

On 11 February 2022, the Company issue a total of 210,000,000 Performance Rights for nil considerations to employees and management. The Performance Rights convert into fully paid ordinary shares upon meeting the following performance conditions:

Class and Performance Conditions	Expiry Date	Number issued	Valuation per Performance Right
Class A: both of the following occurring: <ul style="list-style-type: none"> <li>• The volume-weighted average price ('VWAP') of TMK shares over 20 consecutive trading days being at least \$0.02; and</li> <li>• Commencement of a drilling program within the Gurvantes XXXV area within three years from the date of issue.</li> </ul>	14 February 2025	78,750,000	\$0.01
Class B: vest upon either of the following occurring: <ul style="list-style-type: none"> <li>• Intersection of 25m of coal seams in any two of the first four wells within the Gurvantes XXXV Project area; or</li> <li>• 100 billion cubic feet of 2C (best estimate of contingent resources) Petroleum Resources Management System ('PRMS') compliant resource within the Gurvantes XXXV Project area.</li> </ul>	14 February 2027	78,750,000	\$0.01
Class C: determination of a 100 billion cubic feet 2C PRMS compliant resource within the Gurvantes XXXV Project Area	14 February 2027	52,500,000	\$0.011

The Class A Performance Rights have been valued with the following assumptions:

- Volatility of 120%
- Implied life of 3 years
- Risk free rate of 1.59%
- Dividend yield of nil

The Class B and Class C Performance Rights have been valued at the underlying share price on the date of issue.

## 19. SHARE BASED PAYMENTS (CONTINUED)

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 3.87 years (2021: nil). The weighted average fair value at the end of the period was \$0.011 (2021: nil) per right.

### (c) Performance Shares Issued

Set out below are summaries of performance shares issued during the year.

Consolidated		
	2022 Number	2021 Number
Outstanding at 1 July	-	-
Granted	1,600,000,000	-
Vested	(600,000,000)	-
Expired/Forfeited	-	-
<b>Outstanding at 30 June</b>	<b>1,000,000,000</b>	<b>-</b>

As part of the reverse acquisition (see Note 17b), the Company issue a total of 1,600,000,000 Performance Shares which form part of the consideration for the acquisition. The Performance Share convert into fully paid ordinary shares upon satisfaction of the following milestones:

Class	Performance Conditions	Expiry Date	Number issued
Tranche 1	Tranche 1 Consideration Performance Shares vest upon both of the following occurring: <ul style="list-style-type: none"> <li>The volume-weighted average price ('VWAP') of TMK shares being equal to, or greater than \$0.020 for 20 trading days; and</li> <li>Commencement of a drilling program within the Gervantes XXXV area within three years from the date of issue.</li> </ul>	14 February 2025	600,000,000
Tranche 2	Tranche 2 Consideration Performance Shares vest upon either one of the following occurring: <ul style="list-style-type: none"> <li>Intersection of 25m of coal seams in any two of the first four wells; or</li> <li>100 billion cubic feet of Petroleum Resources Management System ('PRMS') best estimate of contingent resources ('2C') within five years from the date of issue.</li> </ul>	14 February 2027	600,000,000
Tranche 3	Tranche 3 Performance Rights vest upon 100 billion cubic feet 2C PRMS compliant resource within five years from the date of issued.	14 February 2027	400,000,000

The milestones for Tranche 2 were satisfied during the financial year and the Performance Shares were converted into ordinary share.

## 20. PARENT ENTITY INFORMATION

The ultimate holding company of the Group, TMK Energy Ltd (the "Parent") has not been reported on in these financial statements other than the following, pursuant to changes to the Corporation Act 2001:

	PARENT ENTITY	
	2022 \$	2021 \$
Current assets	3,369,228	2,409,593
Non-current assets	486,653	450,000
Total assets	3,855,881	2,859,593
Current liabilities	144,789	37,374
Non-current liability	-	-
Total liabilities	144,789	37,374
Net assets	<b>3,711,092</b>	<b>2,822,219</b>
Issued capital	33,352,568	31,519,783
Options issued	408,890	408,890
Equity reserves	581,564	581,564
Accumulated losses	(30,631,930)	(29,688,018)
Total equity	<b>3,711,092</b>	<b>2,822,219</b>
Loss for the year	(943,912)	(2,006,978)
Total comprehensive loss for the year	<b>(943,912)</b>	<b>(2,006,978)</b>

The Parent entity has not entered into any guarantees and has no contingent liabilities or contractual commitments.

## 21. CASH FLOW INFORMATION

Reconciliation of cash flow from operations with loss from continuing operations after income tax.

	Group	
	2022 \$	2021 \$
<b>Loss after income tax</b>	(9,949,720)	(172,492)
<b>Non cash flows in loss</b>		
Depreciation	7,033	2,014
Impairment	15,200	-
Listing Expense	7,533,285	-
Foreign currency movements	2,839	340
Share Based Payments	2,191,288	-
Loan Forgiveness (Other Income)	(528,051)	-
Increase in trade creditors and accruals	288,411	59,657
Increase/(decrease) in trade and other receivables	(354,794)	2,841
Increase/(decrease) in other provision	57,236	-
<b>Cash outflows from operations</b>	<b>(737,273)</b>	<b>(107,640)</b>

### (i) Non-cash investing and financing activities

During the year, the Company has acquired TRJ through a share swap and Telmen by issuing ordinary shares and performance shares (see Note 17 for details). No cash consideration was provided in the transaction.

There were no other non-cash investing and financing activities.

## 22. SUBSIDIARIES

The Company has the following subsidiaries:

Name of Subsidiary	Place of Incorporation	Percentage owned	
		2022	2021
Tamaska Energy LLC	Louisiana USA	100%	100%
Tamaska Oil and Gas Inc	Delaware USA	100%	100%
Tamaska Oil and Gas Texas LLC	Texas USA	100%	100%
Parta Energy Pty Ltd	Australia	100%	100%
Telmen Energy Limited	Australia	100%	-
Telmen Resource LLC	Mongolia	100%	-

## 23. RELATED PARTY TRANSACTIONS

### (a) Parent Entity

The ultimate parent entity that exercises control over the Group is TMK Energy Limited, which is incorporated in Australia.

### (b) Subsidiaries

Details of interests in wholly owned controlled entities are set out in Note 22.

### (c) Transactions and outstanding balances with other related parties

The following transactions occurred with related parties during the year on an arm's length commercial basis:

	Consolidated	
	2022 \$	2021 \$
<b>Sales and purchases of goods and services</b>		
Expenses charged for services from Tsetsen Zantav <sup>(1)</sup> and his related entities	41,155	12,273
<b>Other transactions</b>		
Debt forgiveness between TRJ and Tsetsen Zantav and his related entities (see Note 5)	516,327	-
Loans received from Tsetsen Zantav and his related entities	-	586,562
Loans repaid to Tsetsen Zantav and his related entities	248,060	-
<b>Outstanding balances arising from sales/purchases of goods or services</b>		
KMP or entities controlled by KMP	32,429	-
Entities controlled by Tsetsen Zantav <sup>(2)</sup> and his related entities	-	80,828

<sup>(1)</sup> Tsetsen Zantav was the majority shareholder of TRJ until the acquisition by TMK on 15 February 2022. The amounts disclosed are the expenses incurred while he was a related party.

### 23. RELATED PARTY TRANSACTIONS (CONTINUED)

In addition to the above, 1,021,720,000 ordinary shares and 1,021,720,000 performance shares were issued to related parties in their capacity as shareholders of Telmen on the acquisition of Telmen by TMK.

Of these, 59,120,000 ordinary shares and 59,120,000 performance shares were issued to Dunedin Capital Advisors Pty Ltd, a related entity of Dougal Ferguson. These were originally issued as 3,695,000 Telmen shares prior to the acquisition of Telmen by TMK (refer Note 14). These shares consisted of a share-based payment of 2,000,000 shares with the balance of 1,695,000 shares being settled in lieu of cash for services provided to Telmen.

#### (d) Transactions with key management personnel

The totals of remuneration paid to KMP of the Company and the Group during the year are as follows:

	Consolidated	
	2022	2021
	\$	\$
Short-term employee benefits	307,749	-
Superannuation	9,091	-
Annual Leave	7,268	-
Share-based payments (note 19)	789,956	-
Total KMP compensation	<b>1,114,064</b>	-

Detailed remuneration disclosures are provided in the remuneration report on pages 9 to 13. These differ from the above due to the remuneration report being made on the legal entity, versus the accounting entity, as a result of the application of the reverse takeover accounting methodology.

#### (e) Loan to / from related parties:

During the year, \$134,450 of convertible notes were subscribed for by certain KMPs and their related parties and converted into ordinary shares in Telmen on 4 November 2021. The convertible notes were held by Dougal Ferguson (\$101,200) and Stuart Baker (\$33,250). On the acquisition of Telmen by TMK, each Telmen shareholder received 16 TMK fully paid ordinary shares and 16 TMK performance shares for each share they held in Telmen. The convertible notes held by KMPs and their related parties converted into 351,200 shares in Telmen, which then converted into 5,619,500 fully paid ordinary shares and 5,619,500 performance shares in TMK. These amounts are included in note 23(c) above as part of the total amount of ordinary shares and performance shares issued in TMK to related parties in their capacity as shareholders of Telmen.

During 2021 and up to the date of the acquisition of Telmen by the Company, Telmen Resource LLC was funded through various loans from Telmen Resource LLC's major shareholder, Mr Tsetsen Zantav (and his related entities). Upon the acquisition of Telmen, the Company agreed with Mr. Zantav (and his related parties) that all but US\$150,000, which was repaid in cash at completion of the acquisition, would be forgiven. The remaining balance of the loans which totalled A\$516,327 were forgiven during the year ended 30 June 2022 (see Note 5) and brought to account as other income in the Group. There was no balance outstanding as at 30 June 2022 (2021: A\$681,560).

There were no other loans to or from related parties during the year (2021: Nil).

## 24. REMUNERATION OF AUDITORS

	Consolidated	
	2022	2021
	\$	\$
<b>Amounts received or due and receivable by BDO Audit (WA) Pty Ltd for:</b>		
Audit and audit review services of periodic financial reports	48,506	26,624
Other services	42,658	-
	<b>91,164</b>	<b>26,624</b>

Remuneration of auditors relates to fees paid by the parent entity for the year ended 30 June 2022 and 30 June 2021.

## 25. DIVIDENDS

No dividend was paid or declared during the year and the Directors do not recommend the payment of a dividend (2021: Nil).

## 26. COMMITMENTS

The Company had no commitments at 30 June 2022 (2021: Nil).

## 27. CONTINGENCIES

The consideration for the reverse acquisition between Telmen and the Company (refer Note 17b) comprises of performance shares that will convert to ordinary shares when the performance conditions have been met. 600,000,000 Tranche A Performance Shares and 400,000,000 Tranche C Performance Shares remained outstanding at 30 June 2022.

There were no other known contingent liabilities or contingent assets at 30 June 2022 (2021: Nil).

## 28. EVENTS SUBSEQUENT TO REPORTING DATE

On 14 July 2022, the Company has announced that the Class B Performance Rights had vested and 40,781,250 were converted to ordinary fully paid shares, with a further 37,500,000 vested but not yet converted into ordinary fully paid shares. The vested (but as yet unconverted Class B Performance Rights) can be converted into ordinary fully paid shares at any time at the election of the holder of those Performance Rights.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

## Directors' Declaration

The Directors of the Company declare that:

- 1) The financial statements and notes, as set out on pages 17 to 45, are in accordance with the Corporations Act 2001 and:
  - a) comply with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - b) give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the company and Group;
- 2) In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
- 3) The financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board
- 4) The Directors have been given the declaration by the Executive Director and Chief Financial Officer required by section 295A of the Corporation Act 2001.
- 5) The remuneration disclosures contained on the Remuneration Report comply with section 300A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors.



Brett Lawrence  
Director  
Perth, Western Australia  
30 September 2022



## INDEPENDENT AUDITOR'S REPORT

To the members of TMK Energy Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of TMK Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards 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 Group in accordance with 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Reverse asset acquisition accounting

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>During the reporting period, TMK Energy Limited acquired 100% of the shares of Telmen Energy Limited which was the shareholder of Telmen Resource JSC, owner of the Gurvantes XXXV coal seam gas project as disclosed within Note 1(a), 3 and 17.</p> <p>There is a significant level of judgement involved in determining whether the acquisition meets the definition of a business combination or an asset acquisition in accordance with the accounting standards.</p> <p>Judgement is also involved in determining whether the acquisition constitutes a reverse acquisition.</p> <p>As a result, we have determined that this is a key audit matter.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of the transaction, including an assessment of the accounting acquirer and whether the transaction constituted a business combination or asset acquisition;</li> <li>• Reviewing management's assessment of the accounting for the reverse acquisition as an asset acquisition;</li> <li>• Reviewing the valuation of the consideration transferred, being shares and performance rights;</li> <li>• Reviewing the assets and liabilities acquired and agreeing material balances to supporting documentation;</li> <li>• Reviewing the accounting treatment applied with reference to AASB 2 <i>Share Based Payment</i>; and</li> <li>• Assessing the adequacy of the related disclosure in Note 1(a), 3 and 17.</li> </ul>



#### Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

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

In connection with our audit of the financial 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.

#### Other matter

The corresponding figures for the year ended 30 June 2021 are unaudited.

#### 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 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 ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf)

This description forms part of our auditor's report.



## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 17 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of TMK Energy Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Dean Just', is written over a faint, light grey BDO logo.

Dean Just

Director

Perth

30 September 2022

## Shareholder Information

### LISTING OF 20 LARGEST SHAREHOLDERS AS AT 30 SEPTEMBER 2022

Position	Investor	Holding	%
1	TSETSEN ZANTAV	1,098,000,000	31.19%
2	GANZORIG VANCHIG	201,302,000	5.72%
3	BRENDAN STATS	198,000,000	5.62%
4	AVIEMORE CAPITAL PTY LTD	86,846,869	2.47%
5	DUNEDIN CAPITAL ADVISORS PTY LTD	81,290,000	2.31%
6	W I G PTY LTD <GOLD TREE A/C>	68,000,000	1.93%
7	HOPERIDGE ENTERPRISES PTY LTD	62,109,950	1.76%
8	KRAKOUER CAPITAL PTY LTD	60,000,000	1.70%
9	CRAIG IAN BURTON <CI BURTON FAMILY A/C>	57,156,499	1.62%
10	DELGERMAA ERKHEMBAYAR	55,000,000	1.56%
10	BOLORMAA ERKHEMBAYAR	55,000,000	1.56%
11	ALBA CAPITAL PTY LTD	50,593,501	1.44%
12	MUI JOO FOOT	38,100,000	1.08%
13	SHENTON JAMES PTY LTD	36,700,000	1.04%
14	TIRUMI PTY LTD <TIRUMI SUPER FUND A/C>	31,250,000	0.89%
15	WYMAN INVESTMENTS PTY LTD <ROBERT FOOT PERSONAL A/C>	30,096,000	0.85%
16	DANAKA PLUS PTY LTD	29,940,500	0.85%
17	CITICORP NOMINEES PTY LIMITED	29,280,329	0.83%
18	ENKHBAT LKHAGVA	28,917,020	0.82%
19	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	27,804,139	0.79%
20	BAITUHABUER	27,471,180	0.78%
	<b>Total</b>	<b>2,352,857,987</b>	<b>66.83%</b>

### DISTRIBUTION OF SHAREHOLDERS

Spread of Holdings	Number of Ordinary Shareholder
1 - 1000	31
1001 - 5000	30
5001 - 10,000	5
10,001 - 100,000	301
100,001 and above	658
<b>Total</b>	<b>1,025</b>

## Tenement Schedule

### Gurvantes XXXV Production Sharing Agreement

As at 30 June 2022, TMK has a 100% Working Interest in the Production Sharing Agreement between MRPAM and the Company. Talon has a right earn a 33% Working Interest via a two-stage farmin (Farmout Agreement).

The Farmout Agreement requires Talon to fund 100% of the costs of an agreed budget for an initial work program including the drilling of at least four core holes up to an amount of US\$1.5 million. This initial stage was completed recently and Talon has met its initial funding commitment and now has 90 days (from 26 September 2022) to elect to proceed to the next stage of the Farmout Agreement.

If Talon elects to proceed, it will be committing to spending 100% of the costs of a secondary work program up to an amount of US\$3.15 million. Talon will be assigned its Working Interest in the Gurvantes XXXV CSG Project only after it has made the election to proceed with the secondary work program. Following completion of the first and second stage of the exploration program, TMK will be required to contribute 67% of the costs towards any subsequent work programs and will retain a 67% Working Interest in the PSA, with Talon having the remaining 33% Working Interest.

### West Klondike Prospect

As at 30 June 2022, TMK has a 11.36% working interest in the following tenements in the West Klondike Prospect, located in Iberville Parish, Louisiana.

Lease Number
WK#1A
WK#1B
WK#1C
WK#2
WK#3A
WK#3B

### Skye Napoleon Tenement

As at 30 June 2022, TMK has the right to a 20% direct interest in petroleum production license WA-8-L in the offshore Barrow-Dampier sub basin on Australia's North West Coast.

