Registered number: 07353748

KERAS RESOURCES PLC

ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

KERAS RESOURCES PLC

CONTENTS

Throughout this document 'Keras', 'Keras Resources' or 'the Company' means Keras Resources PLC, 'the Group' means the Company and its subsidiaries and '$' or 'USD' means the United States dollar.

COMPANY INFORMATION

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CHAIRMAN'S STATEMENT

I am pleased to provide an update on our progress since the last report and to set out our outlook for the business going forward.

2023 proved to be a year of consolidation for Keras post the 2022 acquisition of the outstanding 49% in Falcon Isle Resources Corp and Falcon Isle Holdings LLC (together "Falcon Isle") which owns the company's high-grade organic phosphate business in Utah, USA. The consolidation was underpinned by the cooperation agreement with the Republic of Togo (the "State") on 17 May 2023 when Keras agreed to waive its rights to the Nayéga Manganese mine ("Nayéga") in Northern Togo in return for a US$1.7m (one million seven hundred thousand United States dollars) cash consideration ("Consideration") and for ongoing advisory and brokerage fees described below.

The cooperation agreement marked the start of the Company's transition into a fully focussed North American business targeting the robust organic fertiliser market. The timing of the transaction was key with the Consideration funding the second US$800,000 tranche due on the acquisition of Falcon Isle in July 2023. Going forward and with operations now recommencing at Nayéga I believe the advisory and brokerage fees will provide significant support to the cashflow being generated from the Utah operations.

The 2023 consolidation was promptly followed by the conclusion of the PhoSul Utah LLC joint venture ("JV") and the acquisition of the property in Sutherland, 8 miles north of the town of Delta, Utah ("Delta Facility") on 22 January 2024 which now houses the Company's 100% owned processing hub with the new Integrated Granulator Plant ("Granulator Plant"). The JV agreement comprises a five year 50:50 JV between the Company's wholly owned subsidiary, Falcon Isle Resources Corp ("FIR") and PhoSul LLC ("PhoSul"), a specialised organic soil enhancement fertilizer company with granulator operations in Idaho, United States ("US"). PhoSul will fund the construction and commissioning of the Granulator Plant and the JV will produce a PhoSul® granulate comprising 80% of FIR's high grade organic rock phosphate from its Diamond Creek mine.

PhoSul® is currently being produced at the PhoSul LLC's processing facility in Sugar City, Idaho. Current demand for the product outweighs PhoSul's Idaho processing capacity so the JV's product will be delivering into an established market with significant scope for growth in the south western states.

I believe this transaction will prove to be one of the key inflection points in the Company's trajectory to becoming the premier, high grade, organic phosphate producer in North America.

Falcon Isle – Diamond Creek Phosphate Mine

Falcon Isle owns the fully permitted Diamond Creek phosphate mine ("Diamond Creek") located on an 840-acre Federal Lease located approximately 75 miles north-east of the recently acquired processing facility located in the farming town of Sutherland, 8 miles north of the town of Delta ("Delta Facility"), Utah.

On 3 June 2024 the Company announced that dry commissioning of the Granulator Plant had commenced. Given the scale of what was required to transition from an outsourced production and ownership model operating from three rental facilities to the Company's wholly owned, fully integrated production facility at Delta in just four months has been an outstanding achievement by the project team as well as the Company's supportive funding partners.

FIR continues to produce organically certified 10 mesh and 50 mesh dry sized products with total sales for Q1 2024 of 1,969 tons, a 109% increase relative to the 941 tons sold during the same period in 2023 (Q1 2022: 829t) and demonstrates evidence of the increased traction that the Company's high grade certified products are attracting in the organic market. It's key to to note that at full production, the JV is expected to increase FIR's quarterly sales of 50 mesh by approximately 2,280 tons per quarter (a further 115% increase on the Q1 2024 sales -i.e. traditional sales plus sales to the JV), with 100% of the revenue from the sales to the JV attributable to FIR while also sharing 50% in of the profit from the PhoSul® product produced from this material.

Wet commissioning under load conditions with granulator binder fluids ("C2") which will initially comprise test granulation of Falcon Isle's rock phosphate before introducing the additional constituents of the PhoSul® final product, is nearing completion and I look forward to reporting on the commencement of commercial production at the Delta Facility in the coming weeks. In addition, in July2024 we expect to commence our mining season at Diamond Creek which takes place during the summer season from July to November 2024, while the mine site is free of snow.

Nayéga Manganese Mine / Togo

On 9 May 2024 the Company announced that activities have recommenced at Nayéga and the Republic of Togo (the "State"), through its 100% owned investment company Société Togolaise de Manganèse ("STM") is currently managing a public-private partnership award procedure ("Tender") to appoint a contractor to manage all activities at Nayéga. The State has already mobilised personnel at Nayéga to ensure that the infrastructure, including water pipelines and access roads are in operational condition to ensure timeous re-establishment of operations at Nayéga.

The services expected from the successful bidder include the management of all mining and processing activities at Nayéga and a total logistics solution from mine to port. The tender process closed on 7 June 2024.

The progress at Nayéga is very positive for Keras from an additional cashflow perspective and will underpin what has been a hugely productive 6 months at the Company's flagship operation in Utah, USA. The Company continues to keep in close contact with the Togo Ministry of Mines in its advisory role it agreed with the State in May 2023 and we look forward to updating shareholders on progress in the near future.

Financial review

The Consolidated Statement of Comprehensive Income for the year shows a loss of £446,000 (2022 - loss £997,000).

In January 2024 and May 2024 the Company issued convertible loans of £300,000 (at a conversion price of £0.04) and £597,805 (at a conversion price £0.0275) respectively. On the same dates Falcon Isle issued Promissory Notes of $350,000 (at a 7% per annum interest rate) and £597,805 (at an 8% per annum interest rate) respectively.

The cash for the January funding was from the Diane H. Grosso Credit Shelter Trust , an associate of 17% shareholder Chris Grosso and the cash for the May funding was from the Diane H. Grosso Credit Shelter Trust , Chris Grosso and an associate of his. Graham Stacey and I capitalised US$100,000 (GBP78,401) of outstanding fees each due from the Company on the same basis (50% in the form of Convertible Loans and 50% in the form of Promissory Notes).

The Directors of the Company have the authority to issue shares for cash up to a maximum nominal value of £165,000. The total nominal value required for the restructuring, including interest is £254,308, therefore the funding is being completed in 2 tranches. Tranche 1, using existing authorities requires a nominal value of £156,801 and for Tranche 2 the Company will propose a resolution at the 2024 AGM, to be held on 26 July 2024, authorising the Directors to issue shares for cash up to a maximum nominal value of £97,507 (which includes £36,924 for interest accrued over the 4 year tenure).

CHAIRMAN'S STATEMENT

The proceeds of the January funding were used to acquire the 8.4-acre Delta Facility, now the hub of the US operations and the proceeds of the May funding will be used to pay the third tranche of US$800,000 of the cost of acquiring the former minority interest in Falcon Isle plus $100,000 of the final severance payment payable to the previous CEO of Falcon Isle, and for general working capital.

The restructuring of the Company's short-term liabilities reduced the impact of a pure equity raise and ensures that the Company can meet its current obligations without negatively impacting the long-term growth profile at the high-grade organic phosphate business in Utah, USA.

Outlook

As discussed above, 2023 was very much a year of consolidation and transformation into a 100% owned, fully funded and excellently positioned business to deliver into the growing North American organic agricultural sector. This sector is underpinned by the macro-economic tailwinds of the global fertiliser markets, and we remain bullish on our premium phosphate product and our position as we continue to build market share.

Falcon Isle has broadened its product mix through the incorporation of the PhoSul Utah LLC JV which will produce the PhoSul® granulate comprising 80% of FIR's high grade organic rock phosphate from its Diamond Creek mine whilst still producing the traditional dry sized products. The growth in year to year sales of these traditional products has increased significantly as seen by the Q1 2024 sales but we expect a step change not only through the "internal" sales to the JV but the knock on effects from the sale of the PhoSul® granulate comprising 80% of our high grade organic PhosAgri #50 mesh product.

The Directors are confident that Falcon Isle will be an increasingly profitable and valuable asset for the Group, and we look forward to updating our shareholders on our progress as we continue to ramp up production and build our position and market share of the fast-growing US organic phosphate market. With this envisaged growth, the Company is actively looking at new projects both in Utah and surrounding states to augment the 23,500 tons per year capacity from the Diamond Creek mine.

Finally, I would like to take this opportunity to thank my colleagues on the Board and our management team for their hard work, and shareholders for their continuing support.

Russell Lamming

Chairman

26 June 2024

STRATEGIC REPORT

Our stated objective is to become the premier producer of organic rock phosphate fertilizer products in the United States ("US"). This remains our firm objective having Increased our ownership of Falcon Isle to 100% on 30 March 2022, putting us in sole control of how we achieve our objective in the rock phosphate sector of the organic fertilizer market in the US. 2023 was a challenging year, with an unusually long winter leading to a late spring planting season impacting our primary markets in the western states of the US specifically the Central Valley of California. Mining operations were also impacted as the Diamond Creek Mine remained covered in snow into June. Despite this slow start to the year we were pleased to grow our sales from 4,276t during 2022 to 4,606t during 2023, a marginal improvement, however given the conditions we were not unhappy with that outcome.

From a strategic point of view, relying on sales growth of our milled dry products alone would not deliver the material sales and profitability growth goals set by the Company. The longstanding commitment to deliver our granulator plant remained a key objective to grow sales volumes and diversify our product range and as previously noted we've been in discussions with two organic fertilizer blending customers to produce a granulate with our rock phosphate being the key ingredient. After receiving consistent orders from PhoSul LLC ("PhoSul"), a specialist organic fertilizer producer based out of Sugar City Idaho, during Q4 of 2023, we commenced negotiating agreements towards the formation of a joint venture ("JV") to produce PhoSul®, a trademarked organic granulated fertilizer blend with extensive laboratory and field tests demonstrating the growth and yield benefits of the product by enhancing the availability of P_2O_5 which has typically been a challenge in the organic fertilizer space. PhoSul is a subsidiary of Propeat LLC which produces a range of potash/peat based products through its pan granulator plant in Idaho. Given the demand for Propeat granulates, plant capacity constraints led PhoSul to search for a strategic partner which initiated discussions with Falcon Isle knowing that we possessed an as-yet unconstructed granulator plant, as well as high-grade rock phosphate ore, an 80% constituent of the PhoSul® product.

In the course of finalising the PhoSul Utah LLC ("PhoSul Utah") JV agreements it became clear to us that there was a risk that the Spanish Fork property may be rezoned to residential/commercial status and at some point in the future potentially putting a 5 year JV agreement at risk. This catalysed our need to find a new property without these limitations and we succeeded in finding a property outside of the town of Delta which provided for all the requirements of the PhoSul Utah JV as well as for our own crushing & milling operations, and with space for expansion of the business in the future. The JV and Delta property acquisition were announced on 22 January 2024, involving the dismantling of FIR's Spanish Fork high pressure grinding rolls ("HPGR") milling plant and transport and reconstruction of both the HPGR milling plant and the granulator plant ("Integrated Plant") to the new Delta facility which commenced end-January 2024. Construction of the Integrated Plant commenced immediately with commissioning in June, and production of material for sale by the JV has now commenced.

FIR expects to supply the JV with a steadily increasing tonnage of Diamond Creek's high grade, 50 mesh organic PhosAgri product during the course of 2024 and into 2025 as we expand operations at the Integrated Plant to continuous operations to an estimated 10,500 tons of PhosAgri annually when the JV is expected to be fully operational in Q1 2025, which will be priced at a marginal discount to FIR's normal selling price. Post commissioning, 2024 will remain a building phase as we refine the production of PhoSul®, however the specific intention of entering into the PhoSul Utah LLC JV is to more than double FIR's annual turnover at steady-state operations, and in addition FIR will be entitled to 50% of the profits of the JV.

Our short- to medium-term strategy is therefore to continue milling our crushed run of mine ("ROM") ore through the mobile Prosizer horizontal impact milling and screening unit, and more importantly to optimise the operation of the Integrated Plant at our new Delta facility. Falcon

STRATEGIC REPORT

Isle will retain the marketing & logistics functions of our own dry milled products (10, 50, and 350 mesh), with marketing of the PhoSul® product being handled by PhoSul LLC with our assistance on the logistics fronts.

In addition, we will continue to pursue the potential presented by liquid products, through the solubilising and/or microbial/bacterial digestion of our finer 100 mesh or 350 mesh products for use in liquid blends in fertigation (drip fed irrigation) and hydroponic applications. The application of liquid organic products at higher available phosphate (P_2O_5) (results from testwork conducted with industry experts Agrothrive LLC suggests potential for >20% available $P_2O_5$from our micronized 350 mesh product) ensures quicker absorption, provides for tighter quality control, reduces losses in the application processes and provides us with access to a rapidly growing indoor controlled environment agricultural ('CEA') sector.

In addition to organic expansion we are actively pursuing new phosphate leases which will enable capacity growth in the organic space but also the potential production of purified phosphoric acid ("PPA") for downstream application in the production of lithium iron phosphate ("LFP") battery cathodes. Energy intensive extraction methods used to date are being replaced with significantly lower energy consumption processes to produce equivalent grade PPA. LFP batteries are very much part of the carbon-neutral drive of our planet and phosphorous will play an important role in developments in this space.

Togo

As previously announced, we disposed of our intellectual knowledge including all exploration and feasibility work completed on the project, as well as the detailed results of the 10,000 tonne bulk sample completed from the Nayéga Project in June 2019 to the Togolese State. Under the disposal agreement Keras will be paid a 1.5% advisory services fee for a 3-year period from first sales, as well as a 6% brokerage services on gross revenue generated from the Nayéga Mine for the lesser of 3.5 years or 900,000 (nine hundred thousand) tonnes of beneficiated manganese ore produced and sold from Nayéga. As set out in the Chairman's Statement, steps have now been taken to commence the re-commissioning of the mine, and we expect to see cash flows from the advisory and brokerage services provided to the newly established Société Togolaise de Manganèse ("STM"), the State owned entity which will operate the Nayéga Mine.

In the interim, the Group disposed of its 85% shareholding in Société Général des Mines ("SGM") for a nominal consideration prior to the close of FY2023, so that Keras no longer holds any assets in Togo other than through the advisory and brokerage fee agreements referred to above.

From the Company's point of view, disposing of our interest in SGM allows us to concentrate our efforts in the US.

Mining projects

United States

Keras acquired a 51% interest in Falcon Isle, holder of the Diamond Creek phosphate mine and associated processing facilities, in December 2020 and subsequently acquired the outstanding 49% in March 2022. The mine is situated approximately 80km SSE of Salt Lake City, Utah. Diamond Creek is a fully permitted, high-grade direct shipping ore ('DSO'), low capex organic phosphate mine, which has significant historical estimated in-situ tonnage (these estimates have not been classified according to modern International Reporting Standards but have been based on sampling of surface outcrops) with sufficient phosphate ore exposed in-situ to provide for the 2024 mining season before any overburden stripping is required. The phosphate mineralisation is concentrated in the sedimentary shale beds at the base of the

Meade Peak Member of the Phosphoria Formation. The mineralised zone is approximately 2.5m thick and averages 23% total $P_2O_5$with guaranteed available $P_2O_5$of 12%. Historic reports vary with "surface mineable resources" ranging from 3.10Mt to 4.60Mt. At an internally estimated peak production rate of 23.5ktpa, the opencast resources alone represent a significant mine life.

The 2023 mining campaign was completed in October 2023 with a total of 3,000 ore tons extracted from the pit. Primary crushing during the reporting period was undertaken using a contractor-operated mobile jaw crusher at the mine laydown site, with downstream processing conducted through a combination of contractor toll-milling (Prosizer producing 10mesh and -50mesh products) and Falcon Isle owned HPGR milling plant comprising front-end feed, primary crush, milling, ultra-fine dust extraction, 50lb and 1ton bagging circuits to produce -100 mesh and -350 mesh powders. As noted previously FIR's granulation plant has now been relocated to our newly acquired Delta Processing Facility where construction is nearing completion in collaboration with our JV partner PhoSul.

It was our initial intention to construct the granulator plant in a building adjacent to our former milling plant in Spanish Fork, however as we've established ourselves in the organic agricultural sector it became apparent that we could extract greater value from a blended granulate incorporating additional critical elements proven to improve growth and yields across a range of agricultural crops. The PhoSul® product is trademarked and has been subjected to extensive laboratory and field trials to demonstrate its efficacy at improving the availability of P_2O_5 from Falcon Isle's rock phosphate.

Our internal rock phosphate products have received Organic Certification by all three key certification agencies in the USA – California ('CDFA'), Washington State ('WSDA') and the federal Organic Materials Review Institute ('OMRI'), as well as Registration in Oregon. As a Direct Shipping Ore ('DSO') it requires no chemical/synthetic upgrade processes which is the basis for our organic certification. Our rock phosphate contains acceptable heavy metal impurities, significantly higher available P_2O_5than any other organic rock phosphate in North America, and a calcium content of >25%. PhoSul®, which we will commence producing during Q2 of 2024 is similarly being certified through the key state and federal agencies to enable organic sales country-wide.

Sustainability

Keras is committed to responsible mining and upholding ESG best practice across our business. We are similarly committed to our stakeholders and are focused on looking to create value and benefits for all whilst seeking to manage and mitigate the potential impacts that our operations may have. We are focussed on mining an essential resource that can contribute to a more sustainable future and importantly sustainable and regenerative agriculture. With the Diamond Creek mine, we are now moving towards running a more lucrative operation including production of granulated fertilizer through the PhoSul Utah JV. Our own business model involving only crushing & milling remains relatively straightforward and we remain focused on meeting our commitments across the ESG space and will continue to be proactive in this area as we look to develop and sustain a positive legacy.

Risk Management

The Board regularly reviews the risks to which the Group is exposed and ensures through its meetings and regular reporting that these risks are minimised as far as possible. The principal risks and uncertainties facing the Group at this stage in its development are:

Market Risk

Unlike marketing globally traded, indexed commodities into international markets, growing market share within the niche organic fertiliser market within North America presents risk in terms of pricing and volume.

The business has a broad range of existing customers, three of which are anchor clients having provided commitments to purchase a pleasing base load of our planned annual production. Our marketing strategy rollout will include presence at industry trade exhibitions and conferences, as well as regular regional direct contact visits with a comprehensive schedule of contacts within the wholesale and distribution segments of the organic fertiliser market. Our business model will largely be driven by uptake from co-operative clients with wide distribution networks, rather than selling directly to farmers themselves.

Exploration Risk

The Group's business has been primarily mineral exploration and evaluation which are speculative activities and whilst the Directors are satisfied that good progress is being made, there is no certainty that the Group will be successful in the definition of economic mineral resources, nor that it will proceed to the development of any of its projects or otherwise realise their value.

The Group aims to mitigate this risk when evaluating new business opportunities by targeting areas of potential where there is at least some reliable historical sampling, drilling or more detailed geological data available.

Resource Risk

All mineral projects carry risk associated with defined grade and continuity. Mineral resources and reserves are calculated by the Group in accordance with accepted industry standards and codes but are always subject to uncertainties in the underlying assumptions which include geological projection and commodity price assumptions. The Group reports exploration targets, mineral resources and ore reserves in accordance with internationally approved codes where our operations/projects are located, which set minimum standards for public reporting of mineral exploration results, mineral resources and ore reserves.

Development Risk

Delays in permitting, financing and commissioning a project may result in delays to the Group meeting development and/or production targets. Changes in commodity prices can affect the economic viability of mining projects and affect decisions on continuing exploration activity.

Mining and Processing Technical Risk

Notwithstanding the completion of metallurgical testwork, trial mining and pilot studies indicating the technical viability of a mining operation, variations in mineralogy, mineral continuity, ground stability, ground water conditions and other geological conditions may still render a mining and processing operation economically or technically non-viable. The Group has a small team of mining professionals experienced in geological evaluation, exploration, financing and development of mining projects. To mitigate development risk, the Group supplements this from time to time with engagement of external expert consultants and contractors.

Environmental Risk

Exploration and development of a project can be adversely affected by environmental legislation and the unforeseen results of environmental studies carried out during evaluation of a project. Once a project is in production unforeseen events can give rise to environmental liabilities.

As Keras undertakes mining operations, any disturbance to the environment during this phase is required to be rehabilitated, with specific requirements for closure and closure funding in accordance with prevailing regulations of the countries in which we operate as well as to international best-practice. Given the Group's size and scale it is not considered practical or cost effective to collect and report data on carbon emissions.

Financing & Liquidity Risk

The Group has had an ongoing requirement to fund its activities through the equity markets and may in future need obtain finance for further project development. There is no certainty such funds will be available when needed. To date, Keras has managed to raise funds through both debt and equity placements despite the very difficult markets that currently exist for raising funding in the junior mining industry.

Political Risk

All countries carry political risk that can lead to interruption of activity. Politically stable countries can have enhanced environmental and social permitting risks, risks of strikes and changes to taxation whereas less developed countries can have, in addition, risks associated with changes to the legal framework, civil unrest and government expropriation of assets.

Partner Risk

Whilst there has been no past evidence of this, the Group can be adversely affected if joint venture or equity partners are unable or unwilling to perform their obligations or fund their share of future developments. Keras currently operates PhoSul Utah LLC as a 50/50 joint venture with PhoSul LLC which we regard as mutually beneficial.

Bribery Risk

The Group has adopted an anti-corruption and bribery policy and whistle blowing policy under the Bribery Act 2010. Notwithstanding this, the Group may be held liable for offences under that Act committed by its employees or subcontractors, whether or not the Group or the Directors had knowledge of the commission of such offences.

Financial Instruments

Details of risks associated with the Group's financial instruments are given in Note 29 to the financial statements. Keras does not utilise any complex or derivative financial instruments.

COVID-19

Travel and shipping restrictions in place globally during 2021 had a direct impact on timing and cost of delivery of plant and equipment to the USA. However, given recent developments the Directors do not believe that Covid 19 will have a material effect on the Company or its operations going forward.

Insurance Coverage

The Group maintains a suite of insurance coverage that is appropriate for the Group and Company. This is arranged via a specialist mining insurance broker and coverage includes public and products liability, travel, property and medical coverage and assistance while Group employees and consultants are travelling on Group business. This is reviewed at least annually and adapted as the Group's scale and nature of activities changes. Keras also has Directors and Officers insurance in place.

Internal Controls and Risk Management

The Directors are responsible for the Group's system of internal financial control. Although no system of internal financial control can provide absolute assurance against material misstatement or loss, the Group's system is designed to provide reasonable assurance that problems are identified on a timely basis and dealt with appropriately. In carrying out their responsibilities, the Directors have put in place a framework of controls to ensure as far as possible that ongoing financial performance is monitored in a timely manner, that corrective action is taken and that risk is identified as early as practically possible. The Directors review the effectiveness of internal financial control at least annually.

The Board, subject to delegated authority, reviews capital investment, property sales and purchases, additional borrowing facilities, guarantees and insurance arrangements.

The Board takes account of the significance of social, environmental and ethical matters affecting the business of the Group. At this stage in the Group's development the Board has not adopted a specific policy on Corporate Social Responsibility as it has a limited pool of stakeholders other than its shareholders. Rather, the Board seeks to protect the interests of Keras' stakeholders through individual policies and through ethical and transparent actions. The Group has adopted an anti-corruption and bribery policy and a whistle blowing policy as stated previously.

Shareholders

The Directors are always prepared, where practicable and subject to confidentiality under the AIM Rules, to enter into dialogue with shareholders to promote a mutual understanding of objectives. The Annual General Meeting provides the Board with an opportunity to informally meet and communicate directly with investors.

Employees

The Group operates primarily through contractors. Notwithstanding this, the Group engages its contract employees to understand all aspects of the Group's business and seeks to remunerate them fairly, being flexible where practicable. The Group gives full and fair consideration to applications for employment received regardless of age, gender, colour, ethnicity, disability, nationality, religious beliefs, transgender status or sexual orientation. The Group takes account of employees' interests when making decisions and welcomes suggestions from employees aimed at improving the Group's performance.

The Group currently operates exclusively in the USA but with agreements with the Togolese State to provide advisory and brokerage services in Togo. It recruits locally as many of its employees and contractors as practicable. The Company has four directors, three male and one female.

Suppliers and Contractors

The Group recognises that the goodwill of its contractors, consultants and suppliers is important to its business success and seeks to build and maintain this goodwill through fair dealings. The Group has a prompt payment policy and seeks to settle all agreed liabilities within the terms agreed with suppliers. Contractors are appointed based on a detailed assessment of their capabilities, capacity and track record. Over time, as the Company grows its understanding of the various aspects of its operations in-sourcing of certain operational components may be considered as a means to reduce costs.

Health and Safety

The Board recognises that it has a responsibility to provide strategic leadership and direction in the development of the Group's health and safety strategy in order to protect all of its stakeholders. The Group does not have a formal health and safety policy at this time. This is re-evaluated as and when the Group's nature and scale of activities expand.

Section 172 statement

The Directors believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole, as required by s172 of the Companies Act 2006.

The requirements of S172 are for the Directors to:

- Consider the likely consequences of any decision in the long-term;
- Act fairly between the members of the Company;
- Maintain a reputation for high standards of business conduct;
- Consider the interests of the Company's employees;
- Foster the Company's relationships with suppliers, customers and others; and
- Consider the impact of the Company's operations on the community and the environment.

The Company's operations and strategic aims are set out throughout the Strategic Report and in the Chairman's Statement, and relationships with stakeholders are also dealt with in the Corporate Governance Statement.

Graham Stacey

Director

This Strategic Report was approved by the Board of Directors on 26 June 2024.

THE BOARD

RUSSELL LAMMING

Non-Executive Chairman

Russell Lamming is a qualified geologist with an honours degree in geology from the University of the Witwatersrand and a Bachelor of Commerce in Economics from the University of Natal. Russell has a broad range of experience including directorship of a South African mining consultancy and precious metals analyst for a leading international broker and was the CEO of AIM listed Chromex Mining and Goldplat Plc. He has strong relationships in London and internationally and has raised considerable funds for resource companies over the years.

GRAHAM STACEY

Chief Executive Officer

Graham holds an honours degree in Mining Engineering from WITS University in Johannesburg (1995), and an MBA from the WITS Business School (2004) and a Mine Manager's Certificate of Competency (2001). Graham has over 25 years' experience across a range of commodities in the resources sector, including direct operational management in the coal, PGE and chrome businesses in South Africa, manganese in Togo and rock phosphate in the USA, as well in a technical consulting role (2004-2008). He is a Competent Person and Competent Valuator as a longstanding member of the South African Institute of Mining and Metallurgy ("SAIMM"), and has wide ranging experience in mine design, project execution, operations and mineral resource management. He was previously a director of AIM listed Chromex Mining PLC. Following the acquisition of 100% of Falcon Isle he has been appointed as CEO of that company.

BRIAN MORITZ

Non-Executive Director

Brian is a Chartered Accountant and former Senior Partner of Grant Thornton, London. He formed Grant Thornton's Capital Markets Team which floated over 100 companies on AIM under his chairmanship. In 2004 he retired from Grant Thornton to concentrate on bringing new companies to the market as a director. He concentrates on mining companies, primarily in Africa, and was formerly chairman of African Platinum PLC ("Afplats") and Metal Bulletin PLC as well as currently being a director of several junior mining companies.

CLAIRE PARRY

Non-Executive Director

Claire is a Chartered Accountant and the managing partner in the Canterbury office of Azets, a top 10 UK accounting firm. With over 20 years in the accountancy profession, she also specialises in the application of IFRS and accounting and financial control generally for smaller quoted companies, primarily in the natural resources sector.

CORPORATE GOVERNANCE STATEMENT

To the extent applicable, and to the extent able (given the current size and structure of the Company and the Board), the Company has adopted the Quoted Companies Alliance Corporate Governance Code. Details of how the Company complies with the principles contained in the Code are set out below. The Company intends to comply with the newly revised Code in due course.

No key governance matters have arisen since the publication of the last Annual Report.

Taking account of the Company's size and nature, the Board considers that the current Board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed. Further disclosures under the Code are included on the Company's website.

Principle 1: Establish a strategy and business model which promote long term value for shareholders.

The Company's strategy is to identify mining projects which can be developed to create value and income for shareholders. In June 2017 this strategy was successfully demonstrated when the Company's Australian gold exploration assets were floated on the Australian Securities Exchange (ASX) with the name Calidus Resources Limited. In November 2019 the Company's shares in Calidus were demerged and transferred to the Company's shareholders by way of a capital reduction.

The demerger permitted the Board to examine other projects, and in particular the Diamond Creek phosphate mine in Utah, USA, where the Company completed the staged acquisition of 100% equity interest in March 2022. This is now the Group's main project. A joint venture with PhoSul LLC, a specialised organic soil enhancement fertilizer company with granulator operations in Idaho, United States, is expected to hasten expansion in the USA.

The Company had, for some years, been seeking to convert the Research Permits held by its 85% owned subsidiary, Société Générale de Mines SA, over the Nayéga manganese project in Togo, to an Exploitation Permit. Since 31 December 2022 the Company has sold its intellectual property and other assets relating to Nayéga to a newly formed parastatal company, so that it no longer operates in Togo, but will continue to provide advisory and brokerage services to the Togolese State relating to the Nayéga Mine.

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation.

The risks facing the Company are detailed in the Strategic Report. The Board seeks to mitigate such risks so far as it is able to do, but certain important risks cannot be controlled by the Board.

In particular, products the Company is seeking to identify and mine are traded globally at prices reflecting supply and demand rather than the cost of production. So far as the Company is concerned, the substantial decline in the price of iron ore rendered two previous projects non-viable, both of which had previously appeared to have substantial value on a discounted cash flow basis, and they were abandoned.

The Company will only invest in exploration projects where there is a legal right to convert an initial exploration licence to a mining licence.

CORPORATE GOVERNANCE STATEMENT

Principle 5: Maintain the Board as well-functioning, balanced team led by the chair.

Graham Stacey, the CEO, works full time for the Company, with primary responsibility for the Diamond Creek phosphate mine in Utah, USA. The other directors, Russell Lamming, the chairman, Brian Moritz and Claire Parry are non-executive directors, of whom Claire Parry is independent. As Utah is in a time zone 7 hours different from the UK, Board meetings are normally conducted by video conference or by telephone, supplemented by physical meeting when Graham Stacey is in the UK.

The CEO is in regular touch with the Directors. He also holds frequent informal discussions with other directors. Throughout the year such discussions average approximately two per week.

Non-executive directors are committed to devote 24 days per annum to the Company, but they are likely to exceed that required time commitment. Standard director's fees are currently £48,000 per annum for the Chairman, who has additional responsibilities relating to Togo, and £24,000 per annum for each non-executive director, below the median for AIM companies. Brian Moritz also acts as Company Secretary and has board responsibility for accounting matters and receives an extra £12,000 per annum in respect of those responsibilities. No further amounts are paid for serving on Board committees.

There were 9 board meetings held in 2023. All directors were present at 6 of those meetings. At one other meeting Russell Lamming was unable to be present as he was travelling in a time zone not compatible with his attendance. The other 2 meetings were held to formally ratify decisions previously agreed by all board members. They were attended by Brian Moritz and Claire Parry.

Principle 6: Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities.

Brief CVs of the directors are disclosed elsewhere in this Annual Report.

Each of the directors maintains up to date skills by a combination of technical journals, courses, conferences and trade shows.

As an exploration and mining Company the Board requires skills in the area of geology and mining. Russell Lamming is a qualified geologist and Graham Stacey is a qualified mining engineer. Each has a long history of achievement in this area. Importantly, each of them has been in charge of the construction and operation of mines.

Brian Moritz and Claire Parry are Chartered Accountants. In addition to his financial skills, Brian Moritz has previously been registered as a Nominated Adviser and has wide experience of corporate transactions.

The advice of Azets, a top 10 UK accounting firm in which Claire Parry is a partner, is sought on technical accounting matters, in particular in relation to compliance with IFRS.

Principle 7: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.

The Board has successfully achieved a major objective by acquiring a phosphate mine in Utah, USA, constructing a processing plant and commencing production. The next stage for this mine is to expand its product range and client base., which it expects to achieve through the joint venture with PhoSul LLC.

The Board will concentrate on achieving profitable production and positive cash flow from its existing project while continuing to seek other projects.

Given the current state of the Company's development the directors believe that the Board operates efficiently and cost effectively and that the cost of an external review process is not justified.

CORPORATE GOVERNANCE STATEMENT

Principle 8: Promote a corporate culture that is based on ethical values and behaviours.

So far as possible the Company recruits locally for staff and sub-contractors.

In Utah, the Group's product is a natural organic fertilizer which plays its part in reducing reliance on synthetically manufactured fertilizers, which have a high carbon footprint.

The Company has adopted a comprehensive anti-corruption and whistle blowing policy and an ethical policy which is strictly applied.

Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

The Board communicates with its stakeholders through social media and webcasts, as well as by announcements on RNS. It welcomes the ability to meet and engage with shareholders at general meetings.

The audit committee normally meets twice per annum, on its own to consider and approve the interim results, and with the auditors to consider the annual report and matters raised by the auditors based on their audit. So far as possible recommendations by the auditors are immediately implemented. As the CEO is also present as an observer at such meetings, no further report is submitted to the Board.

The remuneration committee meets on an ad hoc basis when required. No meeting was required or held in 2023, and no formal report was issued. Fees paid to the non-executive directors are settled by the Chief Executive Officer.

Russell Lamming

Chairman

DIRECTORS' REPORT

The Directors present their report together with the audited financial statements of the Group for the year ended 31 December 2023.

The Group's projects are set out in the Strategic Report.

Review of business and financial performance
Further details on the financial position and development of the Group are set out in the Chairman's Statement, the Strategic Report and the annexed financial statements.

Strategic Report
In accordance with Companies Act, s414C(11), the Company has chosen to set out in the Company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, s7, to be contained in the directors' report. It has done so in respect of the review and analysis of the business during the current year.

Results
The Group reports a loss for the year of £446,000 (2022 - loss £997,000).

Major events after the balance sheet date
Subsequent events are detailed in note 30.

Dividends

The Directors do not recommend payment of a dividend for the year ended 31 December 2023 (2022 - £nil).

Political donations
There were no political donations during the year (2022 - £nil).

Energy and carbon report
The Group is classified as "a low energy user" under these regulations therefore is exempt from reporting on its emissions, energy consumption or energy efficiency activities.

Going concern
The Directors continue to adopt the going concern basis in preparing the financial statements as further explained in Note 2 to the financial statements.

Directors' indemnities
The Group maintains Directors and Officers liability insurance providing appropriate cover for any legal action brought against its Directors and/or officers.

Audit Committee
The Audit Committee, which currently comprises B Moritz and C Parry, and is chaired by B Moritz, is responsible for ensuring the financial performance, position and prospects of the Group are properly monitored and reported on and for meeting the auditors and reviewing their reports relating to accounts and internal controls. Meetings of the Audit Committee are held at least twice a year, at appropriate times in the reporting and audit cycle. The Audit Committee reports to the Board on its proceedings after each meeting on all matters for which it has responsibility. The members of the Audit Committee are subject to annual re-election by the Board.

Remuneration Committee
The Remuneration Committee, which comprises B Moritz and C Parry and which is chaired by B Moritz, reviews the performance of the executive directors and sets their remuneration, determines the payment of bonuses to executive directors and considers the future allocation of share options and other equity incentives pursuant to any share option scheme or equity incentive scheme in operation from time to time to Directors and employees. Meetings of the Remuneration Committee are held on an ad hoc basis as required. The Remuneration Committee reports to the Board on its proceedings on all matters for which it has responsibility. The members of the Remuneration Committee are subject to annual re-election by the Board.

Directors
The following Directors held office throughout the year:

B Moritz
R Lamming
G Stacey
C Parry

Directors' interests
The beneficial interests of the Directors holding office on 31 December 2023 in the issued share capital of the Company, including spouses of Directors, were as follows:

	2023		2022	
	Number of Ordinary Shares	Percentage of issued ordinary share capital	Number of Ordinary Shares	Percentage of issued ordinary share capital
R Lamming	4,611,845	5.76%	4,611,845	5.78%
G Stacey	437,390	0.55%	437,390	0.59%
B Moritz	2,125,821	2.65%	2,125,821	2.67%
C Parry	-	-	-	-

Since 31 December 2023 there have been no changes in these shareholdings.

Directors' remuneration and service contracts

Details of remuneration payable to Directors as disclosed in note 11 to these financial statements:

	Remuneration £'000	Share-based payments £'000	2023 Total £'000	2022 Total £'000
B Moritz	36	-	36	40
D Reeves	-	-	-	10
C Parry	24	-	24	8
R Lamming	127	-	127	122
G Stacey	142	-	142	114
	329	-	329	294

DIRECTORS' REPORT

Statement of Directors' responsibilities

The Directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards ("UK-adopted IAS") in conformity with the requirements of the Companies Act 2006 and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the profit or loss of the Group and Parent Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the consolidated financial statements comply with UK-adopted IAS and the parent company financial statements are prepared in accordance with UK GAAP/FRS 101 in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Company is compliant with AIM Rule 26 regarding the Company's website.

Statement of disclosure to auditor

Each Director at the date of approval of this report confirms that;

So far as they are aware,

- there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

MAH, Chartered accountants were appointed as auditor and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

By order of the Board

R Lamming
Director

26 June 2024

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF KERAS RESOURCES PLC

Opinion

We have audited the financial statements of Keras Resources Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statement of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated Statement of Cash Flows and Notes to the Consolidated 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. The financial reporting framework that has been applied in the preparation of the parent company financial statements is United Kingdom Accounting Standards, including FRS 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice) and 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 United Kingdom Generally Accepted Accounting Practice 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company 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.

Conclusions relating to going concern

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 group's and parent company's ability to continue to adopt the going concern basis of accounting included reviewing cashflow forecasts covering a period of 12 months from the date of approval of these financial statements, considering the levels of discretionary and non-discretionary expenditure forecasted, challenging and conducting sensitivity analysis using the key inputs and assumptions underpinning said forecasts, ascertaining the group and parent company's current cash position and reviewing the group and parent company's performance since the period end.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF KERAS RESOURCES PLC

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Our application of materiality

For the purposes of determining whether the financial statements are free from material misstatement, we define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the financial statements, would be changed, or influenced. We also determine a level of performance materiality which we use to assess the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

Materiality for the group financial statements as a whole was set as £95,000. This was calculated based upon 2% of gross assets due to the group's significant capitalised exploration costs being key balances of interest within the financial statements and the fact that though generating revenues, the group is not yet profit generating.

Materiality for the parent company financial statements as a whole was set as £94,000.

We also agreed to report to the audit committee any other audit misstatements below the triviality thresholds established above which we believe warranted reporting on qualitative grounds.

Our approach to the audit

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing, and extent of our audit procedures.

In designing our audit, we considered areas involving significant accounting estimates and judgements by the directors as well as future events that are inherently uncertain. These included the recoverable value of the group's capitalise exploration expenditure, the recoverable value of the parent company's investment in its subsidiary and the amounts due to the parent company by its subsidiaries. We also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We performed full scope audits of the financial information of the components within the Group which were individually financially significant and material. We also performed specified audit procedures over certain account balances and transaction classes that we regarded as material to the Group, as well as analytical procedures, for components which were not significant and not material. The audit work and specified audit procedures covered the whole of the Group.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed 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, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our scope addressed this matter
Going Concern	
The group made a loss for the year and it had low cash reserves and net current liabilities at the year end. **There is a risk that the group may have uncertainty over going concern.**	We obtained and reviewed Management's latest group and parent company cashflow forecasts covering the going concern period; challenging the key assumptions, reviewing the mathematical accuracy of the forecast and conducting sensitivity analysis. We ascertained the latest group cash position and performance post period end and we also reviewed the post year end loan agreements. Based on our procedures we concluded that the going concern basis of preparation is appropriate and that there is no materiality uncertainty relating to going concern.
Carrying value of intangible assets	
As at 31 December 2022 the Group has intangible assets with a carrying value of £3,404,000 which represents capitalised exploration and evaluation costs. **Given the value of the balance and the significant estimates and judgements required to be made by management when conducting their impairment assessments, there is a risk that the exploration costs capitalised may be materially misstated as they are impaired and/or costs capitalised in the year have been inappropriately capitalised in accordance with the eligibility requirements of IFRS 6.**	Our work in this area included but was not limited to: • Confirming that the group held good title to the underlying licenses and assessing whether any indicators of impairment exists. • Obtaining Management's impairment assessments in relation to intangible assets and supporting discounted cashflow forecasts. Reviewing their assessment and their supporting value in use calculates for reasonableness; considering whether any of the IAS 36 impairment indicators have been met and considering if the recoverable value exceeds the carrying value. We consider Management's assessment of impairment is reasonable in concluding that no impairment is required to be recognised at the year end.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF KERAS RESOURCES PLC

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 group and parent company 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.

Opinions 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 strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report 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 their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

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

In preparing the group and parent company financial statements, the directors are responsible for assessing the group 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (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 group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research and our cumulative audit knowledge and experience of the sector.

- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from UK Company Law, rules applicable to issuers on AIM, UK and US employment law and local mining, environmental and health and safety laws in the US.

- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:

    - Discussions with management regarding compliance with laws and regulations by the parent company and the components;
    - Review of board minutes; and
    - Review of regulatory news announcements made throughout and post period-end.

- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, we identified the potential for management bias was identified in relation to the impairment of capitalised exploration expenditure l and we addressed this by challenging the assumptions and judgements made by management when auditing that significant accounting estimates and judgements.

- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; discussing with management as to whether there were any instances or suspicions of fraud since 1 January 2023 within the parent company or components and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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.

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 auditor's report.

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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mohammed Haque (Senior Statutory Auditor)

For and on behalf of
MAH, Chartered Accountants (Statutory Auditor)
2nd Floor, 154 Bishopsgate,
London, EC2M 4LN

26 June 2024

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

	Notes	Continuing operations 2023 £'000	Discontinued operations 2023 £'000	Total 2023 £'000	Continuing operations 2022 £'000	Discontinued operations 2022 £'000	Total 2022 £'000
Revenue	**7**	916	-	916	994	-	994
Cost of sales		(386)	-	(386)	(263)	-	(263)
Gross profit		530	-	530	731	-	731
Profit on sale of intellectual property relating to Togo	**22**	-	121	121			
Loss on disposal of a subsidiary	**22**	-	(76)	(76)			
Administrative expenses		(826)	(16)	(842)	(1,414)	(110)	(1,524)
(Loss)/profit from operating activities		(296)	29	(267)	(683)	(110)	(793)
Finance costs	**12**	(173)	-	(173)	(183)	(21)	(204)
Net finance costs		(173)	-	(173)	(183)	(21)	(204)
(Loss)/profit before taxation		(469)	29	(440)	(866)	(131)	(997)
Tax	**13**	(6)	-	(6)	-	-	-
(Loss)/profit for the year		(475)	29	(446)	(866)	(131)	(997)
Other comprehensive income – items that may be subsequently reclassified to profit or loss							
Exchange translation on foreign operations		(245)	-	(245)	115	35	150
Total comprehensive (loss)/profit for the year		(720)	29	(691)	(751)	(96)	(847)
(Loss)/profit attributable to:							
Owners of the Company		(475)	-	(475)	(963)	(113)	(1,076)
Non-controlling interests		-	29	29	97	(18)	79
(Loss)/profit for the year		(475)	29	(446)	(866)	(131)	(997)

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

Total comprehensive loss attributable to:							
Owners of the Company		(720)	-	(720)	(824)	(83)	(907)
Non-controlling interests		-	29	29	73	(13)	60
Total comprehensive loss for the year		(720)	29	(691)	(751)	(96)	(847)
Earnings per share							
Basic and diluted loss per share (pence)	**25**			(0.863)			(1.148)

The notes on pages 35 to 67 are an integral part of these consolidated financial statements.

KERAS RESOURCES PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Notes	2023 £'000	2022 £'000
Assets			
Property, plant and equipment	**14**	346	381
Right of use asset	**15**	-	121
Intangible assets	**16**	3,404	3,558
Non-current assets		3,750	4,060
Inventory	**20**	621	668
Trade and other receivables	**21**	171	191
Assets held for sale	**22**	-	1,558
Cash and cash equivalents		185	207
Current assets		977	2,624
Total assets		4,727	6,684
Equity			
Share capital	**24**	801	797
Share premium	**24**	5,849	5,838
Share option reserve	**24, 26**	104	102
Exchange reserve		(106)	180
Retained (deficit)/earnings		(3,465)	(2,990)
Equity attributable to owners of the Company		3,183	3,927
Non-controlling interests		-	(146)
Total equity		3,183	3,781
Liabilities			
Trade and other payables	**27**	1,013	1,158
Liabilities held for sale	**22**	-	471
Lease liabilities – current	**18**	-	126
Current liabilities		1,013	1,755
Trade and other payables	**27**	531	1,148
Non-current liabilities		531	1,148
Total liabilities		1,544	2,903
Total equity and liabilities		4,727	6,684

The financial statements were approved by the Board of Directors and authorised for issue on 26 June 2024. They were signed on its behalf by:

Graham Stacey

Director

The notes on pages 35 to 67 are an integral part of these consolidated financial statements.

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

	Notes	Attributable to owners of the Company							
		Share capital	Share premium	Share option /warrant reserve	Exchange reserve	Retained earnings/ (deficit)	Total	Non-controlling interests	Total equity
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2023		797	5,838	102	180	(2,990)	3,927	(146)	3,781
Loss for the year		-	-	-	-	(475)	(475)	29	(446)
Other comprehensive income		-	-	-	(245)	-	(245)	-	(245)
Total comprehensive (loss)/profit for the year		-	-	-	(245)	(475)	(720)	29	(691)
Issue of ordinary shares	**24**	4	11	-	-	-	15	-	15
Share option expense	**26**	-	-	2	-	-	2	-	2
Disposal of a subsidiary	**22**	-	-	-	(41)	-	(41)	117	76
Transactions with owners, recognised directly in equity		4	11	2	-	-	(24)	117	93
Balance at 31 December 2023		801	5,849	104	(106)	(3,465)	3,183	-	3,183

The notes on pages 35 to 67 are an integral part of these consolidated financial statements.

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

	Notes	Attributable to owners of the Company							
		Share capital	Share premium	Share option /warrant reserve	Exchange reserve	Retained earnings/ (deficit)	Total	Non-controlling interests	Total equity
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2022		630	4,033	100	11	(1,721)	3,053	229	3,282
(Loss)/profit for the year		-	-	-	-	(1,076)	(1,076)	79	(997)
Other comprehensive income/(loss)		-	-	-	169	-	169	(19)	150
Total comprehensive income/(loss) for the year		-	-	-	169	(1,076)	(907)	60	(847)
Issue of ordinary shares	**24**	167	1,845	-	-	-	2,012	-	2,012
Costs of share issue	**24**	-	(40)	-	-	-	(40)	-	(40)
Share option expense	**26**	-	-	9	-	-	9	-	9
Share option forfeit	**26**	-	-	(7)	-	7	-	-	-
Acquisition of non-controlling interest	**17**	-	-	-	-	(200)	(200)	(435)	(635)
Transactions with owners, recognised directly in equity		167	1,805	2	-	(193)	1,781	(435)	1,346
Balance at 31 December 2022		797	5,838	102	180	(2,990)	3,927	(146)	3,781

The notes on pages 35 to 67 are an integral part of these consolidated financial statements.

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

	Notes	2023 £'000	2022 £'000
Cash flows from operating activities			
Loss from operating activities		(446)	(997)
Adjustments for:			
Depreciation and amortisation	**14,15,16**	139	179
Gain on sale of discontinued operations	**22**	(121)	-
Loss on disposal of subsidiary	**22**	76	-
Expenses settled in shares		-	109
Finance costs recognised	**12**	173	204
Equity-settled share-based payments	**26**	2	9
		(177)	(496)
Changes in:			
- inventory		9	(395)
- trade and other receivables		10	(97)
- trade and other payables		(392)	119
Cash generated by/(used in) operating activities		(550)	(869)
Finance costs		(17)	(52)
Net cash generated by/(used in) operating activities		(567)	(921)
Cash flows from investing activities			
Proceeds on disposal of discontinued operations		1,279	-
Settlement of deferred consideration for purchase of minority interest in subsidiary*	**17**	(272)	(286)
Net cash used in investing activities		1,007	(286)
Cash flows from financing activities			
Net proceeds from issue of share capital	**24**	15	1,641
Loans received		-	100
Repayment of loans*	**17**	(357)	(375)
Payment of lease obligations		(126)	(93)
Net cash flows from financing activities		(468)	1,273
Net (decrease)/increase in cash and cash equivalents		(28)	66
Cash and cash equivalents at beginning of year		207	166
Foreign exchange differences		6	(25)
Cash and cash equivalents at 31 December		185	207

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

Changes in liabilities arising from financing activities
The table below details changes in the Group's liabilities arising form financing activities, including both cash and non-cash changes. Liabilities arising from financing activities for which cash flows were, or future cash flows will be, classified in the Group's Consolidated Statement of Cash Flows as cash flows from financing activities.

	At 1 January 2023	Cashflows	Acquired	Non-cash movements	At 31 December 2023
Lease liabilities	126	(126)	-	-	-

	At 1 January 2022	Cashflows	Acquired	Non-cash movements	At 31 December 2022
Lease liabilities	219	(93)	-	-	126

*The deferred consideration payment in the year is split between two lines being the element for the share investment and the element for the loans novated as detailed in note 17.

The notes on pages 35 to 67 are an integral part of these consolidated financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Notes	2023 £'000	2022 £'000
Assets			
Investments	**17**	2,594	2,594
Non-current assets		2,594	2,594
Loans	**19**	2,781	3,686
Trade and other receivables	**21**	102	45
Cash and cash equivalents		73	54
Current assets		2,956	3,785
Total assets		5,550	6,379
Equity			
Share capital	**24**	801	797
Share premium	**24**	5,849	5,838
Other reserves	**26**	104	102
Retained earnings		(2,553)	(2,190)
Total equity attributable to owners of the Company		4,201	4,547
Liabilities			
Trade and other payables	**27**	818	767
Current liabilities		818	767
Trade and other payables	**27**	531	1,065
Non-current liabilities		531	1,065
Total liabilities		1,349	1,832
Total equity and liabilities		5,550	6,379

The Company has elected to take the exemption under Section 408 of the Companies Act 2006 from presenting the Parent Company profit and loss account. The Parent Company loss for the year was £362,757 (2022: loss of £1,467,879).

The financial statements of Keras Resources PLC, company number 07353748, were approved by the Board of Directors and authorised for issue on 26 June 2024. They were signed on its behalf by:

Graham Stacey

Director

The notes on pages 35 to 67 are an integral part of these consolidated financial statements.

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

	Share capital £'000	Share premium £'000	Share option /warrant reserve £'000	Retained deficit £'000	Total equity £'000
Balance at 1 January 2022	630	4,033	100	(729)	4,034
Loss for the year	-	-	-	(1,468)	(1,468)
Total comprehensive loss for the year	-	-	-	(1,468)	(1,468)
Issue of ordinary shares	167	1,845	-	-	2,012
Costs of share issue	-	(40)	-	-	(40)
Share option expense	-	-	9	-	9
	-	-	(7)	7	-
Transactions with owners, recognised directly in equity	167	1,805	2	7	1,981
Balance at 31 December 2022	797	5,838	102	(2,190)	4,547
Balance at 1 January 2023	797	5,838	102	(2,190)	4,547
Loss for the year	-	-	-	(363)	(363)
Total comprehensive loss for the year	-	-	-	(363)	(363)
Issue of ordinary shares	4	11	-	-	15
Share option expense	-	-	2	-	2
Transactions with owners, recognised directly in equity	4	11	2	-	17
Balance at 31 December 2023	801	5,849	104	(2,553)	4,201

The notes on pages 35 to 67 are an integral part of these consolidated financial statements.

1. Reporting entity

Keras Resources PLC is a company domiciled in England and Wales. The address of the Company's registered office is Coveham House, Downside Bridge Road, Cobham KT11 3EP. The Group currently operates as a miner of and explorer for mineral resources.

The Group consists of Keras Resources Plc and all of its subsidiaries.

2. Going concern

The Directors have adopted the going concern basis in preparing the Group and Company financial statements. The Group's and Company's business activities together with the factors likely to affect its future development, performance and position are set out in the Chairman's Statement and Strategic Report. In addition, note 28 to the Financial Statements includes the Group's policies and processes for managing its financial risk management objectives.

Falcon Isle is currently generating positive cash flow, which is forecast to increase materially as a result of the Joint Venture Agreement between Falcon Isle and PhoSul LLC. In addition, the agreement with the Republic of Togo for the provision of advisory and brokerage services is expected to generate substantial cash flow over the next three years.

Notwithstanding this, in order to meet the payment of $900,000 (including $100,000 severance payment) due on 1 July 2024 to the vendor of Falcon Isle, on 28 May 2024 the Company announced that it had raised a further US$1,525,000 (£1,195,610) by way of a 4 year loan and a convertible loan, comprising US$1,325,000 (£1,038,808) in new cash funds and US$200,000 (£156,801) by the capitalisation of amounts owed to Directors.

On this basis, the Directors have a reasonable expectation that the Group and Company will have adequate resources to continue in operational existence for the foreseeable future. As such, the Directors continue to adopt the going concern basis of accounting.

3. Basis of preparation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards in conformity with the Companies Act 2006("UK-adopted IAS"), and the Companies Act 2006 as applicable to entities reporting in accordance with IFRS.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis unless otherwise stated.

(c) Functional and presentation currency

These consolidated financial statements are presented in Pounds Sterling ('GBP' or '£'), which is the Group's functional currency and is considered by the Directors to be the most appropriate presentation currency to assist the users of the financial statements. All financial information presented in GBP has been rounded to the nearest thousand, except when otherwise indicated.

(d) Basis of parent company preparation

The parent company meets the definition of a qualifying entity under FRS 101 Reduced Disclosure Framework.

As permitted by FRS 101, the Company has taken advantage of the following disclosure exemptions from the requirements of IFRS:
(a) the requirements of IFRS 7 'Financial Instruments: Disclosure';
(b) the requirements within IAS 1 relating to the presentation of certain comparative information;
(c) the requirements of IAS 7 'Statement of Cash Flows' to present a statement of cash flows;

(d) Basis of parent company preparation (continued)

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

(e) the requirements of IAS 24 'Related Party Disclosures' to disclose related party transactions and balances between two or more members of a Group.

(e) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods of the revision if it affects both current and future periods.

Critical estimates and assumptions that have the most significant effect on the amounts recognised in the consolidated financial statements and/or have a significant risk of resulting in a material adjustment within the next financial year are as follows:

Deferred consideration and the loan payable to previous minority shareholder

The deferred consideration due in respect of the acquisition of the remaining 49% of Falcon Isle Resources LLC has been discounted at a rate of 12% (2022: 12%), being the rate at which interest will accrue in the event of a default. Further details can be found in Note 17.

Carrying value of intangible assets

Intangible assets consists of prospecting and exploration rights. Those acquired with subsidiaries are recognised at fair value at the date of acquisition. Other rights acquired and evaluation expenditure are recognised at cost. The directors assess the recoverable value at each year end and review for any signs of impairment.

Impairment of intangible assets

Intangible assets have been assessed during the current year for any impairment and it was concluded that they are fairly valued. The recoverable amount from the cash generating unit (CGU), in the USA, was assessed by performing a 10-year discounted cashflow (DCF) model and it was concluded that the recoverable amounts exceeded the intangible asset value indicating no impairment.

Key assumptions

The recoverable amount for the CGU is based on value-in-use which is derived from discounted cash flow calculations. The key assumptions applied in value-in-use calculations are those regarding forecast mine production, sales per production, sales per product type, operating profit, phosphate prices and discount rates.

Forecast operating profits

For the CGU, the Group prepared cash flow projections derived from the most recent forecast for the year ending 31 December 2024, Forecast revenue, fixed and variable costs are based on recent performance and expectations of future changes in the market, operating model and cost base.

3. Basis of preparation (continued)

Growth rates

For the short term, sales are forecast to grow by approximately $1.5m in each of 2024 and 2025, primarily due to the PhoSul Utah LLC JV as explained in the Chairman's Statement and the Strategic Report. For the medium term, the forecasts have taken a conservative approach and assumed that sales will not grow any further and will remain at the same level from 2026 onwards.

Discount rates

A post-tax real discount rate used to assess the forecast free cashflows from the CGU was derived from its weighted average cost of capital, taking into account specific factors relating to the country is operates in. These rates are reviewed annually and adjusted for the risks specific to the business being assessed and the market in which the CGU operates. The real post-tax discount rate used during the year for the USA was 10%.

Sensitivity analysis

A sensitivity analysis on the key model parameters has been performed and management has concluded that no reasonably foreseeable change in the key assumptions would result in an impairment of the intangible assets of the Group's CGU.

Assets held for sale

On classification as held-for-sale, assets and disposal groups are measured at the lower of the carrying amount and fair value less costs to sell, with any adjustments taken to profit or loss (or other comprehensive income in the case of a revalued asset).

Intercompany receivables (Company only)

All loans to subsidiaries are currently unsecured and interest free and repayable on demand.

Fair value of share options and warrants

The determination of the fair values of the schemes issued have been made with reference to the Black-Scholes model with the inputs set out in Note 26.

4. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by Group entities.

(a) Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. On disposal of subsidiaries, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This might mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currency

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the reporting date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

(i) Foreign operations

The assets and liabilities of foreign operations, including goodwill and the fair value adjustments arising on acquisition, are translated to GBP at exchange rates at the reporting date. The income and expenses of foreign operations are translated to GBP at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the translation reserve except to the extent that the translation difference is allocated to non-controlling interests. When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(c) Financial instruments

(i) Financial assets

The Group's financial assets measured at amortised cost comprise trade and other receivables, cash and cash equivalents and financial assets at fair value through other comprehensive income in the consolidated statement of financial position.

Trade receivables and intra group balances are initially recognised at fair value. New impairment requirements use an expected credit loss model to recognise an allowance. For receivables a simplified approach to measure expected credit losses during a lifetime expected loss allowance is available and has been adopted by the Group. During this process the probability of non-payment of the receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being reported within the consolidated statement of comprehensive income. On confirmation that the trade and intra group receivable will not be collectable, the gross carrying value of the asset is written off against the provision.

(ii) Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Other financial liabilities comprise trade and other payables.

(iii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance is expensed as incurred.

(iii) Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis in the statement of comprehensive income over the estimated useful lives of each component.

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives of significant items of property, plant and equipment are as follows:

- plant and equipment 20 years
- office equipment 2 years
- computer equipment 2 years
- motor vehicles 5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(e) Intangible assets

(i) Prospecting and exploration rights

Rights acquired with subsidiaries are recognised at fair value at the date of acquisition. Other rights acquired and evaluation expenditure are recognised at cost.

(ii) Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iv) Amortisation

Intangible assets are amortised in profit or loss over their estimated useful lives, from the date that they are available for use.

The estimated useful lives are as follows:

- Life of mine based on units of production

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Amortisation is included within administrative expenses in the statement of comprehensive income.

(f) Impairment

(i) Non-derivative financial assets

A financial asset not classified as at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and had an impact on the estimated future cash flows from that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Financial assets measured at amortised cost

The Group considers evidence of impairment for financial assets measured at amortised cost (loans and receivables) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

4. Significant accounting policies (continued)

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance against loans and receivables. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Financial assets at fair value through other comprehensive income
Impairment losses on financial assets at FVOCI are recognised by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment previously recognised in profit or loss. Impairment losses recognised in profit or loss for an investment in an equity instrument classified as FVOCI are not reversed through profit or loss.

(ii) Non-financial assets
The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Indefinite-lived intangible assets are tested annually for impairment or when there is an indication of impairment. An impairment loss is recognised if the carrying amount of an asset or Cash Generating Unit ('CGU') exceeds its recoverable amount.

The recoverable amount of an asset of CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(g) Employee benefits
costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Share-based payments

The grant-date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no adjustment for differences between expected and actual outcomes.

(h) Retirement benefits

A defined contribution plan is a post-employment benefit plan under which the group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

(i) Revenue

Turnover represents the amounts (net of VAT and trade discounts) receivable from the provisions of goods and services to the customer during the period.

The Group applies IFRS 15 'Revenue from contracts with customers'. Under IFRS 15, the Group applies the 5-step method to identify contracts with its customers, determine performance obligations arising under those contracts, set an expected transaction price, allocate that price to the performance obligations, and then recognises revenues as and when those obligations are satisfied.

Revenue from the sale of processed products is recognised when ownership of the product passes to the purchaser in accordance with the relevant sales contract. Ownership passes either upon delivery or once the product is collected where customers arrange delivery.

IFRS 15 Revenue from contracts with customers

IFRS 15 establishes a comprehensive '5 step' framework for determining whether, how much and when revenue is recognised. Under IFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

Under IFRS 15, sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion of the usage of the projects, and there are no unfulfilled obligation which could affect the customers' acceptance of the products and when the entity has a present right to payment for the asset. Delivery occurs when the products are delivered to a specific location and erected at that location, the risks have been transferred and the customer has accepted the products in accordance with the sales agreement.

A receivable is recognised when control transfers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

No element of financing is deemed present as the sales are typically made with a credit term of 30 days from invoice date, which is consistent with market practice.

(j) Finance income and finance costs

Finance income comprises interest income on bank funds. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings. Borrowing costs are recognised in profit or loss in the period in which they are incurred.

(k) Taxation

Tax expense comprises current and deferred tax. Current and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable

in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

(l) Leases

The Group leases certain property, plant and equipment. Leases of plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases under IFRS 16. Finance leases are capitalised on the lease's commencement at the lower of the fair value of the leased assets and the present value of the minimum lease payments. Other leases are either small in value or cover a period of less than 12 months.

4. Significant accounting policies (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid. Lease payments generally include fixed payments less any lease incentives receivable. The lease liability is discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The Group estimates the incremental borrowing rate based on the lease term, collateral assumptions, and the economic environment in which the lease is denominated. The lease liability is subsequently measured at amortized cost using the effective interest method. The lease liability is remeasured when the expected lease payments change as a result of new assessments of contractual options and residual value guarantees.

The right-of-use asset is recognised at the present value of the liability at the commencement date of the lease less any incentives received from the lessor. Added to the right-of-use asset are initial direct costs, payments made before the commencement date, and estimated restoration costs. The right-of-use asset is subsequently depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in lease liabilities, split between current and non-current depending on when the liabilities are due. The interest element of the finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Assets obtained under finance leases are depreciated over their useful lives. The lease liabilities are shown in Note 18.

(m) Inventories

Inventories for processed material and ore stockpiles are valued at the lower of cost and net realisable value. Costs allocated to processed material are based on average costs and include all costs of purchase, conversion and other costs in bringing these inventories to their existing location and condition. Costs allocated to ore stockpiles are based on average costs, which include an appropriate share of direct mining costs, direct labour and material costs, mine site overhead, depreciation and amortisation. If carrying value exceeds net realisable amount, a write down is recognised. The write down may be reversed in a subsequent period if the circumstances which caused it no longer exist.

(n) Segment reporting

Segment results that are reported to management include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

(o) Equity reserves

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issue of shares are deducted from share premium.

The share option/warrant reserve is used to recognise the fair value of equity-settled share based payment transactions.

The exchange reserve is used to record exchange differences arising from the translation of foreign subsidiaries into the presentation currency.

The financial assets at FVOCI reserve is used to record unrealised accumulated changes in fair value on financial assets.

(p) Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

5. New standards and interpretations

The current standards, amendments and interpretations have been adopted in the year and have not had a material impact on the reported results in the Company's financial statements:

- IFRS 17 'Insurance contracts' and subsequent withdrawal of IFRS 4 'Insurance Contracts' and amendments to IFRS 17
- Deferred tax related to Assets and Liabilities arising from a single transaction (Amendments to IAS 12 Income Taxes)
- International Tax Reform - Pillar Two Model Rules (Amendments to IAS 12)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practive Statement 2)
- Definition of an Accounting Estimate (Amendments to IAS 8)

The adoption of the following mentioned standards, amendments and interpretations in future years:

	Effective date – period beginning on or after
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	*1 January 2024*
Amendments to IAS 1 Presentation of Financial Statements	*1 January 2024*
• Non-current Liabilities with Covenants	
• Deferral of Effective Date Amendment	
• Classification of Liabilities as Current or Non-Current	
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	*1 January 2024*
Lack of Exchangeability (Amendments to IAS 1)	*1 January 2025**

* These standards, amendments and interpretations have not yet been endorsed by the UK and the dates shown are the expected dates.

The directors have undertaken a project to review the above standards, amendments and interpretations. Management do not expect these standards to materially impact the financial statements.

6. Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is the estimated amount for which a property could be exchanged on the date of acquisition between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably. The fair value of items of plant and equipment is based on the market approach and cost approaches using quoted market prices for similar items when available and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

(ii) Intangible assets

The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

(iii) Trade and other receivables

The fair value of trade and other receivables is estimated at the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes or when such assets are acquired in a business combination.

(iv) Share-based payments

The fair value of the employee share options is measured using the Black-Scholes formula. Measurement inputs include the share price on the measurement date, the exercise price of the instrument, expected volatility (based on an evaluation of the Company's historic volatility, particularly over the historic period commensurate with the expected term), expected term of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

(v) Investments – other

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. A discount is applied to the value of any Performance shares to reflect the possibility that the milestones for conversion into ordinary shares may not be met.

7. Revenue

Revenue comprises:
Group:

	2023 £'000	2022 £'000
Sale of phosphate (USA)	916	994
	916	994

8. Operating segments

The Group considers that it operated during the year in a single business area, being that of phosphate mining in Utah, USA. In the previous year the Group also operated in manganese exploration and development in West Africa. These business areas formed the basis of the Group's operating segments. For each segment, the Group's CEO (the chief operating decision maker) reviews internal management reports on at least a quarterly basis.

Other operations relate to the Group's administrative functions conducted at its head office and by its intermediate holding company together with consolidation adjustments.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment result before tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment results are used to measure performance as management believes that such information is the most relevant in evaluating the performance of certain segments relative to other entities that operate within the exploration industry.

Information about reportable segments

31 December 2023

	Manganese £'000	Phosphate £'000	Other operations £'000	Total £'000
External revenue	-	916	-	916
Cost of sales	-	386	-	386
Depreciation, amortisation and impairment	-	139	-	139
(Loss)/profit before Tax	29	(3)	(466)	(440)
Gross assets including non-current and current assets	-	4,646	81	4,727
Exploration and capital expenditure	-	3,404	-	3,404
Liabilities	-	290	1,254	1,544

8. Operating segments (continued)

31 December 2022

	Manganese £'000	Phosphate £'000	Other operations £'000	Total £'000
External revenue	-	994		994
Cost of Sales	-	263	-	263
Depreciation, amortisation and impairment	34	144	1	179
Share of associate loss to date of becoming a subsidiary	-	-	-	-
(Loss)/profit before tax	(131)	68	(934)	(997)
Gross assets including non-current and current assets	1,558	5,027	99	6,684
Exploration and capital expenditure	-	3,558	-	3,558
Liabilities	471	601	1,831	2,903

Information about geographical segments

31 December 2023

	West Africa £'000	US £'000	Other £'000	Total £'000
External revenue	-	916	-	916
Cost of sales	-	386	-	386
Depreciation, amortisation and impairment	-	139	-	139
(Loss)/profit before tax	29	(3)	(466)	(440)
Gross assets including non-current and current assets	-	4,646	81	4,727
Exploration and capital expenditure	-	3,404	-	3,404
Liabilities	-	290	1,254	1,544

8. Operating segments (continued)

31 December 2022

	West Africa £'000	US £'000	Other £'000	Total £'000
External revenue	-	994	-	994
Cost of Sales	-	263	-	263
Interest expense	-	-	-	-
Depreciation, amortisation and impairment	34	144	1	179
Share of associate loss				
(Loss)/profit before tax	(131)	68	(934)	(997)
Gross assets including non-current and current assets	1,558	5,027	99	6,684
Exploration and capital expenditure	-	3,558	-	3,558
Liabilities	471	601	1,831	2,903

9. Expenses

Expenses include:	2023 £'000	2022 £'000
Depreciation and amortisation expense	139	179
(Profit) on sale of intellectual property relating to Togo	(121)	-
Loss on disposal of subsidiary	76	-
Auditor's remuneration		
- Audit fee	25	41
Foreign exchange differences	(135)	13

Auditor's remuneration for the year in respect of the Company amounted to £15,000 (2022: £15,000).

10. Personnel expenses

	2023 £'000	2022 £'000
Wages and salaries	193	382
Social security costs	12	26
Pension costs	2	7
Fees	142	114
Equity-settled share-based payments (see note 26)	2	9
	351	538

The average number of employees (including directors) during the year was:

	2023	2022
Directors	4	4
Administrative staff	1	2
	5	6

11. Directors' emoluments

Year ended 31 December 2023

	Executive directors £'000	Non-executive directors £'000	Total £'000
Wages and salaries (incl. fees)	269	60	329
	269	60	329

Year ended 31 December 2022

	Executive directors £'000	Non-executive directors £'000	Total £'000
Wages and salaries (incl. fees)	232	58	290
	232	58	290

Fees in respect of the services of D Reeves are payable to a third party, Wilgus Investments (Pty) Limited.

These amounts are disclosed by director in the Directors' report.

Emoluments disclosed above include the following amounts payable to the highest paid director:

	2023 £'000	2022 £'000
Emoluments for qualifying services	142	118

12. Finance costs

Recognised in loss for year

	2023 £'000	2022 £'000
Discount unwinding on deferred consideration and loan payable to previous minority shareholder	156	152
Other	17	52
	173	204

The Discount unwinding disclosed above relates to the deferred consideration explained in note 17.

13. Taxation

Current tax

	2023 £'000	2022 £'000
Tax recognised in profit or loss		
Current tax		
Current period	6	-
Deferred tax		
Origination and reversal of temporary differences	-	-
Total tax	6	-

Reconciliation of effective tax rate

	2023 £'000	2022 £'000
Loss before tax (continuing operations)	(446)	(997)
Tax using the Company's domestic tax rate of 19.0% (2022: 19.0%)	(85)	(189)
Effects of:		
Expenses not deductible for tax purposes	32	29
Overseas (profits)/losses	6	10
Equity-settled share-based payments	-	2
Tax losses carried forward not recognised as a deferred tax asset	53	148
	6	-

The UK corporation tax rate was 19.00% until April 2023 when it increased to 25% for groups with taxable profits of over £250,000.
None of the components of other comprehensive income have a tax impact.

Factors that may affect future tax charges
At the year end, the Group had unused tax losses available for offset against suitable future profits of approximately £8,186,000 (2022: £7,907,000). A deferred tax asset has not been recognised in respect of such losses due to uncertainty of future profit streams.

14. Property, plant and equipment

Group

	Plant and equipment £'000	Office and computer equipment £'000	Total £'000
Cost			
Balance at 1 January 2022	661	28	689
Transfers to assets held for sale	(323)	(16)	(339)
Effect of movements in exchange rates	59	-	59
Balance at 31 December 2022	397	12	409
Balance at 1 January 2023	397	12	409
Effect of movements in exchange rates	(22)	-	(22)
Balance at 31 December 2023	375	12	387
Depreciation and impairment provisions			
Balance at 1 January 2022	109	26	135
Depreciation for the year	47	1	48
Transfers to assets held for sale	(145)	(16)	(161)
Effect of movements in exchange rates	6	-	6
Balance at 31 December 2022	17	11	28
Balance at 1 January 2023	17	11	28
Depreciation for the year	13	1	14
Effect of movements in exchange rates	(1)	-	(1)
Balance at 31 December 2023	29	12	41
Carrying amounts			
At 31 December 2021	552	2	554
At 31 December 2022	380	1	381
At 31 December 2023	346	-	346

Depreciation is recognised within administrative expenses.

14. Property, plant and equipment (continued)

Company

	Computer equipment £'000
Cost	
Balance at 1 January 2022	8
Transfers	-
Balance at 31 December 2022	8
Balance at 1 January 2023	8
Additions	-
Balance at 31 December 2023	8
Depreciation and impairment provisions	
Balance at 1 January 2022	6
Depreciation for the year	2
Balance at 31 December 2022	8
Balance at 1 January 2023	8
Depreciation for the year	-
Balance at 31 December 2023	8
Carrying amounts	
At 31 December 2022	2
At 31 December 2023	-

15. Right of use assets

Group

	Land and buildings £'000
Cost	
Balance at 1 January 2022	314
Effects of movements in exchange rates	39
Balance at 31 December 2022	353
Balance at 1 January 2023	353
Effect of movements in exchange rates	(11)
Balance at 31 December 2023	342
Depreciation and impairment provisions	
Balance at 1 January 2022	99
Depreciation for the year	118
Effects of movements in exchange rates	15
Balance at 31 December 2022	232
Balance at 1 January 2023	232
Depreciation for the year	117
Effect of movements in exchange rates	(7)
Balance at 31 December 2023	342
Carrying amounts	
At 31 December 2021	215
At 31 December 2022	121
At 31 December 2023	-

Depreciation is recognised within administrative expenses.

16. Intangible assets – Group

	Prospecting and exploration rights £'000
Cost	
Balance at 1 January 2022	4,643
Effect of movement in exchange rates	349
Transfers to assets held for sale	(1,379)
Balance at 31 December 2022	3,613
Balance at 1 January 2023	3,613
Effect of movements in exchange rates	(149)
Balance at 31 December 2023	3,464
Amortisation and impairment losses	
Balance at 1 January 2022	37
Amortisation	13
Effect of movements in exchange rates	5
Balance at 31 December 2022	55
Balance at 1 January 2023	55
Amortisation	8
Effect of movements in exchange rates	(3)
Balance at 31 December 2023	60
Carrying amounts	
At 31 December 2021	4,606
At 31 December 2022	3,558
At 31 December 2023	3,404

The carrying value of the prospecting and exploration rights is supported by the estimated resource and current market values. The Group tests intangible assets for impairment annually. There were no indicators of impairment at 31 December 2023.

Amortisation is recognised within administrative expenses.

17. Investments in subsidiaries and associates

Company – subsidiaries

	2023 £'000	2022 £'000
Equity investments		
Balance at beginning of year	2,594	1,959
Additions – Increased investment in Falcon Isle Resources LLC	-	635
Balance at 31 December:	2,594	2,594

	Activity	Country of incorporation	Ownership interest 2023	2022
Directly				
Southern Iron Limited	Investment	Guernsey	100%	100%
Falcon Isle Resources LLC	Mining	USA	100%	100%
Keras US LLC	Holding company	USA	100%	100%
Indirectly				
Société Générale des Mines SA	Exploration	Togo	0%	85%
Falcon Isle Holdings LLC	Holding company	USA	100%	100%

Registered offices of subsidiary companies are:

- Southern Iron Limited, 1st Floor, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey
- Société Générale des Mines, Quartier Adidogome Apedokoe 02, BP 20022, Lome, Togo
- Falcon Isle Resources Corp, Falcon Isle Holdings LLC and Keras US LLC, 50 West Broadway Suite 300, Salt Lake City, Utah 84101, USA

The interest in Falcon Isle was acquired for nominal consideration under a binding heads of terms dated 28 July 2020. Under this agreement the Company agreed to provide US$2.5m in loans to Falcon Isle payable in agreed tranches. Falcon Isle is the 100% owner of the Diamond Creek phosphate mine located in in Utah (USA) which is a fully permitted, high grade direct shipping ore organic phosphate operating mine.

At 30 September 2020 the Company had advanced US$ 1.9m to Falcon Isle, resulting in an equity interest of 40% and bringing the cost of the investment in the associate to £1,626,000.

On 31 December 2020 the Company advanced the balance of $0.6m and its equity interest has increased to a controlling interest of 51%.

The initial acquisitions were accounted for under the equity method of accounting but upon achieving control on 31 December 2020, the acquisition method of accounting has been applied.

The investment in associate was revalued prior to acquisition to fair value based on the price paid to acquire the additional 11% shareholding. Under IFRS 3, on acquisition of the controlling stake, the Group remeasured its original 40% investment in Falcon Isle. This led to a loss on change of ownership of £363,000 being recognised in the Consolidated Statement of Comprehensive Income.

On acquisition the non-controlling interest, valued based upon net assets at acquisition, was valued at £645,000. No goodwill has arisen from the acquisition.

17. Investments in subsidiaries and associates (continued)

On 29 March 2022, the Company agreed to acquire the outstanding 49% equity interest in Falcon Isle for consideration of $1,383,473 and loans totalling $1,816,527 made by the vendor to Falcon Isle, for total consideration of $3.2 million, payable in four annual tranches of $800,000 commencing on 1July 2022 and as such the deferred consideration and loan due to the vendor has been discounted at 12% with the discount being applied against the investment in full. As a result the non-controlling interest has been eliminated against the consideration with the remaining balance of £199,311 transferred to retained earnings.

The cashflow impact of this acquisition for year ended 31 December 2023, would be the second instalment of $800,000 offset against a proportion of the total loans, translated at the date of the second instalment which equates to a cash outflow of £272,037.

On 29 December 2023, the group disposed of all its 85% shareholding in Société Générale des Mines, as detailed in note 22.

18. Lease liabilities

The following lease liabilities arose in respect of the recognition of right of use assets with a net book value of £nil (2022 - £121k).

Maturity analysis	**2023 £'000**	**2022 £'000**
Within one year	-	129
In two to five years	-	-
Total undiscounted liabilities	-	129
Future finance charges	-	(3)
Lease liabilities in the financial statements	-	126
Current liabilities – Within one year	-	126
Non-current liabilities – In two to five years	-	-
	-	126

The Group held one property lease that it accounts for under IFRS 16 which expired in the year. The group still occupied the property at the year end and vacated post year end. The entities in the group were not party to any other leases as at 31 December 2023 and 31 December 2022.

19. Loans

Company - current

	2023 £'000	**2022 £'000**
Balance at beginning of year	3,686	2,081
Funds advanced to subsidiaries	195	756
Impairment of loans	(1,100)	(534)
Purchase of subsidiary loans	-	1,383
Balance at 31 December	2,781	3,686

All loans to subsidiaries are currently unsecured and interest free and repayable on demand.

20. Inventories

	2023 £'000	2022 £'000
Phosphate, including processed material held for sale	621	668
	621	668

21. Trade and other receivables

Group

	2023 £'000	2022 £'000
Trade receivables	91	69
Other receivables	71	85
Prepayments	9	37
	171	191

Company

	2023 £'000	2022 £'000
Trade receivables	95	-
Other receivables	-	8
Prepayments	7	37
	102	45

Other receivables are stated at their nominal value less allowances for non-recoverability.
The Group and Company's exposure to credit and currency risk is disclosed in note 28. Trade receivables are net of a provision for bad debts of £nil (2022: £nil). No bad debt expense has been recognised in the current or prior years.

22. Discontinued operations

Through its 100% owned, Guernsey incorporated subsidiary, Southern Iron Ltd, Keras held an 85% interest in Société Générale des Mines SA ("SGM") which holds research permits for the Nayéga manganese project in northern Togo ("Nayéga"). The research permits are effectively the equivalent of a mining exploration licences and cover a 19,903 ha area in northern Togo.

During the year, Keras sold all the Group's intellectual property relating to Nayéga, comprising reports, feasibility studies etc, to a newly formed mining company set up by the Republic of Togo, for cash consideration of $1.7m, generating a profit on disposal of follows:

	2023 £'000
Proceeds ($1.7m)	1,339
Less: Commission	(132)
Less: Carrying value of assets held for sale	(1,086)
	121

22. Discontinued operations (continued)

Subsequent to the sale of intellectual property, on 29 December 2023, the group disposed of all its 85% shareholding in Société Générale des Mines for a cash proceeds of £1. Accordingly, non-controlling interest and cumulate translation reserves related to subsidiary are derecognised on disposal.

	2023 £'000
Proceeds (£1)	-
Net assets at disposal	-
Non-controlling interest at disposal	(117)
Cumulative translation reserve	41
Loss on disposal of subsidiary	(76)

23. Retirement benefit schemes

Defined contribution schemes	2023 £'000	2022 £'000
Charge to profit or loss in respect of defined contribution schemes	2	7

The Group operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund.

At the year end, an amount of £1,919 (2022 - £2,042) was held in trade and other payables in respect of accrued unpaid pension contributions.

24. Capital and reserves

Share capital

	Number of ordinary shares	
	2023 Shares of 1p each	2022 Shares of 1p each
In issue at beginning of year	79,735,731	62,960,731
Issued for cash	361,446	16,775,000
In issue at 31 December - fully paid	80,097,177	79,735,731

All ordinary shares rank equally with regard to the Company's residual assets. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at general meetings of the Company.

Issues of ordinary shares
On 6 July 2023 361,446 ordinary shares of 1p each were issued for a total cash consideration of £15,000; accordingly a premium of £11,386 has been recognised on this issue which represents cash proceeds received in excess of the nominal value of these shares.

Subsequent to the year end, 400,000 ordinary shares were issued to settle a payable of £15k.

24. Capital and reserves (continued)

Warrants

	2023		2022	
	Average exercise price	Number	Average exercise price	Number
In issue at beginning of year	18p	16,775,000	18p	4,347,856
Issued in year	18p	-	18p	16,775,000
Lapsed	18p	-	18p	(4,347,856)
In issue at 31 December	18p	16,775,000	18p	16,775,000

On 16 April 2022 1,000,000,000 warrants were agreed to be issued to subscribers for the Ordinary Shares agreed to be issued for cash on 16 April 2022 on the basis of 1 warrant for every 2 shares subscribed. The warrants are exercisable at price of 0.18p at any time up to 31 May 2024.

On 18 May 2022 677,500,000 warrants were agreed to be issued to subscribers for the Ordinary Shares agreed to be issued for cash on 18 May 2022 on the basis of 1 warrant for every 2 shares subscribed. The warrants are exercisable at price of 0.18p at any time up to 31 May 2024.

The warrants had a fair value of £nil at the balance sheet date.

The weighted average remaining contractual life of the warrants outstanding is 152 days.

Other reserves

Share option/warrant reserve
The share option/warrant reserve comprises the cumulative entries made to the consolidated statement of comprehensive income in respect of equity-settled share-based payments as adjusted for share options cancelled.

Exchange reserve
The exchange reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

25. Earnings per share

Basic and diluted earnings/(loss) per share
The calculation of basic earnings/(loss) per share at 31 December 2023 is based on the following (loss)/profit attributable to ordinary shareholders and a weighted average number of ordinary shares in issue.

Loss attributable to ordinary shareholders (£)

	2023	2022
Continuing operations	(720,000)	(751,000)
Discontinued operations	29,000	(96,000)
Loss attributable to ordinary shareholders	(691,000)	(847,000)

Basic weighted average number of ordinary shares

	2023	2022
Issued ordinary shares at beginning of year	73,768,128	62,960,731
Effect of shares issued	6,143,869	10,807,397
Weighted average number of ordinary shares	79,911,997	73,768,128

Diluted weighted average number of shares

	2023
Basic weighted average number	79,911,997
Effect of share options in issue	1,245,174
Effect of warrants in issue	15,980,395
Weighted average number of ordinary shares	97,137,566

As a result of the group being loss making the earning per share is presented on a basic weighted average number of shares basis and not diluted.

26. Share-based payments

	Number of share options		Average exercise price	
	2023	2022	2023 pence	2022 pence
Outstanding at 1 January 2023	1,300,000	1,450,000	16	16
Forfeited in the year	-	(150,000)	16	12
Outstanding at 31 December 2023	1,300,000	1,300,000	16	16
Exercisable at 31 December 2023	1,266,667	1,033,333	16	16

The Company established an Enterprise Management Incentive Scheme to incentivise Directors and senior executives. On 17 January 2020, 1,200,000 options were granted at £0.1639 with 100,000 vesting immediately, 300,000 vesting on 9 March 2020, 300,000 vesting on 17 January 2021, 300,000 vesting on 17 January 2022 and 200,000 vesting on 17 January 2023. The options lapse if not exercised within 5 years. Of the total, 900,000 options were granted to R Lamming, a Director.

26. Share-based payments (continued)

The Black Scholes pricing model was used to calculate the share based payment charge incorporating an annual volatility rate of 55%, expected life of between 2 and 5 years and risk free investment rate of between 0.23% and 0.39%. The charge for the year ended 31 December 2023 for these rights which was included in administrative and exploration expenses amounted to £186 (2022 – £4,485).

On 7 April 2021, 100,000 options were granted at £0.1183 with 33,333 vesting on 1 April 2022, 33,333 vesting on 1 April 2023 and 33,334 vesting on 1 April 2024. The options lapse if not exercised within 5 years. The Black Scholes pricing model was used to calculate the share based payment charge incorporating an annual volatility rate of 57%, expected life of between 4 and 6 years and risk free investment rate of between 0.6% and 0.93%. The charge for the year ended 31 December 2023 for these rights which was included in administrative and exploration expenses amounted to £1,841 (2022 - £4,370).

27. Trade and other payables

Group - Current

	2023 £'000	2022 £'000
Trade payables	238	262
Accrued expenses	176	59
Other payables	6	209
Deferred consideration and loans to previous minority shareholders	593	628
	1,013	1,158

Group – Non-Current

	2023 £'000	2022 £'000
Other payables	-	83
Deferred consideration and loans to previous minority shareholders	531	1,065
	531	1,148

Company - Current

	2023 £'000	2022 £'000
Trade payables	43	68
Accrued expenses	176	60
Other payables	6	11
Deferred consideration and loans to previous minority shareholders	593	628
	818	767

Company – Non-Current

	2023 £'000	2022 £'000
Deferred consideration and loans to previous minority shareholders	531	1,065
	531	1,065

27. Trade and other payables (continued)

There is no material difference between the fair value of trade and other payables and accruals and their book value. The Group's and Company's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 28.

Deferred consideration and loans to previous minority shareholders relates to the acquisition of the outstanding 49% equity interest in Falcon Isle and loans totalling $1,816,527 made by the vendor to Falcon Isle, for total consideration of $3.2 million, payable in four annual tranches of $800,000 commencing on 1 July 2022 and as such the deferred consideration and loans to previous minority shareholders has been discounted at 12%. During the year, unwinding of £156,000 has been recognised as a finance cost in the statement of profit or loss.

28. Financial instruments

Financial risk management
The Group's operations expose it to a variety of financial risks that include liquidity risk. The Group has in place a risk management programme that seeks to limit the adverse effect of such risks on its financial performance.

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Exposure to credit risk
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows.

Group

	Financial assets at amortised cost Carrying amount	
Credit risk	**2023 £'000**	**2022 £'000**
Trade and other receivables	171	191
Cash and cash equivalents	185	207
	356	398

Expected credit loss assessment

Trade receivables	**Balance £'000**	**Expected loss rate %**	**Loss allowance £'000**
Current	47	-	-
1-30 days overdue	15	-	-
31-60 days overdue	12	-	-
61-90 days overdue	13	-	-
Over 90 days overdue	4	-	-
	91		-

The director considers that the carrying amount of trade and other receivables is approximately equal to their fair value.

28. Financial instruments (continued)

Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group reviews its facilities regularly to ensure it has adequate funds for operations and expansion plans.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

Group
2023

	Carrying amount £'000	Contractual cash flows £'000	3 months or less £'000	3-12 months £'000	2-5 years £'000
Non-derivative financial assets					
Inventory	621	621	621	-	-
Trade and other receivables	163	163	163	-	-
Cash and cash equivalents	185	185	185	-	-
	969	969	969	-	-
Non-derivative financial liabilities					
Trade and other payables	1,544	1,677	421	628	628
	1,544	1,677	421	628	628
Liquidity gap	(575)	(708)	548	(628)	(628)

Group
2022

	Carrying amount £'000	Contractual cash flows £'000	2 months or less £'000	2-12 months £'000	2-5 years £'000
Non-derivative financial assets					
Inventory	668	668	668	-	-
Trade and other receivables	191	191	191	-	-
Assets held for sale	1,558	1,558	1,558	-	-
Cash and cash equivalents	207	207	207	-	-
	2,624	2,624	2,624	-	-
Non-derivative financial liabilities					
Trade and other payables	2,306	2,306	331	828	1,147
Liabilities held for sale	471	471	471	-	-
Lease liabilities	126	126	31	95	-
	2,903	2,903	833	923	1,147
Liquidity gap	(279)	(279)	1,791	(923)	(1,147)

28. Financial instruments (continued)

Market risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk
The Group is exposed to foreign currency risk on purchases that are denominated in currencies other than GBP. The currencies giving rise to this risk are primarily the CFA Franc and the US dollar.

The carrying amounts of the group's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

	GBP £'000	USD £'000	CFA £'000
Cash and cash equivalents	73	112	-
Trade and other receivables	9	162	-
Trade and other payables	(224)	(1,320)	-
	(142)	(1,046)	-

Fair values
The fair values of financial instruments such as trade and other receivables/payables are substantially equivalent to carrying amounts reflected in the balance sheet.

Capital management
The Group's objective when managing capital is to safeguard its accumulated capital in order to provide an adequate return to shareholders by maintaining a sufficient level of funds, in order to support continued operations.

The Group considers its capital to be total shareholders' equity which at 31 December 2023 for the Group totalled £3,183,000 (2022: £3,927,000) and for the Company totalled £4,201,000 (2022: £4,547,000).

29. Related parties

The Group's related parties include its key management personnel and others as described below.

No guarantees have been given or received and all outstanding balances are usually settled in cash.

Other related party transactions

Transactions with Group companies
The Company had the following related party balances from financing activities:

	2023 £'000	2022 £'000
Southern Iron Limited		
- Loans and receivables (interest free)	11	1,100
Falcon Isle Resources LLC		
- Loans and receivables (interest free)	2,769	2,586

Southern Iron Limited had the following related party balances from financing activities:

Société Générale des Mines SA		
- Loans and receivables (interest free)	-	1,100

30. Subsequent events

On 22 January 2024 the Company announced the acquisition by Falcon Isle of an 8.4-acre property in the vicinity of Delta, Utah, USA for a total consideration of USD700,000. The property includes 3 warehouse buildings with a combined area of 77,000 square feet.

The acquisition was funded by loans comprising:-

- Keras. A 4-year convertible loan of £300,000, at 7% per annum interest, convertible into Ordinary Shares of £0.01p at a conversion price of £0.04 ("Convertible Loan"). The Convertible Loan may be converted at any time by notice given by the holder, interest will be rolled up and included with the amount being converted, or paid at the end of the 4-year loan period if not converted; and
- Falcon Isle. A secured 4-year Promissory Note of $350,000 at 7% per annum interest payable annually. Falcon Isle has the right to repay the Promissory Note, without penalty, after 2 years.

On 28 May 2024 the Company announced that it had raised further funding of US$1,525,000 (£1,195,610), comprising US$1,325,000 (£1,038,808) in new cash funds and US$200,000 (£156,801) by the capitalisation of amounts owed to Directors, by way of:

- 4 year convertible loan notes totalling £597,805 (US$762,500), at a 4% per annum interest rate and conversion price £0.0275 issued by Keras ("Convertible Loans"). After 12 months, if the 30 day volume weighted Keras share price is £0.09 or greater, Keras has the option to call the conversion of the Convertible Loans. The Convertible Loans are being made to Keras and may be converted at any time by notice given by the holders; interest will be compounded annually and included with the amount being converted, or paid at the end of the 4 year loan period if not converted; and

30. Subsequent events (continued)

- 4 year Promissory Notes totalling US$762,500 (£597,805) at an 8% per annum interest rate repayable after 4 years. The Promissory Notes are being made to Falcon Isle which has the right to repay them, without penalty, after 2 years. Interest is payable annually.

On 23 February 2024 the Company awarded Graham Stacey 600,000 options over 600,000 ordinary shares of the company.