

ORACLE POWER PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

ORACLE POWER PLC

COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2023

Oracle Power PLC is registered as a public company under English Law. Its shares are quoted on the AIM market of the London Stock Exchange. Oracle Power PLC is incorporated and domiciled in England and Wales with registered number 05867160.

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SECRETARY	Mr N Lee	
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**CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

I am pleased to present the annual report and financial statements for Oracle Power PLC ("Oracle" or the "Company") for the year ended 31 December 2023.

The coal and power generation project in Thar, Pakistan

The development of the proposed mine and power project at Block VI in the Thar desert has continued to progress, albeit slowly, as it is a CPEC project and hence is impacted by Chinese government policy. The Government of Pakistan has already established demand for 1,320 MW of Thar coal-based power in 2027, thereby facilitating the potential development of this project. We have a number of non-binding offtake memorandums of understanding in place for the planned coal generated power and another agreement with PowerChina to develop, in parallel, a proposed 1 GW solar farm also at Thar.

The Green Hydrogen project in Thatta, Pakistan

During the year under review, most of our attention was focused on our Green Hydrogen project, which comprises the planned construction of a 400MW plant producing 55,000 tonnes of green hydrogen per annum backed by 1,300MW of hybrid solar/wind, green hydrogen power plants.

This project is being developed through Oracle Energy Limited ("Oracle Energy"), a private company owned 70% by His Highness Sheikh Ahmed Dalmook Al Maktoum through his wholly owned company Kaheel Energy FZE ("Kaheel Energy"), and 30% by Oracle. Oracle is primarily responsible for managing the project whilst Kaheel Energy will seek to leverage its strategic position and influence to enhance market access and secure potential financing. In terms of a summary of project milestones we have achieved to date:

- 30-year lease on 7,000 acres required for the renewable energy - wind and solar operations;
- Letter of Intent ("LOI") in place for the establishment of the renewable energy "farm" and have a US\$600,000 performance guarantee bond in place;
- LOI from TUV SUD for the certification of the hydrogen output;
- Thyssenkrupp Uhde has completed the requisite Green Hydrogen and Green Ammonia feasibility study;
- Fugro Pakistan has completed the topography survey study;
- State Grid of China has completed the Renewable Power feasibility study; and
- SGS has completed the ESIA study post the period end.

The Western Australian exploration projects

Our gold prospect in Western Australia, the Northern Zone, is progressing well as part of our farm-in arrangement with Riversgold Ltd ("Riversgold"). Once the final stage of the drill programme and testing by Riversgold has been completed, we will be able to retain a minority interest in the project for the potential next phase of its development. In addition, post the year end, the Company acquired a copper/silver exploration project for all share consideration in the same region of Australia.

A more comprehensive overview of our Operational highlights for 2023 is set out in the Chief Executive's Report.

We are most grateful to the Pakistani authorities for their continued support and to the WA mining authorities for facilitating exploration and development activities in their region.

Above all, I wish to take this opportunity to thank our shareholders for their continued confidence, patience and support, enabling us to make steady progress on our project portfolio in a challenging macroeconomic environment.

Mark Steed
Chairman
25 June 2024

**CHIEF EXECUTIVE'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

I am pleased to present details of the Company's activities and progress for its financial year ended 31 December 2023.

2023 has been a year of notable progress for the Company in both Pakistan and Australia. During the year, we successfully completed a number of key assessments for the proposed development of the Company's significant Green Hydrogen project (the "GH Project") in Pakistan. We also forged important relationships in Western Australia for the further exploration of our tenements situated there and entered into strategic understandings for the development of both our Renewable Power Project and GH Project in Pakistan. I am pleased to report that we have made encouraging progress across our project portfolio and set out an overview below.

In Pakistan, we maintained an active dialogue with the Power Division, Ministry of Energy, in connection with the proposed development of the Company's planned 1,320MW, coal to power project under the China Pakistan Economic Corridor ("CPEC"). In September 2023, the Government of Pakistan published its annual Indicative Generation Capacity Expansion Plan (the "IGCEP"), a demand supply policy guidance chart for Pakistan and the demand for 1,320MW of local Thar coal fired power was forecast to be required in 2027. Such confirmation of demand should facilitate advancement of the project, subject to securing appropriate financing and offtake arrangements in due course. In Q2 2023, subsequent to the publication of the IGCEP, we initiated dialogue with potential offtakers other than the Government of Pakistan. We signed an important Memorandum of Understanding ("MOU") for the off-take and planned development of our 1,320MW Thar coal-fired power plant in the Sindh Province, Pakistan, with a consortium of parties including the Energy Department, Government of Sindh, K-Electric Limited ("KE"), the largest privately owned vertically integrated power utility in Pakistan, and PowerChina International Group Limited. Since the 1,320MW project falls within CPEC, we await the go ahead from the Chinese Government's financing department, and our strategic partner, Power China, which maintains a regular dialogue with the relevant authorities.

Furthermore, based on the introduction of the CTBCM (Competitive Trading Bilateral Contracts Market), all offtakers can bid to fulfil demand recorded in the IGCEP, if financing is available. KE, as a potential offtaker, could secure the entire 1,320MW output and issue Oracle with a direct power purchase agreement (PPA), with equity contributions potentially being made by any of the parties to the MOU.

In addition, the parties have agreed to assess the viability of developing the power project at Thar Coal Block VI or relocating it to KE's land at Port Qasim, Karachi. The power project is likely to require 7.6 million tonnes of Thar coal annually, which could be sourced from existing mines at Thar Block I and II or a new mine could be developed, if commercially viable.

In Western Australia, Oracle has continued to conduct further exploration work on its Northern Zone ("NZ") project, 25km from Kalgoorlie, following the promising results from the maiden drill programme in 2022 targeting felsic intrusives porphyry. The results established a low grade but potentially large mineralisation across the tenement. The Company carried out further metallurgical tests to confirm gold recovery rates, the results of which, released in June 2022, showed an excellent recovery rate of up to 94.7%.

In Q2 2023, the Company signed a farm-in agreement with ASX-listed Riversgold Ltd ("Riversgold"), marking a significant step in the further progression of our NZ project and serving to endorse our partnering strategy as project developers. Pursuant to this agreement, Riversgold has the right to earn up to an 80% beneficial interest in the NZ project by paying an upfront cash consideration of A\$50,000 (received) and committing to spend no less than A\$600,000 on exploration over the next two years (which is ongoing).

Subsequently, the Company completed diamond drilling on the entire gold-mineralised central cross-section to a vertical depth of 450 metres, validating the previous exploration model. This drill programme confirmed a previously announced exploration target of 2.5Moz - 4.8Moz of gold. In addition, the work programme demonstrated a high gold recovery rate of 92.9% on average after a 24-hour bottle roll cyanide extraction. A reverse circulation and air core drilling campaign is currently ongoing to further prove up the resource potential of the asset and move towards establishing a maiden JORC Mineral Resource Estimate in 2024. Our partnership

**CHIEF EXECUTIVE'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

aims to advance the development of the NZ project at minimal cost to the Company, leveraging the expertise and resources of Riversgold to develop a potential future economically viable gold mine.

In 2023, the Company also accelerated the development of its Green Hydrogen project (the "GH Project") in the wind corridor in the Thatta district of Pakistan. This project was launched in Q4 2022, and the Company has achieved a number of significant milestones in 2023. In Q2 2023, the Company signed a non-binding Investment MOU with the State Grid Corporation of China to potentially develop and finance the proposed hybrid renewable power and GH Project. In June 2023, Oracle Energy signed a non-binding MOU with PetroChina International (Middle East) Company Limited ("PCME") for co-operation and the joint development of commercial avenues for the project. In particular, PCME has agreed to arrange the potential offtake of the output and carbon credits stemming from the project.

In July 2023, Oracle Energy completed the topography survey for the project's site, commissioned from Fugro Pakistan, part of a world-renowned global consultancy group. In Q3 2023, the Company also completed its technical and commercial feasibility study for the project, undertaken by Thyssenkrupp Uhde. The findings provided a very positive outlook, comparable to industry expectations observed in other global green hydrogen projects, and have potentially derisked the project from both a technical and commercial perspective.

In Q2 2023, Oracle Energy also commissioned a technical and commercial feasibility study for the hybrid renewable power plant for the project, undertaken by leading international construction and engineering company, China Electric Power Equipment and Technology, a wholly-owned subsidiary of the State Grid Corporation of China. Upon completion, this study is expected to affirm the commercial viability of the planned hybrid renewable facility. The study will analyse the project's resources, design the hybrid system, evaluate grid integration, ensure competitive energy prices and potentially attractive returns for investors, whilst providing a detailed integration roadmap into Pakistan's power grid.

Post the reporting period end, the Company commissioned an ESIA Study by SGS, a global integrated service provider and a geotechnical study and electrical resistivity survey by F&M, a leading engineering and testing service provider. These further studies will seek to optimise site planning and design, setting the stage for the FEED phase.

The Company's strategy is to progress and develop its various projects, thereby diversifying risk, and with a view to timely divestment when appropriate in order to maximising returns and shareholder value. In summary, the Company has progressed and continues to implement such strategy by identifying and forging relationships with partners, in order to provide potential financing and resources and expertise for the advancement of its projects and enhance the attractiveness of its portfolio.

I remain grateful to all the relevant authorities in Pakistan and Western Australia for their ongoing support for our various initiatives, as well as the dedication and hard work of our teams in the UK, Pakistan and Australia. I am also cognisant and most appreciative of the continued confidence, patience and support of our shareholders, to enable us to deliver on our plans. The Company remains committed to increasing shareholder value and to growing into an enterprise of greater size and scale over the longer term.

Ms Naheed Memon
Chief Executive Officer

25 June 2024

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

INTRODUCTION

The Directors present their Strategic Report of the Company and the Group for the year ended 31 December 2023.

PRINCIPAL ACTIVITY AND BUSINESS MODEL

The principal activity of the Group during the year under review was that of a project development company. The Company is currently involved with four projects: an energy project, based on the potential development of a coal resource and construction of a mine-mouth power plant in Pakistan; two exploration projects for gold and copper/silver in Western Australia (WA); and the potential development of a green hydrogen project in Pakistan.

Our development work in Pakistan has primarily focused on acquiring land, commissioning various requisite studies and obtaining the necessary permissions from the government. Our work in WA has involved exploration of the tenements concerned and developing plans for further resource estimation. Although our projects are generally held and operated through SPVs, the Group itself is controlled, financed and administered within the United Kingdom, which remains the principal place of business. The Group's business model is to create value through the establishment of a balanced portfolio of potentially high return projects and advancing them through commercially attractive joint venture or similar partnering transactions to ultimate future production or sale.

BUSINESS REVIEW

During the year, the Group has used its budgeted funds to advance the Thar power project and green hydrogen project in Pakistan as well as its gold assets in Western Australia. Expenditures are either capitalised or expensed, in accordance with IFRS requirements. The capitalised expenditures are shown as intangible fixed assets in the Statement of Financial Position and the expensed expenditures are shown as administrative expenses in the Statement of Profit or Loss. The consolidated loss after taxation for the year to 31 December 2023 amounted to £789,795 (2022: £1,289,658).

The Chairman, in his Statement, and the Chief Executive Officer in her Report, have summarised the activities of the Group during the financial year under review.

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

SECTION 172(1) STATEMENT

The directors are well aware of their duty under Section 172(1) of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- The likely consequences of any decision in the long term;
- The interests of the Company's employees;
- The need to foster the Company's business relationships with suppliers, customers and others;
- The impact of the Company's operations on the community and the environment;
- The desirability of the Company maintaining a reputation for high standards of business conduct, and
- The need to act fairly as between members of the Company (the "Section 172(1) Matters").

Induction materials provided on appointment include an explanation of directors' duties, and the board is regularly reminded of Section.172(1) Matters, including as a rolling agenda item at every main board meeting.

Further information on how the directors have had regard to the Section.172(1) Matters can be found on pages 8 to 16.

Section 172(1) Companies Act 2006

The board takes decisions with the long term in mind, and collectively and individually aims to uphold the highest standards of conduct. Similarly, the Board understands that the Company can only prosper over the long term if it understands and respects the views and needs of its customers, distributors, employees, suppliers and the wider community in which it operates.

A firm understanding of investor needs is also vital to the Company's success along with a sustainable and environmentally responsible culture. This is detailed on page 15. The directors are fully aware of their responsibilities to promote the success of the Company in accordance with Section 172(1) of the Companies Act 2006. The text of Section 172(1) of the Companies Act 2006 has been sent out to each main Board director.

The Board ensures that the requirements are met, and the interests of stakeholders are considered as referred to elsewhere in this report and through a combination of the following:

- A rolling agenda of matters to be considered by the Board throughout the year, which includes an annual strategy review meeting, where the strategic plan for the following year is developed;
- Standing agenda points and papers presented at each Board meeting, which report on customers, employees and other colleagues, health and safety matters and investors;
- A review of certain of these topics through the Audit Committee and the Remuneration Committee agenda items referred to in this report;
- Detailed consideration is given to any of these factors where they are relevant to any major decisions taken by the Board during the year;
- At this stage, the directors consider that there are no financial KPIs that are specifically relevant to assessing the business.

Key Board decisions taken during the year, all of which have long term implications for the ultimate success of the Company, and the Section 172(1) and stakeholder considerations are set out below:

- Development of the Company's northern zone gold project in Western Australia;
- Further development of the Company's coal and power projects in Pakistan; and
- Progression of the Company's green hydrogen project in Pakistan.

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Relations with Shareholders

The Company's principal means of communication with shareholders is through its Annual Report and Financial Statements, the full-year and half-year results announcements and the AGM. The Board recognises that the AGM is an important opportunity to meet private shareholders. Each substantially separate issue is the subject of a separate resolution at the AGM and all shareholders have the opportunity to put questions to the Board. All Board directors endeavour to attend AGMs and answer questions put to them which may be relevant to their responsibilities. In addition, the directors are available to listen informally to the views of shareholders immediately following the AGM. For each vote, the number of proxy votes received for, against and withheld is announced at the meeting. The results of the AGM are published on the Company's corporate website.

The Board receives regular updates on the views of shareholders through briefings and reports from the executive directors, the Company's brokers and PR advisers. The Chief Executive Officer makes presentations to institutional shareholders and participates in investor road shows both following the announcement of the full-year and half-year results and, at other times throughout the year as appropriate. Not every officer participates in every investor presentation. The Chairman will participate in such presentations where appropriate and is always available to speak with shareholders.

Dialogue with individual institutional shareholders also takes place to better understand their principles and investment objectives where practicable.

Investor queries may be addressed to the Company Secretary at info@oraclepower.co.uk. A range of corporate information (including all Company announcements) is also available to shareholders, investors and the public on the Company's corporate website at www.oraclepower.co.uk.

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

PRINCIPAL RISKS AND UNCERTAINTIES

The Group is engaged in the development of four key projects which include:

- a coal resource in Block VI and associated power project in the Thar Desert in the Sindh province in Pakistan seeking to establish a power plant and coal to gas facility;
- a gold exploration asset in Western Australia;
- a copper/silver exploration asset in Western Australia (acquired post year end on 11 June 2024);
- and a wind power and green hydrogen production facility in Pakistan.

The principal strategic and operational risks and uncertainties facing the Group are described below, together with the steps taken for their mitigation. Information on financial risk management is set out in the Financial Instruments section in this report.

The principal risks and uncertainties for the Company's projects are:

Issue	Likelihood of Issue Arising	Impact if issue Arises
Financing	Medium	High
Project Completion	Medium	Medium
Operating	Low	Low/Medium
Economic	Low/Medium	Low
Political, Legal and Regulatory	Low	Medium
Environment & Corporate Social Responsibility	Low	Low

Following the acquisition of the gold project in Western Australia, the Company established resource estimates via exploratory work on both the tenements acquired. In Pakistan, the Company has continued its efforts to develop its coal to power plant given it has secured interest via memorandums of understanding with potential offtake and equity partners including the Government of Sindh. The Company awaits appropriate policy support to be announced, in order to proceed with the development of a coal to gas ("CTG") facility in conjunction with the planned power plant at Block VI. There are some risks related to obtaining viable tariffs for power and gas in order to maximise returns. Economic risk, however, including cost increases, is protected, through the Government of Pakistan's cost plus pricing mechanism.

The Company has increased the potential of its Thar asset by seeking to develop an alternative solar facility on the land at Block VI Thar where it holds a lease. It has already conducted a preliminary study, obtained provisional consent and secured a collaborative relationship with a large power company.

The Company has made significant progress on its green hydrogen project and continues to work on studies and market access. The project faces risks in getting to production, price risk in relation to off take and cost of production risk on account of supply and transport uncertainty. The Company has engaged experts for technology and commercial support in order to further mitigate risks.

There remains political risk, on account of political uncertainty in Pakistan which may discourage investment. In contrast, Western Australia presents very limited political risk compared to Pakistan with exploration and commercial risk being the primary concern for the potential development of our projects in this jurisdiction.

The principal risks are detailed below, along with the key measures taken for their mitigation.

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

Financial Close Risk	
Risk	Mitigation
<p>In relation to the coal to power project, given that the demand for coal to power has been established by the government and a non-binding offtake MOU is in place, the principal risk relates to securing suitable debt from banks and Chinese Sinasure (China's export financing plan). This process can be delayed, and banks and Chinese lenders may only lend against export components.</p> <p>In relation to the GH Project, there may be delays in financial close on account of the fact that commercial terms and a marketplace for this commodity is still under development. Financiers should show interest when contracts are clearer and long-term prices are established.</p>	<p>The Company is assessing the most viable development model and is working closely with the CPEC planning bodies in Pakistan and China. If the Company receives positive support for financing through CPEC, it can then proceed to enter into a binding shareholders or JV agreement with the parties who have signed a MOU for offtake and development.</p> <p>Arbitrary withdrawal is considered by Oracle unlikely, given the high-profile commitments made by China to CPEC.</p> <p>With respect to the GH Project, we have initiated engagement with offtakers for long term contracts and are also in conversations with multinationals for potential financing in order to achieve financial close in a timely fashion.</p>
Project Completion Risk	
Risk	Mitigation
<p>The Block VI development plan in the first phase comprises a power plant to be followed by potential CTG/L facilities in the future. Delay in development could arise due to the lack of timely provision of infrastructure by the government.</p> <p>Secondly, the proposed power plant may fail tests resulting in encashment of performance guarantees. In relation to our WA gold and copper/silver exploration projects, there are risks associated with drilling, topography conditions and weather conditions.</p> <p>In relation to the GH Project there could be delays in permitting, supply of electrolysers and delays in setting up required storage and transport infrastructure.</p>	<p>The Company seeks to engage well qualified engineers and contractors for all of its projects.</p> <p>In the case of the proposed coal power plant, neighbouring blocks have constructed and commissioned power.</p> <p>The Company is in close contact with the relevant Government authorities in relation to all infrastructure requirements and continues to secure timely permissions for provision.</p>

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

Operating Risk	
Risk	Mitigation
<p>Technical issues, similar to those described under Project Completion Risk.</p> <p>The availability of water, transmission infrastructure, storage and transport are some issues which will be faced by the project at Thar as well as the GH Project. Although the production of hydrogen once the plant has been constructed and tested is relatively low risk the storage and transportation of green hydrogen can present risks associated with new technology.</p>	<p>As with Project Completion Risk, the intention is for projects to be constructed by leading contractors. The Company will take out a typical suite of insurance policies and to the extent that operational issues give rise to cost increases, these should also be recoverable through pricing mechanisms.</p> <p>The Company is in the process of securing all requisite infrastructure provision commitments from the Pakistan Government before commencement of the project.</p> <p>The Company has engaged one of the best engineering companies in the world for green hydrogen and will also engage leading technology suppliers for storage and transportation of green hydrogen.</p>
Economic Risk	
Risk	Mitigation
<p>The economic performance of the Company could be affected by movements in international markets. Exchange rate volatility and interest rate increases will impact on costs during the development and construction phase. Volatility in international energy prices will introduce uncertainty in long term prices and offtake contracts. Changes in the price of gold and US inflation may also raise lead to increases in projected capital and operating costs.</p> <p>The price of renewable energy power components such as turbines and photovoltaic panels can remain high on account of shortages. Furthermore, high transportation costs will likely impact on the selling price of hydrogen for the end user.</p>	<p>Cost variances resulting from adverse exchange rate movements and US inflation should generally be recoverable through pricing mechanisms. The risks posed by further importation of coal or oil for power generation is not considered to be high given the large price differentials and the present lack of power plants and general scarcity of energy supply in Pakistan. The savings in foreign exchange to the country of import substitution through local energy production are clear, and the development of power plants based on indigenous coal or use of renewable power for the production of hydrogen as a fuel in Pakistan increases the country's security of energy supply and its balance of payments through increases in exports and reduction in imports.</p> <p>Furthermore, the Company will engage contractors which have scale and cost advantages to mitigate global shortages and transport costs.</p>

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

Financing Risk	
Risk	Mitigation
<p>The JV company set up for the GH Project with HH Sheikh Ahmed Dalmook Al Maktoum's Private Office has secured a well-financed partner, and the subsequent MOU with one of the world's largest power generating companies, State Grid, means that the probability of achieving financial close is ultimately good, however there are risks of delay based on the time it will take to secure appropriate offtake contracts to de-risk the project. Similarly, the farm-in agreement to develop the Northern Zone gold project in WA, with another listed entity, has introduced funding for further exploration but the Company will need to invest additional sums if it is to maintain its share in the likely JV going forwards.</p> <p>The ability to secure financing for the coal to power project depends on the level of support given by the Chinese government as coal to power financing is not as readily available. The Company will need to coordinate efforts with the planning ministries in China and in Pakistan to mobilise debt.</p>	<p>For the GH Project, partners and joint developers help diversify exposure and the agreements signed divide responsibility for the raising of equity and debt as and when necessary. In the case of the coal to power plant, the MOU includes the Government of Sindh as a counterparty, which increases the possibility of Chinese support for debt.</p> <p>The Company plans to ultimately secure first tier lenders to attract finance from the capital markets.</p>
Political, Legal, Regulatory and Fiscal Risks	
Risk	Mitigation
<p>The Pakistan Government has demonstrated strong support for the proposed coal to power plant development. Risks could arise from a reduction in domestic support and inability to provide the required infrastructure. In the longer term, adverse changes in the fiscal regime, lease terms, tax rates, availability of foreign exchange to meet debt servicing requirements and dividends, would affect both the coal to power plant as well as the GH Project.</p> <p>Overall security conditions present a risk particularly as operations by Chinese companies can be targeted if the political conditions worsen.</p>	<p>The Government has previously expressed its continued support for the development of indigenous coal and Thar. The Company believes that the shortage of base load power is likely to remain a key issue for the coalition government formed following the general election in Q1 2024 and that continued support will therefore be forthcoming.</p> <p>In relation to the GH Project, there is already strong ongoing conversations, and the Government is working on a national hydrogen strategy to support the development of green hydrogen production facilities. Pakistan has bilateral Investment Treaties with China and the UK in place, and there is protection in most eventualities.</p> <p>The Company will also consider whether political risk insurance could be a cost effective mitigant. Finally, Oracle has a strong working relationship with all relevant levels of Government and will use such relationships to address any domestic impediments. The Government has set up a special force with overall responsibility for security in Thar and the location of the wind corridor where the GH Project is situated. Oracle will be putting in place a comprehensive security plan which complements those of the Government agencies at all project sites.</p>

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

Environment and CSR	
Risk	Mitigation
<p>Energy and natural resource projects of this nature can have a major impact on the environment and impose significant corporate social responsibility. If environmental risks are not properly addressed and corporate social responsibility mismanaged either eventuality can give rise to severe reputational damage and significant cost exposure.</p>	<p>Oracle operates to international standards of environmental and social impact management and complies with the Pakistan Environmental Protection legislation, which mirrors international standards.</p> <p>However, by way of its green hydrogen project, the Company plans to offset the possible negative impact that its coal to power project would have on its local environment.</p> <p>At the same time, all exploration activities in WA have been and will be performed only after due clearance from the Department of Mines, Industry Regulation and Safety, is obtained and strict measures are in place to safeguard the environment, employees and contractors.</p> <p>The Environmental and Social Impact Assessment for the proposed mine has been approved by the Sindh Environmental Protection Agency and a No Objection Certificate (“NOC”) was issued in May 2013. For the power plant, the public hearing was held in August 2017 and the NOC is awaited.</p> <p>Further, in relation to the GH Project, the Company is already in conversations with certifiers to obtain a green certificate upon commencement of project construction. From the outset, Oracle has understood the need to act as an exemplary corporate citizen. Oracle has a long-established Community Liaison Officer and will continue to foster good relationships with local communities. The Company will work to ensure that it collaborates with other developers of Thar Coal, for example Sindh Engro in Block II by way of joining the Thar Foundation, set up to coordinate welfare initiatives.</p> <p>The Company has also made commitments to the Government of Sindh to ensure that local communities settled in the wind corridor area, where the green hydrogen project will be housed, are provided with livelihoods and appropriate housing.</p>

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Oracle is a responsible corporate entity and is continuing to apply international best practice to all of its projects. The Company is aware of the key role it has to play in developing its pioneering projects in Pakistan, in minimising the impact that its operations may have on the natural and social environment and in creating opportunities for the local community. In Western Australia, it also remains fully compliant with regard to all requisite environmental and social protocols.

Environmental and Social Impact Assessment (“ESIA”)

In relation to the Thar project, Oracle commissioned Wardell Armstrong International Ltd. (“WAI”) to produce an ESIA for the Block VI project. WAI worked with Hagler Bailly Pakistan, a local group of environmental consultants, based in Islamabad, to complete the ESIA to meet both national and international standards. The ESIA was completed and submitted in April 2013 to the Sindh Environmental Protection Agency, Government of Sindh (“SEPA”). A public hearing was held on site in June 2013, attended by the local people along with government representatives, SEPA, various non-governmental organisations (“NGO”) and the Company’s consultants as part of the public consultation process. There was overall support for the project and the Company will continue its consultation with the local people as the project moves into the implementation phase.

Early in July 2013, SEPA held a Technical Committee Hearing in Karachi to examine the technical aspects of the ESIA and to take on board concerns raised at the public hearing which was attended by the Company and its consultants along with Government representatives.

Following these meetings SEPA issued the “No Objection” Certificate giving formal approval for the ESIA in January 2014 which was another significant step towards potential future mine development.

In 2016, Mott MacDonald were commissioned to prepare an ESIA for a 660MW mine mouth power plant which was completed in March 2017 and submitted to SEPA for approval. A public hearing was held on the site in July 2017 and was attended by the local communities and other stakeholders and was well received. Also, in March 2017, the above mentioned mine ESIA was updated and brought up to international standards by WAI and aligned with the power plant ESIA.

In relation to the GH Project in the wind corridor in Sindh, Pakistan, we are in conversations with TUV Rheinland, which will issue a green certificate for our plans, before the construction commences.

In Australia, before the commencement of any exploration activity, the requisite clearances are secured from the Department of Mines, Industrial Safety and Regulation, Government of Western Australia.

Community and Consultation

At Thar, in addition to the environmental characterisation of the site, a comprehensive social data gathering campaign has been completed. Background information on local demography, village structure, local culture, resources and socio-economics has been collected. In addition, an ongoing public consultation has been undertaken to gather the views and opinions of local stakeholders (both at a local and national level), and to disseminate information about the project. A similar exercise is intended at the green hydrogen project site, post allotment of land. In Western Australia, the Company pays fees towards the protection of the communities, in accordance with government programmes and policy.

Resettlement

The community response in relation to the Thar project, has generally been positive, recognising the associated community benefits that it will deliver. As a result of the location of the lignite seams, and the requirement for associated infrastructure, some relocation of local communities currently residing within Block VI will be required. The Resettlement Policy Framework of May 2015 sets out the formal mechanism for resettlement in Thar and is generally in line with international performance standards. Such a Resettlement Framework and Resettlement Action Plan (“RAP”) was prepared and has been submitted to SEPA in April 2014 as required under the ESIA approval and has been recorded for action.

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

At the GH Project site, a similar resettlement plan will be undertaken in due course in accordance with Pakistan's Renewable Power Policy. In Western Australia, the laws governing aboriginal settlement and protection are enforced, and the Company is fully compliant.

The next stage of the process at both the project sites in Pakistan will be to carry out detailed surveys to identify landowners in the case of Thar, and settled communities on both sites, taking into account families, livestock, and agricultural assets prior to commencement of future construction. It is intended to construct replacement villages, with full electricity, sanitation, and potable water supply together with culturally appropriate places of worship, with opportunities for a local market area. The exact design of resettlement villages will be decided in consultation with the affected communities. Oracle has carried out a census at Thar and already undertaken done surveys in conjunction with local authorities at the green hydrogen site, and is therefore well prepared for this work stream.

Oracle's Social Development Initiatives

As part of Oracle's CSR initiatives, a strategy is being developed to identify, and support community development projects. A similar initiative will be undertaken for the GH Project and full support will be offered to the local communities in the affected area.

Benefits and Opportunities

Oracle is working with local groups to ensure that the Block VI project delivers sustainable benefits to its communities, and an overall improvement in local living conditions, whilst also positively responding to the energy crisis in Pakistan. This project shall give rise to both direct and indirect benefits for local communities. Direct benefits will include employment at the future mine and power plant, whilst indirect benefits may include revenues generated by the local supply of goods and services to the operations.

In WA, we have already generated both direct and indirect jobs, and as we continue to develop our two projects, we anticipate greater contributions being made to the national output.

Benefits and opportunities include:

- Improvements to and extension of the existing Government primary schools on all sites;
- Training of literate male and female community members for teaching;
- Extension of the existing school buildings to support more students;
- Supply of stationery and other provisions;
- Bi-annual hygiene and healthcare awareness campaign in all communities;
- Setting up of water filter systems in all communities;
- Awareness campaign on methods to improve livestock health and productivity in all communities; and
- Construction of a road to connect local villages and communities to highways and other amenities.

This report was approved by the board on 25 June 2024 and signed on its behalf by

Mark Steed
Chairman

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

The directors present their report and the financial statements for the year ended 31 December 2023.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £789,795 (2022 - loss £1,289,658).

No dividends will be distributed for the year ended 31 December 2023 (2022: None).

DIRECTORS

The directors who served during the year were:

Mark Wickham Steed, Non-executive Chairman
Naheed Memon, Chief Executive Officer
David James Hutchins, Independent Non-Executive Director

The beneficial interests of the Directors, who held office during the year, in the Ordinary Shares of the Company on 31 December 2023 were as follows:

	31 December 2023	1 January 2023
Mr M Steed	24,935,520	24,724,939
Ms N Memon	114,295,788	112,448,589
Mr D Hutchins	1,071,056	790,282

The Directors held no share options during the year.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

INFORMATION ON DIRECTORS AND SENIOR MANAGEMENT

Mark Steed

Chairman

Mr Steed's career has been focused on the field of international stock and commodity markets, the management of offshore hedge funds, corporate finance and trading in securities in emerging economies. He has worked with and set up various portfolio and fund management companies, in the roles of Chief Executive Officer, Chief Financial Officer and Compliance Officer. Notably, he has been involved in the setup of Amstel Securities LLP, City Capital Securities Limited, Shard Capital Partners LLP and the Sion Hall Family Office. Within the Company, Mr Steed, in addition to his role as Chairman, oversees corporate, financial and audit matters.

Naheed Memon

Chief Executive Officer

Ms Memon's career has spanned public service and the private sector. Following a first degree in Computing Science at the University of Karachi, she completed an MSc in Economics, including a Distinction in Econometrics, at Birkbeck College, London and an MBA at Imperial College London. She has held various roles in her family conglomerate, the Kings Group of Industries, Pakistan, including Director of Marketing and Director of Information Systems. She was CEO of Advici Consulting Limited, a consulting practice based in London advising on marketing and investor facilitation. She has been a Financial Adviser with Merrill Lynch, Private Banking. She was also formerly CEO of Manzil Pakistan, a public policy think tank based in Karachi. She has served the Sindh Board of Investment (Government of Sindh), as Vice Chair from 2013 - 2016, subsequently as Chair until August 2018.

David Hutchins

Independent Non-Executive Director

Mr Hutchins is a highly experienced corporate mining and commodities professional with more than 30 years in the industry. During his career he has held several executive roles for both listed and private companies. Mr Hutchins is a member of the FTSE Gold Mines Index Committee and a past Chairman.

Most notably, Mr Hutchins has held a range of senior roles within fund management, including various senior positions at M&G Group. In addition, he was a Fund Manager of Resources Investment Trust plc which was listed on the London Stock Exchange. He was also a Director and Founder of www.minesite.com, a mining industry specific news website which is now part of Master Investor. He currently sits on the Board of Wishbone Gold Plc (AIM: WSBN), a gold specialist company operating in exploration, mining and bullion trading, which, like Oracle, has gold exploration projects in Australia.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

FINANCIAL INSTRUMENTS

The Group's financial instruments comprise cash and cash equivalents, investments and financial assets and various items such as trade receivables, trade payables, loans, accruals and prepayments that arise directly from its operations.

The main purpose of these financial instruments is to finance the Group's operations. The Board regularly reviews and agrees policies for managing the level of risk arising from the Group's financial instruments which are summarised as follows:

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's policy throughout the year has been to ensure that it has adequate liquidity to meet its liabilities when due by careful management of its working capital.

Credit Risk

The Group's principal financial assets are its cash and cash equivalents and taxation receivable as recognised in the statement of financial position, and which represent the Group's maximum exposure to credit risk in relation to financial assets.

Capital Management

The Company's capital consists wholly of ordinary shares. The Board's policy is to preserve a strong capital base in order to maintain investor, creditor and market confidence and to safeguard the future development of the business, whilst balancing these objectives with the efficient use of capital.

Market Risk

Market risk is the risk that changes in market prices, such as commodity prices, foreign exchange rates, interest rates and equity prices will affect the Group's and Company's income or value of its holdings in financial instruments.

GOING CONCERN

During the year under review, the Group experienced net cash outflows from operating activities which it financed from existing cash resources held at the start of the year and cash received from the issue of new equity share capital. The Directors have considered the cash flow requirements of the Group over the next 12 months and believe that additional funding will be required to meet the Group's cash requirements over that period. This additional cash requirement creates a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, the Directors expect to be able to meet the funding requirements to enable the Group to continue as a going concern for at least 12 months from the date of the approval of these financial statements, and consequently, the Directors consider it appropriate to adopt the going concern basis in the preparation of the financial statements.

SIGNIFICANT SHAREHOLDINGS

The Company has been notified of the following interests, directly or indirectly, in 3% or more of the Company's ordinary shares as at 21 June 2024:

	Shareholding	% of ISC
Peel Hunt LLP	1,299,716,007	17.44
Mining Equities Pty Limited	700,152,207	9.40
His Highness Sheikh Ahmed Bin Dalmook Al Maktoum	540,000,000	7.25

**DIRECTORS REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

HEALTH AND SAFETY

There were no reported personal injuries or fatalities amongst the Company's staff or contractors during the year (2022: none).

SIGNIFICANT AGREEMENTS

The Companies Act 2006 requires the Company to disclose any significant agreements which take effect, alter or terminate upon a change in control of the Company. The Company is not aware of, or party to, any such agreement.

ENERGY AND CARBON REPORTING

Streamlined Energy and Carbon Reporting is required by large companies where energy consumption exceeds 40,000kWh. The Company can confirm that its consumption is less than 40,000kWh and therefore there is no requirement to provide details of the Company's greenhouse gas emissions, energy consumption and energy efficiencies in both 2023 and 2022.

ON BEHALF OF THE BOARD:

Mark W Steed - Chairman

25 June 2024

**REPORT ON REMUNERATION
FOR THE YEAR ENDED 31 DECEMBER 2023**

This report has been prepared in accordance with the requirements of Schedule 2 Part 1 of the Companies Act 2006 (Schedule) and describes how the Board has applied the Principles of Good Governance relating to Directors Remuneration. In accordance with Section 439 of the Companies Act 2006 a resolution to approve the report will be proposed at the Annual General Meeting of the Company at which the Financial Statements are submitted for shareholder approval.

Remuneration Policy

The Remuneration Committee is focused on ensuring that the Group's policies and procedures are effective for the Group's business and that executive remuneration packages are designed to attract, drive, motivate and retain executive directors and senior management of the requisite calibre and expertise, and to reward them appropriately for creating and enhancing long-term value for shareholders. The performance measurement of the Chief Executive Officer and key members of the senior management team, and the determination of their annual remuneration package is undertaken by the Remuneration Committee.

The remuneration of the Non-Executive Directors is determined by the Board within limits set by the Articles of Association and in accordance with the general guidance principles adopted by the Quoted Companies Alliance for small and mid-size quoted Companies.

Non-Executive Directors' Terms of Engagement

The Non-executive directors have specific terms of engagement. Their remuneration is determined by the Board. In the event that a Non-executive Director undertakes additional assignments for the Company, an appropriate fee will be agreed by the Board in respect of each assignment.

Aggregate Directors' Remuneration

The remuneration paid to the Directors, inclusive of Employer National Insurance contributions, in accordance with their service contracts, during the year ended 31 December 2023 was as follows:

	2023 Salary and fees £	2023 Pensions £	2023 Total £	2022 Total £
Executive				
Ms N Memon	150,000	-	150,000	150,000
Non- Executive				
Mr M W Steed	30,000	1,200	31,200	31,200
Mr A Migge*	-	-	-	27,500
Mr D Hutchins	30,000	900	30,900	30,471
	<u>210,000</u>	<u>2,100</u>	<u>212,100</u>	<u>239,171</u>

Note

* - Mr A Migge left the Company on 13 December 2022.

**REPORT ON REMUNERATION (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Directors' Service Contracts

The Directors have contracts with a two-year term, renewable by mutual agreement and on an annual basis thereafter. Stated termination notice periods are as follows:

	Date of appointment	Notice period
Executive		
Ms N Memon	7 January 2019	12 months
Non-Executive		
Mr M Steed	12 July 2017	3 months
Mr D Hutchins	3 March 2021	3 months

Performance Evaluation

The Board undertakes annually a formal evaluation of its performance and of its committees involving individual Directors and Senior Managers.

Executive Incentives

The Remuneration Committee intends in due course to prepare, recommendations to the Board in respect of potential performance bonus schemes and long-term incentive packages for directors and managers. Such proposals will be formulated after consultation with professional remuneration advisers and major shareholders.

This report was approved by the board on 25 June 2024 and signed on its behalf.

Mark Steed
Chairman

**CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

During 2023 the Board continued its commitment to maintaining high standards of corporate governance, complying with the requirements of the corporate governance guidelines (Guidelines) for smaller quoted companies issued by the Quoted Companies Alliance. The 10 principles set out in the Guidelines aim to assist small and growing companies in ensuring good governance practices and communicating such practices with shareholders and stakeholders. With the exception of Directors' Remuneration (which is dealt with separately in the Remuneration Report), this statement sets out how the Board has applied such principles and the Company's compliance with the specific provisions of the Guidelines.

Board and Board Committees

The Board of Directors

The Board of the Company is responsible for the Group's system of corporate governance. At 31 December 2023, the Board consisted of three Directors namely the Chief Executive Officer, Ms N Memon, the Non-executive Chairman, Mr M Steed, and Non-executive Director, Mr D Hutchins. Details of their careers are given in the Report of the Directors.

The Board has considered the independence of Mr Hutchins and considers him to be fully independent.

Details of Directors' service contracts are provided in the Remuneration Report. None of the Board have any conflicts of interest arising from cross-directorships or day-to-day involvement in the running of the business. All Directors are subject to election by shareholders at the first Annual General Meeting following their appointment. All Directors are submitted for re-election after three years, subject to continued satisfactory performance. All Directors had access throughout the year to the advice and services of the Company Secretary Mr N Lee, who is responsible for ensuring that Board procedures and applicable regulations under the Company's Articles of Association or otherwise are complied with. Each Director is entitled, if necessary, to seek independent professional advice at the Company's expense.

Board Meetings

The Board of Directors seek to meet approximately every three months, however, more regular discussions took place between directors during the period. Furthermore, where necessary, relevant matters were approved by the Board electronically. There is a defined schedule of matters reserved for its decision. The matters so reserved include responsibility for the overall Group strategy, approval of contracts, commitments to capital expenditure over £10,000, appointment of Directors and staff, approval of Directors' remuneration on the recommendation of the Remuneration Committee, issue of shares and warrants, appointment of advisers, approval of regulatory announcements to the market and a final investment decision to proceed with project implementation.

Board Committees

The Board Committees are comprised of Non-Executive Directors. They operate within defined terms of reference, details of which are published on the Company's website, and they report regularly to the Board. At the Company's current stage of development the Board Committees are also charged with advising the Boards and management of subsidiary companies.

**CORPORATE GOVERNANCE REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

The meetings held in 2023 were as follows:

	Number of Meetings in 2023	Members (and attendance during period of appointment)
The Board	6	All
Nomination Committee	0	n/a
Remuneration Committee	0	n/a
Audit Committee	2	All
Tender Committee	1	All

Nomination Committee

The Nomination Committee was established post admission to AIM to review the structure, size and composition of the Board, including the skills, knowledge and experience required, and to make recommendations to the Board with regard to any changes. The Committee also identifies and screens candidates for recommendation to the Board for the Remuneration and Audit Committees. The Nomination Committee also formulates proposals for succession planning of the Board and management. The Committee currently comprises Mr Steed as Chairman and Mr Hutchins. The Committee did not meet in 2023. The Committee also monitors the application of Company policy on discrimination and encouraging diversity amongst the Company's workforce. No issues were noted in 2023.

Remuneration Committee

The Committee consists of Mr Steed as Chairman and Mr Hutchins. The Committee did not meet in 2023. It is responsible for reviewing the remuneration, performance bonuses, incentive schemes and pension provision for Board members and executives of the Company and any new joiners. It is policy that no individual participates in discussions or decisions concerning their own remuneration.

Audit Committee

The Audit Committee of the Board met twice in 2023. The Committee is chaired by Mr Steed. Other Directors and officers are invited to attend where appropriate.

The role of the Audit Committee is to monitor the integrity of the financial statements, and to review any significant financial reporting issues, especially the consistency of, and changes to, accounting policy. The Committee also assesses the effectiveness of the Company's internal controls and risk management systems. The Committee considers and makes recommendations to the Board, to be put to shareholders for approval at the AGM, in relation to the appointment, re-appointment or replacement of the Company's external auditor. This extends to monitoring the effectiveness, remuneration and independence of the external auditors.

The auditors of Oracle Power PLC are Price Bailey LLP who have served the Company since it was founded. Price Bailey have regularly rotated the audit engagement partner. The Committee's view is that Price Bailey have served the Company well. The Committee has therefore concluded that, given the limited size of this audit engagement, the costs of re-tendering it cannot currently be justified.

A. F. Ferguson & Co. the local affiliate of Price Waterhouse Coopers, is based in Karachi and are the auditors of Sindh Carbon Energy Limited and Thar Electricity (Private) Ltd. Pitcher Partners are the local affiliate of Baker Tilly, based in Perth and are the auditors of Oracle Gold Pty Limited. Price Waterhouse Coopers (London) advises the Group on global tax matters and A. F. Ferguson & Co. and Pitcher Partners advise the Group on local tax matters.

**CORPORATE GOVERNANCE REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

The going concern assumption was reviewed by the Committee. The carrying values of the various project assets rely upon the successful raising of sufficient finance to reach an investment decision and the Annual Report and Accounts reflect that judgement.

In the area of internal controls, the Audit Committee monitors the internal control environment of the Group. The Committee also oversees the Group's adherence to Market Abuse Regulations. The Committee considers that internal controls are sound, both in Oracle Power PLC and in its subsidiary companies. The Committee monitors the Company's Internal Control Manual and makes amendments as and when required.

The risk assessment exercise for the Company is undertaken annually under the supervision of the Audit Committee. The results of the most recent exercise are included in this Report in the section Principal Risks and Uncertainties.

Management Meetings

The Senior Management of the Company meets regularly to discuss in detail project progress and all other aspects of the business and where appropriate tables recommendations to the Board for their consideration and approval.

Tender Committee

The Committee comprises Mr Hutchins as Chairman. One meeting was held in 2023. The purpose of the Tender Committee is to ensure the fair and objective consideration of bids received for services and goods in respect of both capital and revenue expenditure. The Tender Committee must be consulted on all contracts or purchases which could exceed £10,000. The Tender Committee will recommend contract awards to the individuals authorised to commit the Company. In the case of contracts of £100,000 or more the final decision will be ratified by the Company's full Board of Directors.

Matters to be referred to the Tender Committee include:

- lists of proposed tenderers
- lists of proposed vendors
- proposals to negotiate rather than tender contracts
- opening and recording of sealed bids (which may be delegated to appropriate officers)
- proposals to award contracts
- variations, claims and over expenditure on contracts when these exceed 7% of the original price
- renewal of existing contracts

Accountability and Audit

Financial Reporting

The Board is responsible for presenting a balanced and understandable assessment of the Company's position and prospects, extending to interim financial reports and other announcements. All announcements are approved by the Board and the Company's Nominated Adviser.

Internal Controls

The Directors have overall responsibility for ensuring that the Group maintains a system of internal controls to provide them with reasonable assurance that the assets of the Group are safeguarded and that shareholders' investments are safeguarded. The system includes internal controls covering financial, operational and compliance areas, and risk management. There are limitations in any system of internal controls, which can provide reasonable but not absolute assurance with respect to the preparation of financial information, the safeguarding of assets and the possibility of material misstatement or loss.

The Board has delegated responsibility for the monitoring of internal control to the Audit Committee, and this is covered in the Audit Committee Report. The Board considers that an internal audit function would not be appropriate at the current stage of the Group's development but will keep the matter under regular review.

**CORPORATE GOVERNANCE REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Relations with Shareholders

The Directors place great importance on maintaining good communications with both institutional and private investors. The Group reports formally to shareholders twice a year and more regular communication is provided through regulatory announcements and through the Company's website. The Chief Executive, supported by the Group's brokers, makes interim presentations to shareholders as needed.

ON BEHALF OF THE BOARD:

Mark Steed
Chairman
25 June 2024

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023**

The directors are responsible for preparing the Group Strategic Report, Directors' Report and the consolidated financial statements, in accordance with applicable law.

Company law requires the directors to prepare consolidated financial statements for each financial year. Under that law they have elected to prepare the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the UK.

Under company law the directors must not approve the consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing the consolidated financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the UK, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

The auditors, Price Bailey LLP, have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the Group's forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mark Steed
Chairman

Date: 25 June 2024

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ORACLE POWER PLC

Opinion

We have audited the financial statements of Oracle Power plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the Consolidated Statement of Profit or Loss, the Consolidated Statement of Other Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Company Statement of Cash Flows, and Notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2023 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ORACLE POWER PLC
(CONTINUED)**

Material uncertainty relating to going concern

We draw attention to Notes 2 and 11 in the financial statements, which explain that during the year under review, the Group experienced net cash outflows from operating activities, which it financed from existing cash resources held at the start of the year and cash received from the issue of new equity share capital. The directors have considered the cash flow requirements of the Group over the next 12 months and believe that additional funding will be required to meet the Group's cash requirements over that period. As stated in Notes 2 and 11, this condition, along with other matters as set forth in Notes 2 and 11, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Given the uncertainties noted above we considered going concern to be a Key Audit Matter. We have assessed management's forecasts and underlying assumptions. In doing so we considered factors such as historical operating expenditure and the group's ability to raise funding in the near future.

We found our results from the above and the disclosures in the financial statements in respect of the above to be appropriate.

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

Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included review of forecasts covering at least 12 months after signing of the accounts, review of management accounts after the year end, and consideration of available funding.

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

Our approach to the audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment. We determined materiality and assessed the risk of material misstatement in the financial statements. In particular we looked at where the directors had made subjective judgements within accounting estimates. We addressed the risk of management override of internal controls including whether there was evidence of bias by the directors that represented a risk of material misstatements due to fraud.

The group has operating entities based in Pakistan and Australia. We assessed there to be four significant components being the Oracle Power Plc with operations in the UK, Sindh Carbon Energy Ltd and Thar Electricity (Private) Ltd with operations in Pakistan, and Oracle Gold Pty Limited with operations in Australia.

The parent entity was subject to a full scope audit by the group auditor.

A full scope audit was performed on the significant components Sindh Carbon Energy Ltd and Thar Electricity (Private) Ltd by component auditors in Pakistan, and Oracle Gold Pty Limited by component auditors in Australia. Detailed group reporting instructions for the testing of the significant areas were sent to the component auditors and we discussed their findings with the component audit partners. The group audit team also performed the audit procedures over the significant risk areas and consolidation.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ORACLE POWER PLC
(CONTINUED)**

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant addressed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our scope addressed this matter
Project feasibility and its impact on carrying value of intangibles, the valuation of the investments and recoverability of intercompany loans	Review of management's impairment review for Pakistan under IAS36, including the feasibility report prepared by an expert, and the company's plans for financing and progressing the project. It also includes the progress of the project in the year and details key milestones achieved
The group has substantial exploration assets on which the success of the group is underpinned.	Review of management's assessment of indicators of impairment under IFRS6 in respect of the Australia project, including progress of the project in the year and details key milestones achieved.
As explained in Notes 2 and 11 to the financial statements the assessment of whether there are indicators of impairment in relation to exploration assets requires the exercise of significant judgement by management.	Review of the status and validity of the exploration licences.
Given the significant value of the exploration assets the assessment of whether there are indicators of impairment and the results of the impairment reviews represent a key audit matter for our audit.	Challenge of the management's assessment and consideration of evidence provided including a review of key partner contracts and plans to take the project to financial close.
For the primary project in Pakistan, the Directors have performed an impairment review based on the financial feasibility of the project, comparing the carrying value to the recoverable amount, and have determined that no impairment is required.	We evaluated the adequacy and appropriateness of the disclosures provided within the financial statements in Notes 2, 11 and 14.
For the Australia project, the Directors have assessed whether there is an indicator of impairment of the project. No impairment indicators have been identified for the Northern	
Additionally, the company has intercompany loans due from Sindh Carbon Energy Limited, Thar Electricity (Private) Limited, Oracle Gold Pty Limited, and Oracle Energy Limited. These are repayable on demand however are unlikely to be repaid until the respective projects become successful and the subsidiaries start to generate revenues, as explained in Note 14.	
Further, the carrying value of the investments are reliant on the projects becoming successful and generating revenues for the group.	
The recoverability of the intercompany loans and carrying value of investments are therefore also reliant on the feasibility of the projects of which detailed assessments have been made which conclude no impairments are required.	

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ORACLE POWER PLC
(CONTINUED)**

Our application of materiality

We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonably knowledgeable users that are taken on the basis of Financial Statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We based materiality on net assets of the group and concluded materiality to be £315,000, with performance materiality of £157,000. We consider that net assets provides us with the most relevant performance measure to stakeholders of the entity given the stage of the Group's activity and growth.

We apply the concept of materiality both in the planning and performance of the audit, and in evaluating the effects of misstatements.

During the course of the audit we reassessed materiality from planning to reflect the final reported performance of the group. There was no change made to our planning materiality.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
 - the parent company financial statements are not in agreement with the accounting records and returns; or
 - certain disclosures of Directors' remuneration specified by law are not made; or
 - we have not received all the information and explanations we require for our audit.
-

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ORACLE POWER PLC
(CONTINUED)**

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We obtained an understanding of the legal and regulatory framework applicable to the group and the parent company and the industry in which it operates and considered the risk of non-compliance with the applicable laws and regulations including fraud, in particular those that could have a material impact on the financial statements.

This included those regulations directly related to the financial statements, including financial reporting, tax legislation and distributable profits. In relation to the industry this included licensing requirements, employment laws and health and safety.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

Reviewing minutes of Board meetings and Audit Committee meetings, correspondence with their regulators, agreeing the financial statement disclosures to underlying supporting documentation, enquiries of management including those responsible for the key regulations for any instances of actual, suspected or alleged fraud or non-compliance.

To address the risk of management override of controls, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business. We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ORACLE POWER PLC
(CONTINUED)**

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Adam Norman FCCA (Senior Statutory Auditor)

for and on behalf of
Price Bailey LLP

Chartered Accountants and Statutory Auditors
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

25 June 2024

ORACLE POWER PLC

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 £	2022 £
CONTINUING OPERATIONS			
Administrative expenses		(848,058)	(1,311,012)
LOSS FROM OPERATIONS		(848,058)	(1,311,012)
Finance income		36,688	14,592
Other income		26,697	-
Amounts written off and p/l on disposals		-	6,762
Associate (loss)		(5,122)	-
LOSS BEFORE TAX		(789,795)	(1,289,658)
LOSS FOR THE YEAR		<u>(789,795)</u>	<u>(1,289,658)</u>
		2023	2022
		Pence	Pence
Earnings per share attributable to the ordinary equity holders of the parent			
PROFIT OR LOSS			
Basic	9	(0.02)	(0.04)
Diluted	9	<u>(0.02)</u>	<u>(0.04)</u>

The notes on pages 45 to 80 form part of these financial statements.

ORACLE POWER PLC

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 £	2022 £
Loss for the year	(789,795)	(1,289,658)
ITEMS THAT WILL OR MAY BE RECLASSIFIED TO PROFIT OR LOSS:		
Exchange (loss)/gains arising on translation on foreign operations	(317,429)	(178,459)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	(317,429)	(178,459)
TOTAL COMPREHENSIVE LOSS	<u>(1,107,224)</u>	<u>(1,468,117)</u>

The notes on pages 45 to 80 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

Assets	Note	2023 £	2022 £
NON-CURRENT ASSETS			
Property, plant and equipment	10	2,202	3,885
Intangible assets	11	4,759,055	5,023,296
Investments in equity-accounted associates	13	732,106	668,782
Loans and other financial assets	14	719,024	580,079
		<u>6,212,387</u>	<u>6,276,042</u>
CURRENT ASSETS			
Trade and other receivables	15	46,909	45,069
Cash and cash equivalents	25	203,526	150,905
		<u>250,435</u>	<u>195,974</u>
TOTAL ASSETS		<u>6,462,822</u>	<u>6,472,016</u>
Liabilities			
CURRENT LIABILITIES			
Trade and other payables	18	146,565	203,034
		<u>146,565</u>	<u>203,034</u>
TOTAL LIABILITIES		<u>146,565</u>	<u>203,034</u>
NET ASSETS		<u>6,316,257</u>	<u>6,268,982</u>
ISSUED CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE PARENT			
Share capital	16	3,745,415	3,078,297
Share premium reserve		19,109,662	18,632,040
Foreign exchange reserve		(1,312,554)	(995,125)
Share scheme reserve		9,759	58,179
Retained earnings		(15,236,025)	(14,504,409)
TOTAL EQUITY		<u>6,316,257</u>	<u>6,268,982</u>

The financial statements were approved and authorised for issue by the board of directors on 25 June 2024 and were signed on its behalf by:

Mark Steed
Chairman

The notes on pages 45 to 80 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	2023 £	2022 £
Assets			
NON-CURRENT ASSETS			
Property, plant and equipment	10	69	274
Intangible assets	11	3,665,622	3,665,622
Investments in equity-accounted associates	13	732,106	668,782
Investments	13	2,898,531	2,898,531
Loans and other financial assets	14	2,926,786	2,605,218
		<u>10,223,114</u>	<u>9,838,427</u>
CURRENT ASSETS			
Trade and other receivables	15	43,849	40,731
Cash and cash equivalents	25	192,574	137,291
		<u>236,423</u>	<u>178,022</u>
TOTAL ASSETS		<u>10,459,537</u>	<u>10,016,449</u>
Liabilities			
CURRENT LIABILITIES			
Trade and other payables	18	122,998	175,961
		<u>122,998</u>	<u>175,961</u>
TOTAL LIABILITIES		<u>122,998</u>	<u>175,961</u>
Net assets		<u>10,336,539</u>	<u>9,840,488</u>
ISSUED CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE PARENT			
Share capital	16	3,745,415	3,078,297
Share premium reserve		19,109,662	18,632,040
Share scheme reserve		9,759	58,179
Retained earnings		(12,528,297)	(11,928,028)
TOTAL EQUITY		<u>10,336,539</u>	<u>9,840,488</u>

The Company's loss for the year was £658,448 (2022 - £1,205,625).

The financial statements were approved and authorised for issue by the board of directors on 25 June 2024 and were signed on its behalf by:

Mark Steed
Chairman

The notes on pages 45 to 80 form part of these financial statements.

ORACLE POWER PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital	Share premium	Share scheme reserve	Foreign exchange reserve	Retained earnings	Total attributable to equity holders of parent	Total equity
	£	£	£	£	£	£	£
At 1 January 2023	3,078,297	18,632,040	58,179	(995,125)	(14,504,409)	6,268,982	6,268,982
Comprehensive income for the year							
Loss for the year	-	-	-	-	(789,795)	(789,795)	(789,795)
Other comprehensive income	-	-	-	(317,429)	-	(317,429)	(317,429)
Total comprehensive income for the year	-	-	-	(317,429)	(789,795)	(1,107,224)	(1,107,224)
Contributions by and distributions to owners							
Issue of share capital	667,118	477,622	9,759	-	-	1,154,499	1,154,499
Transfer to/from retained earnings	-	-	(58,179)	-	58,179	-	-
Total contributions by and distributions to owners	667,118	477,622	(48,420)	-	58,179	1,154,499	1,154,499
At 31 December 2023	3,745,415	19,109,662	9,759	(1,312,554)	(15,236,025)	6,316,257	6,316,257

The notes on pages 45 to 80 form part of these financial statements.

ORACLE POWER PLC

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

PRIOR FINANCIAL YEAR

	Share capital	Share premium	Share scheme reserve	Foreign exchange reserve	Retained earnings	Total attributable to equity holders of parent	Total equity
	£	£	£	£	£	£	£
At 1 January 2022	2,650,325	17,853,012	66,733	(816,666)	(13,223,305)	6,530,099	6,530,099
Comprehensive income for the year							
Loss for the year	-	-	-	-	(1,289,658)	(1,289,658)	(1,289,658)
Other comprehensive income	-	-	-	(178,459)	-	(178,459)	(178,459)
Total comprehensive income for the year	-	-	-	(178,459)	(1,289,658)	(1,468,117)	(1,468,117)
Contributions by and distributions to owners							
Issue of share capital	427,972	779,028	-	-	-	1,207,000	1,207,000
Transfer to/from retained earnings	-	-	(8,554)	-	8,554	-	-
Total contributions by and distributions to owners	427,972	779,028	(8,554)	-	8,554	1,207,000	1,207,000
At 31 December 2022	3,078,297	18,632,040	58,179	(995,125)	(14,504,409)	6,268,982	6,268,982

The notes on pages 45 to 80 form part of these financial statements.

ORACLE POWER PLC

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital	Share premium	Share scheme reserve	Retained earnings	Total equity
	£	£	£	£	£
At 1 January 2023	3,078,297	18,632,040	58,179	(11,928,028)	9,840,488
Comprehensive income for the year					
Loss for the year	-	-	-	(658,448)	(658,448)
Total comprehensive income for the year	-	-	-	(658,448)	(658,448)
Contributions by and distributions to owners					
Issue of share capital	667,118	477,622	9,759	-	1,154,499
Share warrants exercised	-	-	(58,179)	58,179	-
Total contributions by and distributions to owners	667,118	477,622	(48,420)	58,179	1,154,499
At 31 December 2023	<u>3,745,415</u>	<u>19,109,662</u>	<u>9,759</u>	<u>(12,528,297)</u>	<u>10,336,539</u>

The notes on pages 45 to 80 form part of these financial statements.

ORACLE POWER PLC

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

PRIOR FINANCIAL YEAR

	Share capital	Share premium	Share scheme reserve	Retained earnings	Total equity
	£	£	£	£	£
At 1 January 2022	2,650,325	17,853,012	66,733	(10,730,957)	9,839,113
Comprehensive income for the year					
Loss for the year	-	-	-	(1,205,625)	(1,205,625)
Total comprehensive income for the year	-	-	-	(1,205,625)	(1,205,625)
Contributions by and distributions to owners					
Issue of share capital	427,972	779,028	-	-	1,207,000
Share warrants exercised	-	-	(8,554)	8,554	-
Total contributions by and distributions to owners	427,972	779,028	(8,554)	8,554	1,207,000
At 31 December 2022	<u>3,078,297</u>	<u>18,632,040</u>	<u>58,179</u>	<u>(11,928,028)</u>	<u>9,840,488</u>

The notes on pages 45 to 80 form part of these financial statements.

ORACLE POWER PLC

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 £	2022 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the year		(789,795)	(1,289,658)
ADJUSTMENTS FOR			
Depreciation of property, plant and equipment	10	205	205
Impairment losses on intangible assets	11	18,516	579,728
Impairment losses recognised on loans to associates		28,415	25,785
Loss from investments in associates		5,122	-
Finance income		(36,688)	(14,592)
Gain on disposal of subsidiary undertaking		-	(6,762)
Net foreign exchange loss		67,135	10,300
		(707,090)	(694,994)
MOVEMENTS IN WORKING CAPITAL:			
(Decrease) in trade and other receivables		(1,840)	(38,025)
(Increase)/decrease in trade and other payables		(56,468)	25,305
CASH GENERATED FROM OPERATIONS			
		(765,398)	(707,714)
NET CASH USED IN OPERATING ACTIVITIES			
		(765,398)	(707,714)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Australia exploration fixed assets	11	(37,754)	(238,245)
Purchase of Pakistan project fixed assets	11	(61,806)	(140,718)
Payments for investments in associates	13	(68,446)	(668,782)
Issue of loans		(167,483)	(184,929)
Interest received		2,242	14,592
NET CASH USED IN INVESTING ACTIVITIES			
		(333,247)	(1,218,082)
CASH FLOWS FROM FINANCING ACTIVITIES			

ORACLE POWER PLC

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

<p>Issue of ordinary shares</p> <p>Share issue costs</p> <p>NET CASH FROM FINANCING ACTIVITIES</p> <p>NET DECREASE IN CASH AND CASH EQUIVALENTS</p> <p>Cash and cash equivalents at the beginning of year</p> <p>Exchange loss on cash and cash equivalents</p> <p>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</p>	<p>1,213,000</p> <p>(58,500)</p> <hr/> <p>1,154,500</p> <p>55,855</p> <p>150,905</p> <p>(3,234)</p> <hr/> <p>25 <u>203,526</u></p>	<p>1,207,000</p> <p>-</p> <hr/> <p><i>1,207,000</i></p> <p>(718,796)</p> <p>872,000</p> <p>(2,299)</p> <hr/> <p><i>150,905</i></p>
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The notes on pages 45 to 80 form part of these financial statements.

ORACLE POWER PLC

**COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 £	2022 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the year		(658,448)	(1,205,625)
ADJUSTMENTS FOR			
Depreciation of property, plant and equipment	10	205	205
Amortisation of intangible fixed assets	11	-	313,229
Impairment loss recognised on other receivables		57,742	301,462
Associate loss		5,122	-
Forgiveness of other loan		-	(804,516)
Finance income		(164,949)	(66,938)
Loss on sale of discontinued operations, net of tax		-	804,516
Net foreign exchange loss		63,734	47,944
		(696,594)	(609,723)
MOVEMENTS IN WORKING CAPITAL:			
Increase/(decrease) in trade and other receivables		144,645	(665)
(Increase) in trade and other payables		(52,964)	(733,801)
(Decrease)/increase in loans to subsidiaries		(428,100)	78,228
		(1,033,013)	(1,265,961)
CASH GENERATED FROM OPERATIONS			
		(1,033,013)	(1,265,961)
NET CASH USED IN OPERATING ACTIVITIES			
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for investments in associates		(68,446)	(668,782)
Interest received		2,242	14,592
		(66,204)	(654,190)
NET CASH USED IN INVESTING ACTIVITIES			

ORACLE POWER PLC

**COMPANY STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

CASH FLOWS FROM FINANCING ACTIVITIES

Issue of ordinary shares	1,213,000	1,207,000
Share issue costs	(58,500)	-
	1,154,500	1,207,000
NET CASH FROM FINANCING ACTIVITIES		
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	55,283	(713,151)
Cash and cash equivalents at the beginning of year	137,291	850,442
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	192,574	137,291

The notes on pages 45 to 80 form part of these financial statement

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. STATUTORY INFORMATION

Oracle Power PLC is a public company, limited by shares and registered and domiciled in England and Wales. It is the ultimate holding company of the Oracle Power PLC Group. The Group is primarily involved in an energy project, based on the exploration and development of coal and construction of a mine-mouth power plant in Pakistan. The Group also has two exploration projects in Western Australia and a green hydrogen project in Pakistan. The presentation currency of the financial statements is Pounds Sterling (£). The Company's registered number and registered office address can be found in the General Information section of this report.

2. ACCOUNTING POLICIES

2.1 Going concern

During the year under review, the Group experienced net cash outflows from its operating activities which it financed from existing cash resources held at the start of the year and cash received from the issue of new equity share capital. The Directors have considered the cash flow requirements of the Group over the next 12 months and believe that additional funding will be required to meet the Group's cash requirements over that period. This additional cash requirement creates a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, the Directors expect to be able to meet the funding requirements for the Group to continue as a going concern for at least 12 months from the date of the approval of these financial statements and, consequently, the Directors consider it appropriate to adopt the going concern basis in the preparation of the financial statements.

2.2 Compliance with accounting standards

These financial statements have been prepared in accordance with UK adopted International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to reporting groups under IFRS.

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

2.3 Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for revenues and expenses during the year and the amounts reported for assets and liabilities at the statement of financial position date. However, the nature of estimation means that the actual outcomes could differ from those estimates.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are the measurement of any impairment on intangible assets and the estimation of share-based payment costs.

The principal risk and uncertainty in respect of the intangible assets (exploration assets) is that the Group may not reach financial close. The Board has tested the intangible assets for impairment. For this test, the Board considered market values of the assets (where applicable); results from technical and feasibility studies and reports; and the possibility of future project options available. Based on this, the Board have concluded that no impairment provision is required.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2. ACCOUNTING POLICIES (CONTINUED)**

The Group determines whether there is any impairment of intangible assets on an annual basis.

At the balance sheet date, the intangible assets are carried forward at their cost of £5,357,888 (2022: £5,603,630) less impairment of £598,833 (2022: £579,728).

2.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

Business acquisitions have been accounted for in accordance with IFRS 3, 'Business Combinations'. Fair values are attributed to the Group's share of net assets. Where the cost of acquisition exceeds the fair values attributed to such assets, the difference is treated as purchased goodwill and is capitalised.

2.5 Intangible assets**(i) Intangible fixed assets - Australia exploration costs**

Expenditure on the acquisition costs, exploration and evaluation of interests in licences, including related finance and administration costs, are capitalised. Such costs are carried forward in the statement of financial position under intangible assets and amortised over the minimum period of the expected future commercial production of gold in respect of each area of interest where:

- a) such costs are expected to be recouped through successful development and exploration of the area of interest or alternatively by its sale;
- b) exploration activities have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active operations in relation to the areas are continuing.

An annual impairment review is carried out by the Directors when specific facts and circumstances indicate that an impairment test is required, such as:

- (1) the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed.
- (2) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.
- (3) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
- (4) sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful future development or by sale.

In any such case, or similar cases, the entity shall perform an impairment test in accordance with IAS 36. Any impairment loss is recognised as an expense in accordance with IAS 36

Australia exploration costs are carried at cost less any provision for impairment.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Intangible assets (continued)

ii) Intangible fixed assets - Pakistan project costs

Expenditure on the Pakistan project to achieve final project approval prior to the start of mining operations including related finance and administration costs are capitalised. Such costs are carried forward in the statement of financial position under intangible assets and amortised over the minimum period of the expected future commercial production of coal in respect of each area of interest

The Pakistan project costs are tested annually for impairment by comparing the carrying amount to the recoverable amount. Pakistan project costs are carried at cost less any provision for impairment.

2.6 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	-	15% on reducing balance
Motor vehicles	-	20% on reducing balance
Computer equipment	-	30% on reducing balance

2.7 Investments in subsidiaries

Investments in subsidiaries are stated at cost. The investments are reviewed annually and any impairment is taken directly to the statement of profit or loss. Investments in subsidiaries are fully consolidated within the Group financial statements.

2.8 Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES (CONTINUED)

2.8 Investments in associates (continued)

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassified the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued. The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in the other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint ventures are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

2.9 Leasing

All leases held are either short-term leases or are for low value assets. The rentals paid are charged to the statement of profit or loss on a straight line basis over the period of the lease.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2.10 Foreign currency

In preparing the financial statements of each individual Group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into pounds using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

2.11 Employee benefits

Retirement benefit costs and termination benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the income statement in the period to which they relate.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2.12 Share-based payments****Share-based payment transactions of the Company**

Where equity settled share warrants are awarded to employees, the fair value of the warrants at the date of grant is charged to the statement of profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of warrants that eventually vest. Market vesting conditions are factored into the fair value of all warrants granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where terms and conditions of warrants are modified before they vest, the increase in the fair value of the warrants, measured immediately before and after the modification, is also charged to the statement of profit or loss over the remaining vesting period. Where equity instruments are granted to persons other than employees, the statement of profit or loss is charged with the fair value of goods and services received.

2.13 Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial Assets:

The Group classifies its financial assets other than investments in subsidiaries and associates as financial assets at amortised cost, at fair value through other comprehensive income (FVOCI) or at fair value through profit or loss (FVTPL). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

A financial asset is measured at amortised cost if it is held within a business model whose objective is to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVTPL if it is not measured at amortised cost or at FVOCI.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2.13 Financial instruments (continued)

Financial assets (continued)

All of the Group financial assets are currently classified at amortised cost.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

Trade receivables, with standard payment terms of between 30 to 65 days, are recognised and carried at the lower of their original invoiced and recoverable amount.

A loss allowance is recognised on initial recognition of financial assets held at amortised cost, based on expected credit losses, and is re-measured annually with changes appearing in profit or loss. Where there has been a significant increase in credit risk of the financial instrument since initial recognition, the loss allowance is measured based on lifetime expected losses. In all other cases, the loss allowance is measured based on 12-month expected losses. For assets with a maturity of 12 months or less, including trade receivables, the 12-month expected loss allowance is equal to the lifetime expected loss allowance.

The Group's financial assets are disclosed in notes 14 and 15.

Financial Liabilities:

The Group classifies its financial liabilities at amortised cost or at FVTPL. A financial liability is measured at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition, otherwise it is classified at amortised cost.

All of the Group's financial liabilities are currently classified at amortised cost.

Financial liabilities at amortised cost are subsequently measured at amortised cost using the effective interest method. They are classified as non-current when the payment falls due more than 12 months after the year end date.

2.14 Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise cash and bank balances.

2.15 New Standards and Interpretations applied

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning 1 January 2023 that would be expected to have a material impact on the Group.

New and revised standards not yet effective

Certain new accounting standards and interpretations have been issued but have not been applied by the Group in preparing these financial statements as they are not as yet effective. These standards are not expected to have a material impact on the Group in the current or future periods and on foreseeable future transactions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3. SEGMENT INFORMATION

Based on risks and returns, the Directors consider that the primary business reporting format is by business segment which are currently:

- 1) the principal activity of the Group which is an energy project developer, based on the exploration and proposed development of a coal mine and construction of a mine-mouth power plant in Pakistan (the "Pakistan Energy Project");
- 2) an investment in certain tenements in Western Australia for the exploration and future extraction of gold (the "Australia Gold Project"); and
- 3) a green hydrogen project in Pakistan (the "Pakistan Green Hydrogen Project").

These segments are not yet revenue generating and the primary financial reporting metrics are the value of intangible assets relating to the projects and total spend to date. The Pakistan Green Hydrogen Project is carried out through the Company's investment in associates which is not included in the analysis below.

To-date the Group has raised a total of £22.74m and spent £18.0m on Thar Block VI and £0.9m on the Australia Gold Project net of impairment of £0.6m.

The following is an analysis of the Group's results by reportable segment in the year under review:

	2023	2022
	£	£
Pakistan Energy Project	(31,727)	(9,318)
Australia Gold Project	(88,831)	(630,945)
Sindh Carbon Energy Project	(69,829)	
Total	(190,387)	(640,263)
Central administration costs	(657,671)	(670,749)
Finance income	36,688	14,592
Other gains and losses	26,697	6,762
Associate (loss)	(5,122)	-
Profit before tax	<u>(789,795)</u>	<u>(1,289,658)</u>

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 2. Segment profit represents the profit earned by each segment without allocation of the share of profits of associates and joint ventures, central administration costs including directors' salaries, finance income, non-operating gains and losses in respect of financial instruments and finance costs, and income tax expense. This is the measure reported to the Group's Chief Executive for the purpose of resource allocation and assessment of segment performance

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3. SEGMENT INFORMATION (CONTINUED)

Segment assets

For the purposes of monitoring segment performance and allocating resources between segments the Group's Chief Executive monitors the tangible, intangible and financial assets attributable to each segment. All assets are allocated to reportable segments with the exception of investments in associates, and other financial assets as shown below:

	2023 £	2022 £
Pakistan Energy Project	4,255,005	4,529,390
Australia Gold Project	504,050	493,906
Total segment assets	<u>4,759,055</u>	<u>5,023,296</u>
Unallocated assets	2,202	3,885
Consolidated total assets	<u>4,761,257</u>	<u>5,027,181</u>

	2023 £	2022 £
Segment liabilities		
Pakistan Energy Project	647,055	546,069
Australia Gold Project	642,252	591,358
Sindh Carbon Energy Project	1,347,919	1,290,408
Consolidated total liabilities	<u>2,637,226</u>	<u>2,427,835</u>

	Depreciation & 2023 £	Amortisation 2022 £	Additions to 2023 £	non-current* assets* 2022 £
Pakistan Energy Project	637	1,133	64,775	140,718
Australia Gold Project	-	-	19,238	238,225
	<u>637</u>	<u>1,133</u>	<u>84,013</u>	<u>378,943</u>

*These amounts exclude additions to financial instruments.

In addition to the depreciation and amortisation reported above, impairment losses of £18,516 (2022: £579,727) were recognised in respect of non-current assets. These impairment losses were all attributable to the Australia Gold Project.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

4. EMPLOYEE BENEFITS EXPENSES

Group	2023	2022
EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS) COMPRISE:		
Wages and salaries	265,000	300,500
National insurance	2,494	6,858
Defined contribution pension cost	3,750	3,738
	<u>271,244</u>	<u>311,096</u>

All employee benefit expenses relate to key management personnel Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the directors of the Company listed on page 21, and the Financial Controller of the Company.

The monthly average number of persons, including the directors, employed by the Group during the year was as follows:

	2023 No.	2022 No.
Directors	3	4
Administration and production	1	3
	<u>4</u>	<u>7</u>

Company

	2023 £	2022 £
EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS) COMPRISE:		
Wages and salaries	265,000	300,500
National insurance	2,494	6,858
Defined contribution pension cost	3,750	3,738
	<u>271,244</u>	<u>311,096</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

4. EMPLOYEE BENEFITS EXPENSES (CONTINUED)

All employee benefit expenses relate to key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the directors of the Company listed on page 21, and the financial Controller of the Company.

The monthly average number of persons, including the directors, employed by the Company during the year was as follows:

	2023 No.	2022 No.
Directors	3	4
Administration and production	1	1
	<u>4</u>	<u>5</u>

5. DIRECTORS'S REMUNERATION

	2023 £	2022 £
Directors' emoluments	210,000	237,083
Group contributions to pension schemes	2,100	2,088
	<u>212,100</u>	<u>239,171</u>

During the year, no directors (2022 - no directors) exercised share options.

No directors (2022 – 0 directors) had retirement benefits accruing under money purchase schemes.

The highest paid director's emoluments were as follows:

	2023 £	2022 £
Total emoluments and amounts receivable under long-term incentive schemes (excluding shares)	150,000	150,000
	<u>150,000</u>	<u>150,000</u>

The highest paid director exercised no share options during the year (2022: none).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

6. FINANCE INCOME AND EXPENSE**Recognised in profit or loss**

	2023	2022
	£	£
Finance income		
Interest on:		
- Bank deposits	17,186	12,467
TOTAL INTEREST INCOME ARISING FROM FINANCIAL ASSETS MEASURED AT AMORTISED COST	17,186	12,467
Share of associates' interest receivable	19,502	2,125
TOTAL FINANCE INCOME	36,688	14,592
NET FINANCE INCOME RECOGNISED IN PROFIT OR LOSS	36,688	14,592

7. LOSS BEFORE INCOME TAX

The loss before income tax is stated after charging / (crediting):

	2023	2022
	£	£
Depreciation - owned assets	205	205
Impairment of debtors	46,931	605,513
Auditors' remuneration	37,203	37,046
Foreign exchange differences	63,734	(55,551)

In addition to the depreciation charges shown above, the Group incurred charges of £637 (2022: £1,133) which have been capitalised as exploration costs by the subsidiary company in accordance with the Group's accounting policy.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

8. INCOME TAX**Analysis of tax expense**

No liability to UK corporation tax arose for the year ended 31 December 2023 nor for the year ended 31 December 2022.

Factors affecting the tax expense

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2023 £	2022 £
Loss before income tax	<u>(789,795)</u>	<u>(1,289,658)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 25% (2022 - 19%)	(197,449)	(245,035)
Effects of:		
Foreign losses of subsidiaries	31,101	62,136
Inter-company items eliminated	(573)	7,493
Disallowed expenses	8,956	115,087
Potential deferred taxation on losses for year	157,965	60,319
	<u>-</u>	<u>-</u>

The Group and Company has estimated UK excess management charges of £11,597,714 (2022: £11,082,658) to carry forward against future income. The overseas subsidiaries have losses of £722,849 (2022: £248,369) which will be carried forward to offset future profits. There is no charge for foreign taxation for the year (2022: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

9. EARNINGS PER SHARE

(i) Basic earnings per share

	2023 Pence	2022 Pence
From continuing operations attributable to the ordinary equity holders of the Company	(0.02)	(0.04)
TOTAL BASIC EARNINGS PER SHARE ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY	(0.02)	(0.04)

(ii) Diluted earnings per share

From continuing operations attributable to the ordinary equity holders of the Company	(0.02)	(0.04)
TOTAL DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY	(0.02)	(0.04)

(iii) Reconciliation of earnings used in calculating earnings per share

	2023 £	2022 £
LOSS ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY USED IN CALCULATING BASIC EARNINGS PER SHARE:		
From continuing operations	(789,795)	(1,289,658)
	(789,795)	(1,289,658)
LOSS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY:		
Used in calculating basic earnings per share	(789,795)	(1,289,658)
USED IN CALCULATING DILUTED EARNINGS PER SHARE	(789,795)	(1,289,658)
LOSS ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY USED IN CALCULATING DILUTED EARNINGS PER SHARE	(789,795)	(1,289,658)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

9. EARNINGS PER SHARE (CONTINUED)

(iv) Weighted average number of shares used as the denominator

	2023 Number	2022 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	3,696,910,701	2,902,488,933
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES AND POTENTIAL ORDINARY SHARES USED AS THE DENOMINATOR IN CALCULATING DILUTED EARNINGS PER GROUP	<u><u>3,696,910,701</u></u>	<u><u>2,902,488,933</u></u>

At the year end, there were 113,544,706 warrants outstanding (2022: nil) that could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share because they are antidilutive for the period(s) presented.

Post the reporting period end, the Company entered into transactions to issue 1,803,652,968 ordinary shares with associated options, which if exercised would involve the issue of a further 913,442,009 ordinary shares which will be assessed in the earnings per share calculation in the next accounting year.

10. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles £	Computer equipment £	Total £
Cost or valuation			
At 1 January 2022	14,877	4,505	19,382
Foreign exchange movements	(1,924)	(385)	(2,309)
At 31 December 2022	<u>12,953</u>	<u>4,120</u>	<u>17,073</u>
Foreign exchange movements	(3,067)	(614)	(3,681)
At 31 December 2023	<u><u>9,886</u></u>	<u><u>3,506</u></u>	<u><u>13,392</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Motor vehicles £	Computer equipment £	Total £
ACCUMULATED DEPRECIATION AND IMPAIRMENT			
At 1 January 2022	11,042	2,484	13,526
Charge for the year	729	609	1,338
Foreign exchange movements	(1,489)	(187)	(1,676)
At 31 December 2022	<u>10,282</u>	<u>2,906</u>	<u>13,188</u>
Charge owned for the year	421	421	842
Foreign exchange movements	(2,448)	(394)	(2,842)
At 31 December 2023	<u><u>8,255</u></u>	<u><u>2,933</u></u>	<u><u>11,188</u></u>
Net book value			
At 31 December 2022	2,671	1,214	3,885
At 31 December 2023	<u>1,631</u>	<u>571</u>	<u>2,202</u>
Company			
			Computer equipment £
Cost or valuation			
At 1 January 2022			1,524
At 31 December 2022			<u>1,524</u>
At 31 December 2023			<u><u>1,524</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Computer equipment £
ACCUMULATED DEPRECIATION AND IMPAIRMENT	
At 1 January 2022	1,045
Charge for the year	205
At 31 December 2022	<u>1,250</u>
Charge for the year	205
At 31 December 2023	<u><u>1,455</u></u>
Net book value	
At 31 December 2022	274
At 31 December 2023	<u><u>69</u></u>

11. INTANGIBLE ASSETS

Group

	Australia Exploration Costs £	Pakistan Project Costs £	Total £
COST			
At 1 January 2022	809,697	4,593,369	5,403,066
Additions - external	238,225	140,718	378,943
Foreign exchange movement	26,318	(204,697)	(178,379)
At 31 December 2022	<u>1,074,240</u>	<u>4,529,390</u>	<u>5,603,630</u>
Additions - external	37,754	61,806	99,560
Foreign exchange movement	(9,111)	(336,191)	(345,302)
At 31 December 2023	<u><u>1,102,883</u></u>	<u><u>4,255,005</u></u>	<u><u>5,357,888</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

11. INTANGIBLE ASSETS (CONTINUED)

	Australia Exploration Costs £	Pakistan Project Costs £	Total £
ACCUMULATED AMORTISATION AND IMPAIRMENT			
At 1 January 2022	-	-	-
Impairment charge	579,727	-	579,727
Foreign exchange movement	607	-	607
At 31 December 2022	580,334	-	580,334
Impairment charge	18,516	-	18,516
Foreign exchange movement	(17)	-	(17)
At 31 December 2023	<u>598,833</u>	<u>-</u>	<u>598,833</u>
Net book value			
At 1 January 2022	809,697	4,593,369	5,403,066
At 31 December 2022	493,906	4,529,390	5,023,296
At 31 December 2023	<u>504,050</u>	<u>4,255,005</u>	<u>4,759,055</u>

The Group's Australia Exploration costs of £504,050 (2022: £493,906) and Pakistan Project Costs of £4,255,005 (2022: £4,529,390) are currently being carried forward at net book value in the financial statements. The Group will need to raise funds to reach financial close on both projects. Financial close involves the raising of finance, potentially both debt and equity for the construction and start-up of a future mine and the proposed construction of a power plant. If the Group is ultimately unable to raise such finance, some of the assets may require impairment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

11. INTANGIBLE ASSETS (CONTINUED)

Company

	Australia Exploration Costs £	Pakistan Project Costs £	Total £
COST			
At 1 January 2022	626,458	3,352,393	3,978,851
At 31 December 2022	<u>626,458</u>	<u>3,352,393</u>	<u>3,978,851</u>
At 31 December 2023	<u>626,458</u>	<u>3,352,393</u>	<u>3,978,851</u>
	Australia Exploration Costs £	Pakistan Project Costs £	Total £
ACCUMULATED AMORTISATION AND IMPAIRMENT			
At 1 January 2022	-	-	-
Impairment charge	313,229	-	313,229
At 31 December 2022 and 2023	<u>313,229</u>	<u>-</u>	<u>313,229</u>
Net book value			
At 1 January 2022	626,458	3,352,393	3,978,851
At 31 December 2022	313,229	3,352,393	3,665,622
At 31 December 2023	<u>313,229</u>	<u>3,352,393</u>	<u>3,665,622</u>

An impairment charge of £nil (2022: £313,229) was recognised in the year by the Company. During the 2022 financial year, the Directors reviewed the Australia Exploration costs asset and following the receipt of geology reports commissioned by the Company which indicated insufficient potential gold levels in the Jundee East tenement, the Company determined the recoverable amount of the exploration costs on this project to be zero based on the expectation of no cash inflows.

The Company's remaining Australia Exploration costs of £313,229 (2022: £313,229) and Pakistan Project Costs of £3,352,393 (2022: £3,352,393) are currently being carried forward at net book value in the financial statements. The Group will need to raise funds to reach financial close on both projects. Financial close involves the raising of finance, potentially both debt and equity for the construction and start-up of a future mine and the proposed construction of a power plant. If the Group is ultimately unable to raise such finance, some of the assets may require impairment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

12. INVESTMENTS

Company

Shares in
group
undertakings

Cost and Net Book Value

At 1 January 2022	3,703,047
Disposals	(804,516)
At 31 December 2022 and 2023	<u>2,898,531</u>

The Company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiaries

Sindh Carbon Energy Limited

Registered office: 44/2, Street B-6, Phase V, Off Khyaban e Shaheen, Defense Housing Authority, Karachi, Pakistan.

Nature of business: Coal exploration and mining.

Class of shares	% holding
	100
	(2022:100)
Ordinary shares of Rs 10 each	

	2023	2022
	£	£
Aggregate capital and reserves	547,450	617,279
Loss for the year	69,829	-

The subsidiary company was incorporated in Pakistan on 23 January 2007 for the exploration and future extraction of coal in Pakistan. Oracle Power PLC agreed to acquire 80% of the ordinary share capital of the company at par, fully paid in cash.

On 14 March 2016 Oracle Power PLC took up a rights issue to acquire a further 9,000,000 ordinary shares of the company at par for consideration of £603,141. The acquisition was settled through a reduction of the inter-company loan and increased the holding in the subsidiary to 98%.

On 12 March 2018 Oracle Power PLC acquired the remaining 2% of Sindh Carbon Energy Limited. This was acquired via a share for share exchange whereby Oracle Power PLC issued 95,652,174 shares in exchange for the remaining 199,999 ordinary shares of Sindh Carbon Energy Limited.

The investment in share capital for the 100% holding amounts to £2,867,256 (2022: £2,867,256).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

12. INVESTMENTS (CONTINUED)

Thar Electricity (Private) Limited

Registered office: PIA Building, 3rd Floor, 49, Blue Area, Fazlul Haq Road, Islamabad, Pakistan
Nature of business: Energy production

	2023 £	2022 £
Class of shares		% holding 100 (2022: 100)
Ordinary shares of Rs 10 each		
Aggregate capital and reserves	(248,292)	(150,639)
Loss for the year	(31,727)	(9,318)

The subsidiary company was incorporated in Pakistan on 17 June 2015 for the future generation of electricity in Pakistan. Oracle agreed to acquire 100% of the ordinary share capital of the company at par, fully paid in cash.

The investment in share capital for the 100% holding amounted to £31,075 (2022: £31,075).

Oracle Gold Limited

Registered office: Tennyson House, Cambridge Business Park, Cambridge, England, CB4 0WZ
Nature of business: Administration and financial support

	2023 £	2022 £
Class of shares		% holding 100 (2022: 100)
Ordinary shares of £1 each		
Aggregate capital and reserves	<u>100</u>	<u>100</u>

The subsidiary company was incorporated on 29 October 2020 but has not yet commenced trading and had no profit or loss for the year (2022: Nil).

The investment in share capital for the 100% holding amounted to £100 (2022 £100).

The Company has guaranteed all outstanding liabilities of the subsidiary company as at 31 December 2023. The subsidiary company has taken an exemption from preparing and filing accounts as per the provisions of Section 394a-c and Section 448a-c of the Companies Act 2006.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

12. INVESTMENTS (CONTINUED)

Oracle Gold Resources Limited

Registered office: Tennyson House, Cambridge Business Park, Cambridge, England, CB4 0WZ
Nature of business: Administration and financial support

Class of shares	% holding	
	100 (2022: 100)	
Ordinary shares of £1 each		
	2023	2022
	£	£
Aggregate capital and reserves	<u>100</u>	<u>100</u>

The subsidiary company was incorporated on 29 October 2020 but has not yet commenced trading and had no profit or loss for the year (2022: Nil).

The investment in share capital for the 100% holding amounted to £100 (2022 £100).

The Company has guaranteed all outstanding liabilities of the subsidiary company as at 31 December 2023. The subsidiary company has taken an exemption from preparing and filing accounts as per the provision of Section 394a- and Section 448a-c of the Companies Act 2006.

Oracle Gold Pty Limited

Registered office: Suite 23, 513 Hay Street, Subiaco, WA 6008
Nature of business: Gold exploration and mining

Class of shares	% holding	
	100 (2022: 100)	
Ordinary shares of AUD \$1 each		
	2023	2022
	£	£
Aggregate capital and reserves	(476,843)	(408,685)
Loss for the year	(88,831)	(317,715)

The subsidiary company was incorporated in Australia on 16 November 2020 for the exploration and potential future extraction of gold. On the same date, Oracle acquired licences to operate two gold projects in Western Australia. These projects are managed and operated by the company. The acquisition of the projects was satisfied by way of a cash payment of £90,000 by the parent company, Oracle, and the issue of 42,857,143 new ordinary shares of 0.1 pence and warrants to potentially subscribe for a further 42,857,143 Ordinary Shares in Oracle exercisable at a price of 1.1p each.

The investment in share capital for the 100% holding amounted to £0.56 (2022: £0.56).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

13. INVESTMENTS IN ASSOCIATES

Company	Shares in associate undertakings
Cost	£
At 1 January 2022	-
Additions	<u>668,782</u>
At 31 December 2022	<u>668,782</u>
Additions	<u>63,324</u>
At 31 December 2023	<u>732,106</u>

The Company's investments at the Statement of Financial Position date in the share capital of associate companies include the following:

Associates

Oracle Energy Limited

Registered office: House No 91, Shahrah-E-Iran, Block 5 Clifton, Karachi, Saddar Town, Karachi South, Sindh

Nature of business: Energy production

Class of shares	% holding
Ordinary shares of Rs 10 each	30 (2022:30)

	2023 £	2022 £
Aggregate capital and reserves	1,819,876	2,130,313
Loss for year	<u>(7,820)</u>	<u>(3,945)</u>

The associate company was incorporated in Pakistan on 19 November 2022 for the future generation of power.

The investment in share capital for the 30% holding amounted to £726,848 (2022: 30% £662,007).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

13. INVESTMENTS IN ASSOCIATES (CONTINUED)

Oracle Energy FZCO Limited

Registered office: FD-172.0, Floor No. 18, Sheikh Rashid Tower, Dubai World Trade Centre, Dubai, United Arab Emirates

Nature of business: Energy production

Class of shares	% holding
Ordinary shares of AED 1,000 each	30 (2022: 30%)

	2023 £	2022 £
Aggregate capital and reserves	16,491	22,626
Loss for year	<u>(5,057)</u>	<u>(42)</u>

The associate company was incorporated on 5 October 2022.

The investment in share capital for the 30% holding amounted to £6,788 (2022: £6,788).

Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information below represents amounts in associates' financial statements prepared in accordance with IFRS Accounting Standards.

	Oracle Energy Ltd 2023 £	Oracle Energy Ltd 2022 £	Oracle Energy FZCO Ltd 2023 £	Oracle Energy FZCO Ltd 2022 £
Current assets	301,488	1,996,832	3,377	3,316
Non-current assets	2,097,536	133,482	655,171	369,693
Current liabilities	(18,897)	(17,078)	(642,057)	(350,383)
Non-current liabilities	(560,252)	-	-	-
	<u>1,819,875</u>	<u>2,113,236</u>	<u>16,491</u>	<u>22,626</u>
Equity attributable to owners of the associate	1,273,913	1,451,229	11,544	15,838
Non-controlling interest	545,962	662,007	4,947	6,788
	<u>1,819,875</u>	<u>2,113,236</u>	<u>16,491</u>	<u>22,626</u>
(Loss)/profit for the year	<u>(8,071)</u>	<u>(3,945)</u>	<u>5,057</u>	<u>40</u>

The non-controlling interest shown in the table above comprises the Group's interest in the associated undertaking.

There is no significant restriction on the ability of associates to transfer funds to the Group in form of cash dividends, or to repay loans or advances made by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

14. LOANS AND OTHER FINANCIAL ASSETS

Group	2023 £	2022 £
Financial assets	407,291	425,070
Loans to associate undertakings	<u>311,733</u>	<u>155,009</u>
	<u>719,024</u>	<u>580,079</u>

The financial asset of £407,291 (2022: £425,070) represents the cash used to collateralise a performance guarantee for US\$500,000 issued in favour of the Director General, Coal Mines Development Department to cover company obligations under its mining lease. The guarantee was originally valid up to the earliest of the date commercial operations begin, three years from the date of issue, or 2 February 2018. This was last extended to 31 January 2024. Post year end, the Company has decided not to renew the bank guarantee and this cash balance has been returned to the Company.

Group	Loans to associate undertakings	
	2023 £	2022 £
At 1 January 2023	155,009	-
New in year	210,924	180,794
Impairment	(54,200)	(25,785)
At 31 December 2023	<u>311,733</u>	<u>155,009</u>

Company	2023 £	2022 £
Loans to group undertakings	2,238,299	2,035,196
Loans to associate undertakings	281,196	144,952
Financial assets	407,291	425,070
	<u>2,926,786</u>	<u>2,605,218</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

14. LOANS AND OTHER FINANCIAL ASSETS (CONTINUED)

Company	Loans to Group undertakings £	Loans to associate undertakings £
At 1 January 2022	1,616,597	-
New in year	681,928	170,737
Impairment	(275,677)	(25,785)
Exchange differences	12,348	
	2,035,196	144,952
31 December 2022	630,840	190,444
New in year	(396,726)	(54,200)
Impairment	(31,011)	-
Exchange differences		
	2,238,299	281,196
31 December 2023	2,238,299	281,196
	2023	2022
	£	£
Financial assets	407,291	425,070

Included in the loans to Group undertakings shown above, during the period Oracle Power PLC made loans to its subsidiaries totalling £nil (2022: £157,094) to Sindh Carbon Energy Limited, £67,636 (2022: £203,677) to Thar Electricity (Private) Limited and £14,907 (2022: £321,156) to Oracle Gold Pty Limited. Included in the loans made was a reclassification of interest from current assets of £nil (2022: £240,225).

The amounts outstanding at the statement of financial position date were £1,078,588 (2022: £1,282,266) due from Sindh Carbon Energy Limited, £585,633 (2022: £535,675) due from Thar Electricity (Private) Limited, of which £31,753 is denoted in USD of \$42,980 and £585,262 (2022: £584,654) due from Oracle Gold Pty Limited. Interest accrues on a daily basis at a rate of 1% over the Bank of England base rate. The loans are unsecured and although they are repayable on demand, they are unlikely to be repaid until the project becomes successful and the subsidiaries start to generate revenues. The loans were reviewed for impairment and an impairment charge of £396,792 (2022: £275,677) was recognised in the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

15. TRADE AND OTHER RECEIVABLES

	Group 2023 £	<i>Group 2022 £</i>	Company 2023 £	<i>Company 2022 £</i>
Current:				
Other receivables	7,751	127	7,751	-
VAT	20,707	17,156	19,415	15,233
Prepayments and accrued income	18,451	27,786	16,683	25,498
	<u>46,909</u>	<u>45,069</u>	<u>43,849</u>	<u>40,731</u>

16. CALLED UP SHARE CAPITAL

	2023 £	<i>2022 £</i>
Allotted, issued and fully paid 4,735,415,387 (2022: 3,078,297,740)	<u>3,745,415</u>	<u>3,078,297</u>

The shares issued during the year were as follows:

	Date issued	Class of shares allotted	Number of shares allotted	Nominal value of each share	Amount paid (including share premium) on each share
	10 February 2023	Ordinary	294,117,647	0.1p	0.170p
	27 June 2023	Ordinary	363,000,000	0.1p	0.100p
	30 October 2023	Ordinary	1,000,000,000	0.001p	0.035p

On 4 October 2023, the Company completed a share reorganisation and each ordinary share of 0.1p was replaced with a new ordinary share of 0.001p and a deferred share of 0.099 pence.

The number of shares in issue is summarised as follows:

	2023 No.	<i>2022 No.</i>
At 1 January	3,078,297,740	2,650,325,712
Issued during the year	1,657,117,647	427,972,028
At 31 December	<u>4,735,415,387</u>	<u>3,078,297,740</u>

At 31 December 2023, the total warrants in issue were 113,544,706 (2022: 250,000,000) comprising warrants issued to brokers (see note 23).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

17. RESERVES

The following is a description of each of the reserve accounts that comprise equity shareholders' funds:

Share premium

The share premium comprises the excess value recognised from the issue of ordinary shares at par.

Share scheme reserve

Cumulative fair value of warrants charged to the statement of comprehensive income net of transfers to the profit and loss reserve on exercised and cancelled/lapsed warrants.

Foreign exchange reserve

Cumulative gains and losses on translating the net assets of overseas operations to the presentation currency.

Retained earnings

Retained earnings comprise the Group's cumulative accounting profits and losses since inception.

18. TRADE AND OTHER PAYABLES

	GROUP 2023 £	GROUP 2022 £	COMPANY 2023 £	COMPANY 2022 £
Current				
Trade payables	71,282	118,808	56,732	113,560
Other payables	9,015	12,329	8,855	12,091
Accruals and deferred income	66,268	71,897	57,411	50,310
	<u>146,565</u>	<u>203,034</u>	<u>122,998</u>	<u>175,961</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

19. LEASING AGREEMENTS

Expense and net cash outflow incurred under leasing agreements

Group	2023	2022
	£	£
Short term leases	9,008	35,584
	<u>9,008</u>	<u>35,584</u>
Company	-	-
Short term leases	8,663	35,584
	<u>8,663</u>	<u>35,584</u>

20. FINANCIAL RISK MANAGEMENT

The carrying value of the Group's financial assets and liabilities at the balance sheet date of the year under review are categorised as follows:

	2023	2022
	£	£
Financial assets - at amortised cost		
Cash and bank balances	203,526	150,905
Receivables denominated in foreign currency	407,291	425,070
Financial liabilities - at amortised cost		
Trade and other payables	80,297	125,913

The main purpose of these financial instruments is to finance the Group's operations. The Board regularly reviews and agrees policies for managing the level of risk arising from the Group's financial instruments as summarised below.

a) Market Risk

Market risk is the risk that changes in market prices, such as commodity prices, foreign exchange rates, interest rates and equity prices will affect the Group's income or value of its holdings in financial instruments.

i) Foreign Exchange Risk

The Group operates internationally and is exposed to foreign exchange risk arising from currency exposures. The Group is exposed to currency risk on cash and cash equivalents, loans, receivables and payables that are denominated in currencies other than sterling which is the functional currency of the Group.

The Group's net exposure to foreign currency risk at the reporting date is as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

	2023 £	2022 £
Pakistan Rupees	(4,489)	(6,756)
US Dollars	392,696	413,169
Australian Dollars	(1,952)	(4,751)
	<u>386,255</u>	<u>401,662</u>

The Directors have reviewed historical exchange rates and consider that a 10 percent weakening of sterling against the US Dollar or Australian Dollar would be a reasonable basis for sensitivity analysis. By the same method the Directors consider that a 50% weakening of sterling against the Pakistan Rupee would be a reasonable basis for sensitivity analysis. A 10% weakening of sterling against the US Dollar or Australian Dollar at 31 December 2023 and a 50% weakening against the Pakistan Rupee would increase net profit before tax by approximately £35,000 (2022: £40,000).

Differences that arise from the translation of these foreign currency cash equivalents and loans to sterling at the year-end rates are recognised in other comprehensive income in the year and the cumulative effect as a separate component in equity. The Group does not hedge this translation exposure in profits and equity.

ii) Interest Rate Risk

The Group has interest bearing accounts and has earned interest income of £17,186 (2022: £12,467) in the year. Given the level of interest income earned in the year, interest rate risk is not considered to be material to the Group.

b) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's policy throughout the year has been to ensure that it has adequate liquidity to meet its liabilities when due by careful management of its working capital.

The following tables illustrate the contractual maturity profiles of its financial liabilities, all of which are repayable within one year, as at 31 December:

	2023 £	2022 £
Maturity up to one year:		
Trade and other payables	<u>80,297</u>	<u>131,137</u>

c) Fair Values of Financial Assets and Liabilities

The carrying value of all financial assets and liabilities in the financial statements approximate their fair values.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****20. FINANCIAL RISK MANAGEMENT (CONTINUED)****Loss allowance****d) Credit Risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral. Credit risk in relation to cash held with financial institutions is considered low, given the credit rating of these institutions.

The Group's principal financial assets are the cash and cash equivalents and taxation receivable as recognised in the statement of financial position, and which represent the Group's maximum exposure to credit risk in relation to financial assets. At the year end the Group held £203,526 (2022: £150,905) cash and cash equivalents; £407,291 (2022: £425,070) other financial assets held with financial institutions; and £20,805 (2022: £17,284) taxation receivable. The Group's financial assets are considered to be of a high credit rating.

At the year end, the Company held £192,574 (2022: £137,291) cash and cash equivalents; £407,291 (2022: £425,070) other financial assets held with financial institutions; and £19,415 (2022: £15,233) taxation receivable. These financial assets are considered to be of a high credit rating.

The Company has made unsecured loans to its subsidiaries of £1,078,588 (2022: £1,282,266) to Sindh Carbon Energy Limited, £585,633 (2022: £535,675) to Thar Electricity (Private) Limited and £585,262 (2022: £584,654) to Oracle Gold Pty Limited. During the 2023 financial year, interest previously reported in current assets was reclassified against the loans and shown in the balances above, total £240,225 (2022: £240,225). Although they are repayable on demand, they are unlikely to be repaid until the projects are successful and the subsidiaries start to generate revenue. The Company considers the loans are of a lower credit rating. The loans were assessed for impairment and an impairment charge of £396,792 (2022: £275,677) was recognised in the year.

The Company has made unsecured loans to its associates of £335,396 (2022: £168,613) to Oracle Energy FZCO Limited. Although the loan is repayable on demand, it is unlikely to be repaid until the projects are successful and the associate starts to generate revenue. The Company considers that the loan is of a lower credit rating. The loan was assessed for impairment and an impairment charge of £54,200 (2022: £25,785) was recognised in the year.

The Company assessed impairment by considering a range of future interest rates between 1% and 5.25%, and potential periods until the loans are able to be repaid between 1 and 10 years. The Directors considered the most likely scenario was an interest rate of 3.38% and a 5-year repayment period (2022: 3.13% and 5 years). The movement in the loss allowance in the year was an increase of £57,742 from £393,184 in 2022 to £450,926 in 2023. The reason for the increase in the provision was due to the increase in the size of the loans and an increase in the Bank of England Base Rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

	2023 £	2022 £
Gross carrying value	<u>2,970,321</u>	<u>2,573,333</u>
Opening loss allowance	393,184	91,722
Movement in allowance for period	57,742	301,462
Closing loss allowance	<u>450,926</u>	<u>393,184</u>
Assessed interest rate risk	3.38%	3.38%
Years until cash realised	5	5

Capital Management

The Company's capital consists wholly of ordinary shares, together with their associated share premium. The Board's policy is to preserve a strong capital base in order to maintain investor, creditor and market confidence and to safeguard the future development of the business, whilst balancing these objectives with the efficient use of capital.

21. CONTINGENT LIABILITIES

On 3 February 2015, a performance guarantee for US\$500,000, secured by a deposit from the Company, was issued by a third-party bank in favour of the Director General of the Coal Mines Development Department to cover potential obligations under the mining lease. This bank guarantee has been extended annually and, during 2023, was extended to 31 January 2024. Post year end, the Company has decided not to renew the bank guarantee which means that any potential obligations under the mining lease are now all directly with the Company.

22. RELATED PARTY DISCLOSURES

During the year, Oracle Power PLC accrued interest of £61,258 (2022: £27,414) in respect of loans totalling £1,078,588 (2022: £1,078,588) made to Sindh Carbon Energy Limited, £31,740 (2022: £11,930) in respect of loans totalling £585,633 (2022: £513,427) made to Thar Electricity (Private) Limited and £35,263 (2022: £13,001) in respect of loans totalling £585,262 (2022: £570,355) made to Oracle Gold Pty Limited, and £19,502 (2022: £2,125) in respect of loans totalling £335,396 (2022: £178,669) to its associated undertaking Oracle Energy FZCO Limited.

At the Statement of Financial Position date, the total interest outstanding amounted to £264,935 (2022: £196,089) for Sindh Carbon Energy Limited, £53,988 (2022: £22,248) for Thar Electricity (Private) Limited and £49,562 (2022: £14,299) for Oracle Gold Pty Limited, and £21,627 (2022: £2,125) for Oracle Energy FZCO Limited. The loans due from Sindh Carbon Energy Limited, Thar Electricity (Private) Limited, Oracle Gold Pty Limited, and Oracle Energy FZCO Limited were reviewed for impairment and an impairment charge of £29,327 (2022: £301,462) was recognised in the year. Total impairment charge to date amounts to £396,792 (2022: £393,184).

Oracle Power PLC owes £nil (2022: £nil) to its subsidiary Revive Financial Limited in respect of a loan. The loan is interest free and is repayable within 30 days of receiving a written notice demanding repayment. Revive Financial Limited forgave its loan to Oracle and was voluntarily dissolved on 26 April 2023.

During the year the Company shared an office with Sion Hall Family Office Ltd, an entity of which Mark Steed was also a director, and paid ad-hoc charges of £8,663 (2022: £34,500).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

22. RELATED PARTY DISCLOSURES (CONTINUED)

Key management personnel compensation

The Directors and key management personnel of the Group during the year were follows:

Mr M W Steed (Non-Executive Director and Chairman)
Ms N Memon (Chief Executive Officer)
Mr D Hutchins (Non-Executive Director)
Mr N Lee (Company Secretary)

Details of directors' compensation are disclosed in the Remuneration Report included in the Directors Report. In addition, the Company Secretary, Nicholas Lee, received a salary of £55,000 (2022: £55,000).

Key management personnel equity holdings

Details of key management personnel beneficial interests in the fully paid ordinary shares of the Company are disclosed in the Directors Report.

23. SHARE BASED PAYMENT TRANSACTIONS

The Company has a share warrant programme that entitles the holders to purchase shares in the Company with the warrants exercisable at the price determined at the date of granting the warrant. The terms and conditions of the grants active in the year are that there are no vesting conditions to be met and all warrants are to be settled by the issue of shares.

The number and weighted average exercise prices of share warrants are as follows:

	Weighted average exercise price 2023	Number of warrants 2023	Weighted average exercise price 2022	Number of warrants 2022
Outstanding at 1 January	-	-	0.43p	5,882,352
Expired during the period	-	-	0.43p	(5,882,352)
Granted during the period	0.35p	113,544,706		-
Outstanding at 31 December	0.35p	113,544,706		-
Exercisable at 31 December	0.35p	113,544,706		-

The weighted average contractual life remaining at the year end was 1.5 years (2022: nil years).

During the year 113,544,706 (2022: nil) were granted, no relevant share warrants were exercised (2022: nil) and no share warrants expired during the year (2022: 5,882,352).

There is no expense for the year (2022: nil) for services received in respect of equity settled share-based payment transactions.

24. EVENTS AFTER THE REPORTING PERIOD

Since the reporting date, the Company has entered into the following reportable transactions.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

On 9 April 2024, the Company secured an exclusive option to potentially acquire 100% of a copper and silver project in Australia - the Blue Rock Valley Copper and Silver Project (the "Project"), located in the Ashburton Basin in the northwest region of Western Australia (the "Transaction"). The option comprised an initial £30,000 fee payable by the issue of 136,986,301 new ordinary shares of 0.001p each in the Company, and if the Company exercised the option, a further £200,000 payable, through the issue of a further 913,242,009 new Ordinary Shares (the "Consideration Shares"), determined using the Five-Day VWAP prior to the signing of the option and sale and purchase agreement.

On 14 May 2024, the Company announced that it had raised £300,000 by way of a subscription for 1,666,666,667 new ordinary shares of 0.001 pence each in the capital of the Company ("**Ordinary Shares**") (the "**Subscription Shares**") at a price of 0.018 pence per share (the "**Subscription Price**") (the "**Subscription**"). Pursuant to the terms of the Subscription, the subscriber received one warrant for each Subscription Share, exercisable at a price of 0.032 pence per Ordinary Share and expiring on 17 May 2025. The Subscription was taken up by a single new institutional investor.

On 11 June 2024, the Company exercised the option to acquire 100% of the Blue Rock Valley Copper and Silver Project by paying £200,000, settled by the issue of 913,242,009 new Ordinary Shares determined using the Five-Day VWAP prior to the signing of the option and sale and purchase agreement described above.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

25. NOTES SUPPORTING STATEMENT OF CASH FLOW

Group

	2023	2022
	£	£
Cash at bank available on demand	28,431	32,795
Short-term deposits	175,095	118,110
CASH AND CASH EQUIVALENTS IN THE STATEMENT OF FINANCIAL POSITION	<u>203,526</u>	<u>150,905</u>
CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS	<u>203,526</u>	<u>150,905</u>

Company

	2023	2022
	£	£
Cash at bank available on demand	17,479	19,181
Short-term deposits	175,095	118,110
CASH AND CASH EQUIVALENTS IN THE STATEMENT OF FINANCIAL POSITION	<u>192,574</u>	<u>137,291</u>
CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS	<u>192,574</u>	<u>137,291</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

26. RECONCILIATION OF CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group

	Trade and other payables £
Balance at 1 January 2022	170,321
Cash flows	32,713
Non-cash changes	
Balance at 31 December 2022	<u>203,034</u>
Cash flows	(31,418)
Balance at 31 December 2023	<u><u>171,616</u></u>

Company

	Trade and other payable s £	Amounts owed to Group undertaking s £	Total £
Balance at 1 January 2022	105,147	804,616	909,763
Cash flows	70,814	-	70,814
Forgiveness of debt		(804,616)	(804,616)
Balance at 31 December 2022	<u>175,961</u>	<u>-</u>	<u>175,961</u>
Cash flows	(52,964)	-	(52,964)
Balance at 31 December 2023	<u><u>122,997</u></u>	<u><u>-</u></u>	<u><u>122,997</u></u>