**Registered number: 1570939**

# EMPIRE METALS LIMITED

## ANNUAL REPORT AND FINANCIAL STATEMENTS

## FOR THE YEAR ENDED

## 31 DECEMBER 2023

## EMPIRE METALS LIMITED

## CONTENTS

## COMPANY INFORMATION

| | |
|---|---|
| **Directors** | Neil O'Brien (Non-Executive Chairman)<br>Shaun Bunn (Managing Director)<br>Gregory Kuenzel (Finance Director)<br>Peter Damouni (Non-Executive Director) |
| **Registered Office** | Craigmuir Chambers<br>PO Box 71<br>Road Town<br>Tortola<br>British Virgin Islands<br>VG1110 |
| **Company Number** | 1570939 |
| **Bankers** | HSBC Bank plc<br>70 Pall Mall<br>London<br>SW1Y 5EZ |
| **Nominated Adviser and Broker** | SP Angel Corporate Finance LLP<br>Prince Frederick House<br>35-39 Maddox Street<br>London<br>W1S 2PP |
| **Independent Auditor** | PKF Littlejohn LLP<br>Registered Auditor<br>15 Westferry Circus<br>Canary Wharf<br>London<br>E14 4HD |
| **Solicitors** | Hill Dickinson LLP<br>105 Jermyn Street<br>St James's<br>London<br>SW1Y 6EE |
| **Solicitors (BVI)** | Harney Westwood & Riegels<br>Craigmuir Chambers<br>PO Box 71<br>Road Town, Tortola<br>British Virgin Islands<br>VG1110 |

## CHAIRMAN'S REPORT

As we look back in years to come, 2023 will be remembered as a pivotal time for your company; defined by the discovery of what is proving to be a titanium asset of potential unrivalled value. The Pitfield Project in Western Australia ("Pitfield" or the "Project") combines scale, grade, amenability to low-cost processing and strategic location, resulting in profound commercial and operational desirability.

As shareholders will be aware, our work at Pitfield began in 2022 and within weeks of our first airborne magnetic survey, the Empire exploration team understood that a major mineralised zone had been identified. This airborne magnetic survey was quickly followed with an airborne electro-magnetic survey, and an evaluation of the historical exploration database, which confirmed the presence of an exceptionally large magnetic anomaly extending over 40km in length.

Armed with this information and combined with the results of a Dipole-Dipole Induced Polarisation survey conducted in late 2022, Empire launched its maiden drill programme at Pitfield in March 2023, comprising 21 holes for a total of 3,206m. Titanium rich mineralisation (between 4% and 10% TiO2) was identified in all-but-one of the holes, starting at or very near surface and with nearly a quarter of the holes still ending in high $TiO_2$ values of up to 154 metres depth. It was at this point that the Empire team understood that they had discovered a geological unique soft-rock titanium deposit.

Subsequent drilling programmes throughout 2023 and into 2024 have brought total drilling to 101 Reverse Circulation holes for a total of 15,010m as well as seven diamond core holes for a total of 2,025m, all completed within 13 months and over a 30km strike length. This speaks to the level of commitment and enthusiasm we have for advancing our geological understanding of Pitfield. The consistently exceptional results delivered from these drilling campaigns have driven us forward, and the team are yet to encounter any igneous intrusions or significant cross faults that could disrupt and complicate the ore geology, providing further evidence of a remarkable continuity of mineralisation and thus supporting a simple geological model.

Our work during 2023 provided us with the unambiguous view that we had discovered a titanium asset of remarkable size and grade at Pitfield. Indeed, we have had a 100% success rate in terms of our recent RC drilling work, with every hole, and every metre of every hole, intersecting titanium mineralisation from surface, or near surface, until the end of the hole. Given the potential scale of the asset, the Empire team determined that immediate work would be focussed on two high-grade titanium-mineralised zones, known as the Cosgrove and Thomas prospects, which were selected for resource evaluation work in areas that show potential to support shallow open pit mining. We have a strong basis for delivering a JORC Compliant Exploration Target for Cosgrove and Thomas, and we are working towards giving this first tangible insight into the potential scale of the Project. Given the known mineralisation at Pitfield remains open in all directions, this initial Exploration Target will be the tip of the iceberg.

With our confidence in our geological model established, our work post period end has narrowed in on demonstrating Pitfield's viability for economic development through mineralogical studies and metallurgical test work.

In March 2024, Empire took a significant leap forward towards achieving this objective through the demonstration of favourable mineralogy and metallurgy in high-grade titanium samples drilled at Pitfield; indicating potential for a relatively simple processing flowsheet and highly concentrated end product. Importantly titanite, a calcium titanium silicate, was confirmed as the most abundant titanium-bearing mineral, accounting for approximately 67% of the total contained $TiO_2$ and approximately 20% of the potential Pitfield ore by mass.

This confirmation that the titanium mineralisation is dominated by titanite, in such quantities as to set Pitfield apart from any previously reported world class titanium resource, has further reinforced our belief that we are dealing with an unprecedented discovery, one that could provide a path for Empire to become a major supplier of rutile equivalent product' or even a significant $TiO_2$ pigment producer in our own right.

Titanite is a non-refractory mineral and is amenable to a simple low temperature acid leaching process to liberate the titanium, unlike igneous hard rock ilmenite ores which frequently require on-site smelting to produce a lower value titanium-rich slag product. The conceptual processing flowsheet that is being tested consists of beneficiation stages to generate a titanium-rich heavy mineral concentrate and to remove acid-consuming gangue minerals, followed by a simple acid leaching stage. It will therefore not require an energy intensive, on-site smelting process, which will be highly beneficial from a commercial perspective. The final product from the leaching stage is expected to have a very high $TiO_2$ concentration, approaching the same content as natural rutile (>95%), which would make it a highly desirable feedstock for a titanium dioxide pigment producer.

Earlier this month, we announced a major new titanium dioxide mineral discovery which has provided a highly positive new dimension to the Project, and which is expected to accelerate timescales and further enhance the economics of Pitfield. This newly identified, potentially high-value titanium dioxide deposit, which features naturally occurring rutile and anatase, is located within the near-surface, strongly weathered saprolite zone of bedrock which covers the extent of the giant, 40km long, titanium-rich mineral system at Pitfield. Rutile and anatase are both highly valuable titanium dioxide minerals that contain >95% $TiO_2$ and are both important feedstocks for the titanium pigment and titanium metal markets.

Our analysis shows that the strongest weathering, found within the top 10m from surface, has resulted in the disintegration of the parent bedrock and has completely altered the titanite (the principal titanium ore mineral in the unweathered bedrock) to titanium dioxide minerals, rutile and/or anatase. Simply put, Mother Nature has assisted us with altering this bedrock, through simple weathering, to form high-value titanium dioxide minerals which is highly positive development in isolation, but importantly, provides strong support for the Company's view that $TiO_2$ products can be derived from the titanite bedrock ore source.

Preliminary mineralogical assessment of the strongly weathered mineralised sandstones indicates an abundance of these natural titanium dioxide minerals, comprising around half of all titanium minerals present by mass, and ongoing studies will provide a more comprehensive understanding of the mineral assemblage, including the relative proportions of rutile and anatase.

This discovery reinforces the potential for Empire to develop a fully integrated, single site, mine to high quality $TiO_2$ product project and it opens up the possibility of a new, staged development plan whereby the Company can look to develop the much higher-grade, high-value, more easily accessible titanium dioxide mineral-rich surface deposits whilst it continues to develop a processing route for the titanite-rich bedrock deposits.

**Corporate**

Empire is clearly gearing up for delivering a commercial project in as short time as practicable at Pitfield, and to support this, we have significantly bolstered our technical team.

Post period end, Empire announced the appointment of Narelle Marriott as the Company's Process Development Manager and shortly after, secured the services of two senior titanium industry consultants, Dr. Trevor Nicholson and Eugene Dardengo, who together have over 72 years of experience in the titanium processing and extraction industry. The Company also appointed Carrie Pritchard as Environmental Manager and David Parker as Commercial Manager; both highly experienced professionals in the mining industry who will provide invaluable support to Empire as it advances Pitfield.

The Company will continue to seek out experienced and talented professionals to join our small and motivated development team as we move closer towards commercialisation of Pitfield.

**Financial Results**

As an exploration and development group which has no revenue we are reporting a loss for the 12 months ended 31 December 2023 of £2,796,461 (31 December 2022: loss of £1,162,720).

The Group's cash position as at 7 June 2024 was £3.43 million.

**Outlook**

Empire has set an impressive pace in its objective to confirm commercial viability at Pitfield; progressing from initial discovery hole to mineralogy and metallurgical test work within 12 months. The Board are dedicated to continuing this momentum and the Company has committed to working towards commencing the design and construction of a demonstration plant in 2025. In parallel with this work, all wider aspects of the Project development plan will continue to be advanced, which will include a number of key milestones throughout the remainder of the year.

These workflows will combine all technical outputs, including definitive mineralogical characterisation studies, definitive metallurgical characterisation studies and subsequent finalisation of a process flowsheet and demonstration plant design that will establish, confirm and provide valuation metrics for an economic process and resultant high-value saleable product. Alongside this work, a maiden Exploration Target and maiden JORC-compliant Mineral Resource Estimate will be delivered, laying the foundation for a mining option study and eventual ore reserves.

The remaining months of 2024, and into 2025, are set to be a period of rapid development for Empire and we look forward to updating shareholders regularly on our achievements and plans. I would like to take this opportunity to thank our shareholders and wider stakeholders once again for their support, as we look to the future with considerable optimism and excitement for what Empire will deliver.

Neil O'Brien
Non-Executive Chairman
10 June 2024

## DIRECTORS' REPORT

The Directors present their Report, together with the Group Financial Statements and Independent Auditor's Report, for the year ended 31 December 2023.

### Principal Activities and Business Review

The principal activity of the Group is to implement its mineral exploration strategy to advance projects towards defining a sufficient in-situ mineral resource to support a detailed feasibility study towards mine development and production.

A detailed review of the business of the Group during the year and an indication of likely future developments may be found in the Chairman's Report on pages 3 and 4.

Principal risks and uncertainties are discussed on pages 6 to 8.

### Results and Dividends

The loss of the Group for the year ended 31 December 2023 from continued and discontinued operations amounts to £2,796,461 (31 December 2022: loss of £1,162,720).

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

### Directors & Directors' Interests

The Directors who served during the year ended 31 December 2023 had the following beneficial interests in the shares of the Company at year end.

| | As at 7 June 2024 | | 31 December 2023 | | 31 December 2022 | |
|---|---|---|---|---|---|---|
| Director | Ordinary Shares | Options | Ordinary Shares | Options | Ordinary Shares | Options |
| Shaun Bunn | 2,211,111 | 20,300,000 | 2,111,111 | 20,300,000 | 1,000,000 | 7,500,000 |
| Gregory Kuenzel | 3,858,578 | 15,100,000 | 3,708,578 | 15,100,000 | 2,597,467 | 6,150,000 |
| Peter Damouni | 1,309,614 | 8,615,000 | 1,209,614 | 8,615,000 | 1,209,614 | 3,075,000 |
| Neil O'Brien | 2,094,444 | 9,685,000 | 2,094,444 | 9,685,000 | 1,650,000 | 3,075,000 |

Further details on options can be found in Note 17 to the Financial Statements. Directors' remuneration is disclosed in Note 20.

### Key Performance Indicators ("KPIs")

The Board monitors the activities and performance of the Group on a regular basis. The Board uses financial indicators based on budget versus actual to assess the performance of the Group. The indicators set out below will be used by the Board to assess performance over the period.

The three main KPIs for the Group are as follows. These allow the Board to monitor costs and plan future exploration and development activities:

| | 2023 | 2022 |
|---|---|---|
| Cash and cash equivalents | £2,752,187 | £1,467,769 |
| Administrative expenses as a percentage of total assets | 29.4% | 21.4% |
| Exploration costs capitalised | £1,960,050 | £1,278,933 |

This is the eleventh complete year of corporate and exploration activity.

### Corporate Responsibility

***Environmental***

Empire Metals undertakes its exploration activities in a manner that minimises or eliminates negative environmental impacts and maximises positive impacts of an environmental nature. At present, Empire Metals is a mineral explorer and developer, not a mining company. Hence, the environmental impact associated with its activities is minimal. To ensure proper environmental stewardship on its projects, Empire Metals conducts certified baseline studies prior to all drill programmes and ensures that areas explored are properly maintained and conserved.

***Health and safety***

Empire Metals operates a comprehensive health and safety programme to ensure the wellbeing and security of its employees. The control and eventual elimination of all work related hazards requires a dedicated team effort involving the active participation of all employees. A comprehensive health and safety programme is the primary means for delivering best practices in health and safety management. This programme is regularly updated to incorporate employee suggestions, lessons learned from past incidents and new guidelines related to new projects with the aim of identifying areas for further improvement of health and safety management. This results in continuous improvement of the health and safety programme. Employee involvement is recognised as fundamental in recognising and reporting unsafe conditions and avoiding events that may result in injuries and accidents.

The Group has established and published robust corporate health, safety, environmental and community relations policies, and at the operations level have put into place clear safe operating procedures covering a variety of the Group's activities. The active participation of all staff in the development, implementation and further development of these procedures is actively encouraged.

**Principal Risks and Uncertainties**

The management of the business and the execution of the Group's strategy are subject to a number of risks. The principal business risks affecting the Group are set out below.

Risks are formally reviewed by the Board, and appropriate processes are put in place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the Group.

***Environmental risk***

The Group's operations are, and will be, subject to environmental regulation (with regular environmental impact assessments and evaluation of operations required before any permits are granted to the Group) in the jurisdiction in which it operates. Further, the Group may fail to obtain the required approval from the relevant authorities necessary for it to undertake activities which are likely to impact the environment. The Group is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Group's cost of doing business or affect its operations in any area.

While the Group believes that its operations and future projects are currently, and will be, in substantial compliance with all relevant material environmental and health and safety laws and regulations, including relevant international standards, there can be no assurance that new laws and regulations, or amendments to, or stringent enforcement of, existing laws and regulations will not be introduced.

Nevertheless, the Group will continue to vigorously apply international standards to the design and execution of any and all of its activities, including engagement and consultation with local communities, and non-governmental and Governmental organisations to ensure any impacts of current and future activities are minimised and appropriately managed. The Group has established a comprehensive suite of health, safety, environmental and community policies which will underpin all future activities.

***Exploration and mining risks***

Whilst the Directors endeavour to apply what they consider to be the latest technology to assess potential projects, the business of exploration for and identification of minerals and metals, in particular gold, is speculative and involves a high degree of risk. The mineral and metal deposits of any projects acquired by the Group may not contain economically recoverable volumes of minerals, base metals, precious metals or hydrocarbons of sufficient quality or quantity. Even if there are economically recoverable deposits, delays in the construction and commissioning of mining projects, risks of non-renewal or extensions of the licences or other technical difficulties may make the deposits difficult to exploit.

The exploration and development of any project may be disrupted, damaged or delayed by a variety of risks and hazards which are beyond the control of the Group. These include (without limitation) geological, geotechnical and seismic factors, environmental hazards, technical failures, adverse weather conditions, acts of God and government regulations or delays.

Exploration is also subject to general industrial operating risks, such as equipment failure, explosions, fires and industrial accidents, which may result in potential delays or liabilities, loss of life, injury, environmental damage, damage to or destruction of property and regulatory investigations. The Group may also be liable for the mining activities of previous miners and previous exploration works. Although the Group intends, itself or through its operators, to maintain insurance in accordance with industry practice, no assurance can be given that the Group or the operator of an exploration project will be able to obtain insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims. The Group may elect not to become insured because of high premium costs or may incur a liability to third parties (in excess of any insurance cover) arising from pollution or other damage or injury.

***Reserve and resource estimates***

The Group's reported reserves and resources are only estimates. No assurance can be given that the estimated reserves and resources will be recovered or that they will be recovered at the rates estimated. Mineral and metal reserve and resource estimates are based on limited sampling and, consequently, are uncertain because the samples may not be representative.

Mineral and metal reserve and resource estimates may require revision (either up or down) based on actual production experience.

Any future reserve and/or resource figures will be estimates and there can be no assurance that the minerals are present, will be recovered or can be brought into profitable production. Furthermore, a decline in the market price for natural resources that the Group may discover or invest in could render reserves containing relatively lower grades of these resources uneconomic to recover.

In the preparations of resources and reserves the Group uses recognised international estimation methods and reporting standards, such as the Australian JORC Code (2012).

***Volatility of gold, copper and other commodity prices***

Historically, commodity prices (including in particular the price of gold and copper) have fluctuated and are affected by numerous factors beyond the Group's control, including global demand and supply, international economic trends, currency exchange fluctuations, expectations for inflation, speculative activity, consumption patterns and global or regional political events. The aggregate effect of these factors is impossible to predict. Fluctuations in commodity prices, over the long term, may adversely impact the returns of the Group's exploration projects.

A significant reduction in global demand for gold, leading to a fall in gold or copper prices, could lead to a significant fall in the cash flow of the Group and/or a delay in exploration and production or even abandonment of a project should it prove uneconomical to develop, which may have a material adverse impact on the operating results and financial condition of the Group.

***Financing/ liquidity risk***

The successful exploration or exploitation of natural resources on any project will require significant capital investment. The only sources of financing currently available to the Group are through the issue of additional equity capital in the Company or through bringing in partners to fund exploration and development costs. The Group's ability to raise further funds will depend on the success of their investment strategy and acquired operations. The Group may not be successful in procuring the requisite funds on terms which are acceptable to it (or at all) and, if such funding is unavailable, the Group may be required to reduce the scope of its investments or anticipated expansion.

***Political, economic and regulatory regime***

The licences and operations of the Group are in jurisdictions outside the United Kingdom and accordingly there will be a number of risks which the Group will be unable to control. Whilst the Group will make every effort to ensure it has robust commercial agreements covering its activities, there is a risk that the Group's activities will be adversely affected by economic and political factors such as the imposition of additional taxes and charges, cancellation or suspension of licences and changes to the laws governing mineral exploration and operations.

The Group's activities will be dependent upon the grant of appropriate licences, concessions, leases, permits, and regulatory consents that may be withdrawn or made subject to limitations. There can be no assurance that they will be granted or renewed or if so, on what terms. There is also the possibility that the terms of any licence may be changed other than as represented or expected.

***Dependence on key personnel***

The Group is dependent upon its executive management team and various technical consultants. Whilst it has entered into contractual agreements with the aim of securing the services of these personnel, the retention of their services cannot be guaranteed. The development and success of the Group depends on its ability to recruit and retain high quality and experienced staff. The loss of the service of key personnel or the inability to attract additional qualified personnel as the Group grows could have an adverse effect on future business and financial conditions.

Nevertheless, through programmes of incentivising staff, appropriate succession planning, and good management these risks can be largely mitigated.

**Financial Risk Management**

The Group's operations expose it to a variety of financial risks that include the effect of changes in foreign currency exchange rates, funding risk, credit risk, liquidity risk and interest rate risk. The Group has a risk management programme in place that seeks to limit the adverse effects on the financial performance of the Group. The Group does not use derivative financial instruments to manage foreign currency risk and, as such, no hedge accounting is applied.

Details of the Group's financial risk management policies are set out in Note 3 to the Financial Statements.

## DIRECTORS' REPORT

**Internal Controls**

The Board recognises the importance of both financial and non-financial controls and has reviewed the Group's control environment and any related shortfalls during the year. Since the Group was established, the Directors are satisfied that, given the current size and activities of the Group, adequate internal controls have been implemented. Whilst they are aware that no system can provide absolute assurance against material misstatement or loss, in light of the current activity and proposed future development of the Group, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.

**Going Concern**

The Directors have a reasonable expectation that the Group has and will have future access to adequate resources to continue in operational existence for the foreseeable future and, therefore, continue to adopt the going concern basis in preparing the Annual Report and Financial Statements. Further details on their assumptions and their conclusion thereon are included in the statement on going concern in Note 2.4 of the Financial Statements.

**Directors' and Officers' Indemnity Insurance**

During the financial year, the Company maintained insurance cover for its Directors and Officers under a Directors' and Officers' liability insurance policy. The Company has not provided any qualifying indemnity cover for the Directors.

**Provision of Information to Auditor**

So far as each of the Directors is aware at the time this report is approved:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors 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**

PKF Littlejohn LLP has signified its willingness to continue in office as auditor.

This report was approved by the Board on 10 June 2024 and signed on its behalf.

**Peter Damouni**
Non-Executive Director

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with the applicable law and regulations including the AIM Rules for Companies.

The Directors are required to prepare Financial Statements for each financial year. The Directors have elected to prepare the Group's Financial Statements in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). 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 of the profit or loss of the Group for that period. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website, www.empiremetals.co.uk. The Group is compliant with AIM Rule 26 regarding the Group's website.

The Directors confirm that they have complied with the above requirements in preparing these Financial Statements.

## CORPORATE GOVERNANCE REPORT

The Board of Empire Metals Limited have adopted the QCA Corporate Governance Code ("the Code") as its code of corporate governance. The Code is published by the Quoted Companies Alliance ("QCA") and is available at www.theqca.com. On 13 November 2023, the QCA published the latest version of its corporate governance code ("2023 Code") aimed at 'UK Growth companies'. The 2023 Code will apply to financial years beginning on or after 1 April 2024, meaning the Company's first required year of compliance is the year commencing 1 January 2025.

**Corporate Governance Report**
The QCA Code sets out 10 principles that should be applied. These are listed below together with a short explanation of how the Group and Company applies each of the principles:

**Principle One**
*Business Model and Strategy*

The Board has concluded that the highest medium and long term value can be delivered to its shareholders by the adoption of a single strategy for the Group . Towards the end of 2021, the Group streamlined its strategy to focus on the Pitfield Project in Western Australia. On an ongoing basis, the Board will evaluate existing and new mineral resource opportunities with a view to potential joint venture arrangements and/or other corporate activities. The Board implements this by focusing investment into the exploration of world-class mineralised domains, establishing strict criteria for project selection, utilising industry recognised methods of exploration and resource development, applying a results-driven approach, actively monitoring operational and financial performance, measured against deliverable targets and budgets and considering alternative commercial options for projects which no longer meet the established criteria of the Group.

**Principle Two**
*Understanding Shareholder Needs and Expectations*

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with its private shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting. Investors also have access to current information on the Company though its website, www.empiremetals.co.uk.

**Principle Three**
*Considering wider stakeholder and social responsibilities*

The Board recognises that the long term success of the Company is reliant upon the efforts of the employees of the Company and its contractors, suppliers, regulators and other stakeholders. The Board has put in place a range of processes and systems to ensure that there is close oversight and contact with its key resources and relationships. For example, all employees of the Company participate in a structured Company-wide annual assessment process which is designed to ensure that there is an open and confidential dialogue with each person in the Company to help ensure successful two way communication with agreement on goals, targets and aspirations of the employee and the Company. These feedback processes help to ensure that the Company can respond to new issues and opportunities that arise to further the success of employees and the Company. The Company has close ongoing relationships with a broad range of its stakeholders and provides them with the opportunity to raise issues and provide feedback to the Company.

**Principle Four**
*Risk Management*

In addition to its other roles and responsibilities, the Audit Committee is responsible to the Board for ensuring that procedures are in place and are being implemented effectively to identify, evaluate and manage the significant risks faced by the Company. The risk assessment matrix below sets out those risks, and identifies their ownership and the controls that are in place. This matrix is updated as changes arise in the nature of risks or the controls that are implemented to mitigate them. The following principal risks and controls to mitigate them, have been identified:

| Activity | Risk | Impact | Control(s) |
|---|---|---|---|
| **Environmental Risk** | Negative environmental impact of operations. | The ultimate development of any project into a mining operation will inevitably impact considerably on the local landscape and communities. | Vigorously apply international standards to the design and execution of any and all of its activities, including engagement and consultation with local communities, and non-governmental and Governmental organisations to ensure any impacts of current and future activities are minimised and appropriately managed. |

| | | | |
|---|---|---|---|
| **Exploration and Mining Risk** | The mineral and metal deposits of any projects acquired by the Group may not contain economically recoverable volumes of minerals, base metals, precious metals or hydrocarbons of sufficient quality or quantity. | The ongoing economic viability of the Company. | Ongoing monitoring of results, assessment by independent experts on recoverable volumes, geological, geotechnical and seismic factors, environmental hazards, technical failures, adverse weather conditions, acts of God and government regulations or delays. |
| **Exploration Permit Renewal** | The Company's Exploration permits are not all renewed. | The loss of the right to explore the key assets could affect the ability of the Group to continue as a going concern. | Proactive engagement with Government at all levels. |
| **Reserve and resource estimates** | Mineral and metal reserve and resource estimates are based on limited sampling and, consequently, are uncertain because the samples may not be representative. | Any future reserve and/or resource figures will be estimates and there can be no assurance that the minerals are present, will be recovered or can be brought into profitable production. | In the preparations of resources and reserves the Group uses recognised international estimation methods and reporting standards, such as the Australian JORC Code (2012) and CIM (2010). |
| **Volatility of gold, copper and other commodity prices** | Fluctuations in commodity prices, over the long term, may adversely impact the returns of the Group's exploration projects. | A significant reduction in global demand for gold, leading to a fall in gold or copper prices, could lead to a significant fall in the cash flow of the Group and/or a delay in exploration and production or even abandonment of a project should it prove uneconomical to develop, which may have a material adverse impact on the operating results and financial condition of the Group. | Ongoing monitoring of economic events and markets. |
| **Strategic** | Market downturn.<br><br>Failure to deliver commerciality. | Change in Macro economic conditions.<br><br>Inability to secure offtake agreements. | Ongoing monitoring of economic events and markets.<br><br>Active marketing and experienced management. |
| **Financial/ liquidity** | Misappropriation of funds.<br><br>IT Security.<br><br>Ability to raise further capital. | Fraudulent activity and loss of funds.<br><br>Loss of critical financial data.<br><br>The Group may be required to reduce the scope of its investments or anticipated expansion. | Robust financial controls and split of duties.<br><br>Regular back up of data online and locally.<br><br>Ongoing monitoring of economic events and markets. |

| | | | |
|---|---|---|---|
| **Political, economic and regulatory regime** | The licences and operations of the Group are in jurisdictions outside the United Kingdom and accordingly there will be a number of risks which the Group will be unable to control. | The Group's activities will be adversely affected by economic and political factors such as the imposition of additional taxes and charges, cancellation or suspension of licences and changes to the laws governing mineral exploration and operations. | Proactive engagement with Government at all levels. |
| **Operational** | COVID-19 outbreak.<br><br>Russia's invasion of Ukraine. | Change in Macro economic conditions.<br><br>Ability of key staff and contractors to undertake their duties safely and effectively. | Ongoing monitoring of economic events and markets.<br><br>Business continuity plans. |

The Directors have established procedures, as represented by this statement, for the purpose of providing a system of internal control. An internal audit function is not considered necessary or practical due to the size of the Company and the close day to day control exercised by the executive directors. However, the Board will continue to monitor the need for an internal audit function. The Board works closely with and has regular ongoing dialogue with the Finance Director and the outsourced finance function and has established appropriate reporting and control mechanisms to ensure the effectiveness of its control systems.

**Principle Five**
*A Well Functioning Board of Directors*

As at the date hereof the Board comprised, the Chairman Neil O'Brien, Managing Director Shaun Bunn, Finance Director Gregory Kuenzel and Non-Executive Director Peter Damouni. Details of the current Directors are set out within Principle Six below. The letters of appointment of all Directors are available for inspection at the Company's registered office during normal business hours.

The Board meets at least twice per annum. It has established an Audit Committee, Remuneration Committee and AIM Compliance Committee, particulars of which appear hereafter. The Board has agreed that appointments to the Board are made by the Board as a whole and so has not created a Nominations Committee. The Board considers that this is appropriate given the Company's current stage of operations. It shall continue to monitor the need to match resources to its operational performance and costs and the matter will be kept under review going forward. Peter Damouni and Neil O'Brien are considered to be Independent Directors. The Board shall review further appointments as scale and complexity grows.

The Company shall report annually on the number of Board and committee meetings held during the year and the attendance record of individual Directors. In order to be efficient, the Directors meet formally and informally both in person and by telephone. To date there have been at least bi-monthly meetings of the Board, and the volume and frequency of such meetings is expected to continue at this rate. The formal board meetings held and attended during the year are detailed below:

| | Meetings Attended | Meetings eligible to attend |
|---|---|---|
| Neil O'Brien | 3 | 3 |
| Gregory Kuenzel | 3 | 3 |
| Peter Damouni | 3 | 3 |
| Shaun Bunn | 3 | 3 |

**Principle Six**
*Appropriate Skills and Experience of the Directors*

The Board consists of four Directors and, in addition, the Company has employed the services of Gregory Kuenzel to act as the Company Secretary. The Company is satisfied that given its size and stage of development, between the Directors, it has an effective and appropriate balance of skills and experience across technical, commercial and financial disciplines. The Director's experience and skills are listed on the Company's website, www.empiremetals.co.uk.
The Board shall review annually the appropriateness and opportunity for continuing professional development whether formal or informal.

**Neil O'Brien**
*Non-executive Chairman*
Member of the Audit, Remuneration and AIM Compliance Committees.

**Shaun Bunn**
*Managing Director*

**Gregory Kuenzel**
*Finance Director and Company Secretary*

**Peter Damouni**
*Non-executive Director*
Chairman of the Remuneration Committee, AIM Compliance Committee and the Audit Committee.

**Principle Seven**
*Evaluation of Board Performance*

Internal evaluation of the Board, the Committees and individual Directors is to be undertaken on an annual basis in the form of peer appraisal and discussions to determine the effectiveness and performance of the various governance components, as well as the Directors' continued independence.

The results and recommendations that come out of the appraisals for the directors shall identify the key corporate and financial targets that are relevant to each Director and their personal targets in terms of career development and training. Progress against previous targets shall also be assessed where relevant.

**Principle Eight**
*Corporate Culture*

The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Company as a whole and that this will impact the performance of the Company. The Board is very aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that employees behave. The corporate governance arrangements that the Board has adopted are designed to ensure that the Company delivers long term value to its shareholders and that shareholders have the opportunity to express their views and expectations for the Company in a manner that encourages open dialogue with the Board. A large part of the Company's activities are centred upon what needs to be an open and respectful dialogue with employees, clients and other stakeholders.

Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives. The Board places great import on this aspect of corporate life and seeks to ensure that this flows through all that the Company does. The directors consider that at present the Company has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge. The Company has adopted, with effect from the date on which its shares were admitted to AIM, a code for Directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on AIM and is in accordance with the requirements of the Market Abuse Regulation which came into effect in 2016.

**Principle Nine**
*Maintenance of Governance Structures and Processes*

Ultimate authority for all aspects of the Company's activities rests with the Board, the respective responsibilities of the Chairman and Chief Executive Officer arising as a consequence of delegation by the Board. The Board has adopted appropriate delegations of authority which set out matters which are reserved to the Board. The Chairman is responsible for the effectiveness of the Board, while management of the Company's business and primary contact with shareholders has been delegated by the Board to the Managing Director. The corporate governance structures are reviewed periodically to ensure appropriate for the size of the Group.

*Audit Committee*
The Audit Committee comprises Neil O'Brien and Peter Damouni who chairs this committee. This committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Company is properly measured and reported. It receives reports from the executive management and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Company. The Audit Committee shall meet not less than twice in each financial year and it has unrestricted access to the Company's auditors.

There was one Audit Committee meeting held during the year.

The Audit Committee Policy states that two Audit Committee meetings should be held during the year. The pre-audit planning memorandum was presented to the Committee and comments submitted by email, as a result, a formal meeting was not convened prior to the 2022 audit commencing.

*Remuneration Committee*
The Remuneration Committee comprises Neil O'Brien and Peter Damouni chairs this committee. The Remuneration Committee reviews the performance of the executive directors and employees and makes recommendations to the Board on matters relating to their remuneration and terms of employment. The Remuneration Committee also considers and approves the granting of share options pursuant to the share option plan and the award of shares in lieu of bonuses pursuant to the Company's Remuneration Policy.

There were three Remuneration Committee meetings held during the year.

*AIM Compliance Committee*
The AIM Compliance Committee comprises Neil O'Brien and Peter Damouni who chairs this committee. The AIM Compliance Committee is responsible for the coordinating and monitoring the Company's regulatory responsibilities including liaising with the Nomad and the London Stock Exchange as necessary. The purpose of the AIM compliance committee is to designate responsibility of ensuring best practice and application of the defined corporate governance procedures. No AIM Compliance Committee meetings were held during the year due to no significant changes to AIM Rules and no significant events requiring consideration by the committee.

*Nominations Committee*
The Board has agreed that appointments to the Board will be made by the Board as a whole and so has not created a Nominations Committee.

*Non-Executive Directors*
The Board has adopted guidelines for the appointment of Non-Executive Directors which have been in place and which have been observed throughout the year. These provide for the orderly and constructive succession and rotation of the Chairman and non-executive directors insofar as both the Chairman and non-executive directors will be appointed for an initial term of three years and may, at the Board's discretion believing it to be in the best interests of the Company, be appointed for subsequent terms. The Chairman may serve as a Non-Executive Director before commencing a first term as Chairman.

In accordance with the Companies Act 2006, the Board complies with: a duty to act within their powers; a duty to promote the success of the Company; a duty to exercise independent judgement; a duty to exercise reasonable care, skill and diligence; a duty to avoid conflicts of interest; a duty not to accept benefits from third parties and a duty to declare any interest in a proposed transaction or arrangement.

**Principle Ten**
*Shareholder Communication*

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with its private shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting.

Investors also have access to current information on the Company though its website, www.empiremetals.co.uk.

The Company shall include, when relevant, in its annual report, any matters of note arising from the audit or remuneration committees.

**Neil O'Brien**
Non-Executive Chairman

10 June 2024

# AUDIT COMMITTEE REPORT

Dear Shareholders,

I am pleased to present this report on behalf of the Audit Committee and to report on progress made by the Committee during the year.

**Aims of the Audit Committee**

Our overall aim is to assist the Board in discharging its duties regarding the consolidated financial statements, to ensure that a robust framework of accounting policies is in place and enacted, and to oversee the maintenance of proper internal controls.

The Audit Committee consists of myself as the Chairman together with the non-executive Chairman Neil O’Brien. The Committee aims to meet at least twice each year and its key responsibilities include monitoring the integrity of the Group’s financial reporting. The Finance Director is invited to attend meetings of the Committee.

Key responsibilities

The Audit Committee is committed to:

- maintaining the integrity of the consolidated financial statements of the Group and reviewing any significant reporting matters they contain;
- reviewing the Annual Report and Accounts and other financial reports and maintaining the accuracy and fairness of the Group’s consolidated financial statements including through ensuring compliance with applicable accounting standards and the AIM Rules;
- monitoring external auditors' independence, including the scope and extent of non-audit services provision;
- reviewing the adequacy and effectiveness of the internal control environment and risk management systems; and
- overseeing the relationship with and the remuneration of the external auditor, reviewing their performance and advising the Board members on their appointment.

The Audit Committee met once in 2023 and the Group’s auditors at the time, were present during this meeting.

**Activities of the Audit Committee during the year**

On behalf of the Board, the Audit Committee has closely monitored the maintenance of internal controls and risk management during the year. Key financial risks are reported during each Audit Committee meeting, including developments and progress made towards mitigating these risks.

The Committee received reports from the Finance Director throughout the year and was satisfied with the effectiveness of internal controls and risk mitigation.

**External audit**

The Audit Committee considers various areas when reviewing the appointment of an external auditor including their performance in conducting the audit and its scope, terms of engagement including remuneration and their independence and objectivity.

The Audit Committee approved the re-appointment of PKF Littlejohn LLP to the Board for the audit of the Group’s consolidated financial statements for the year ended 31 December 2023.

**The year ahead**

The Committee and I remain focused on ensuring that the standard of the Group's financial reporting is maintained moving forward, and that the robust framework of internal controls and systems in place is both maintained and regularly reviewed for improvement. The Committee will also continue to closely monitor the financial risks faced by the business and progress made towards mitigating these.

Peter Damouni
Chair of the Audit Committee
10 June 2024

Dear Shareholders,

I am pleased to present this report on behalf of the Remuneration Committee and to report on progress made by the Committee during the year. Throughout 2023 the Committee has focused on how best to align reward with results and specifically how to incentivise our people to act like business owners.

**Remuneration Policy and Aims of the Remuneration Committee**

Our overall aim is to align employee remuneration with the successful delivery of long-term shareholder value. We have adopted three key principles to enable us to achieve this goal:

- to offer competitive salary packages that attract, retain and motivate highly-skilled individuals;
- to align remuneration packages with performance related metrics that mirror our long-term business strategy; and
- to encourage accountability in the workplace and link reward with success.

The Group currently operates the following remuneration framework:

- Annual salary and associated benefits such as paid holiday.

The Remuneration Committee consists of myself with the Non-Executive Chairman, Neil O'Brien. The Committee aims to meet at least once each year and its key responsibilities include reviewing the performance of senior staff, setting their remuneration and determining the payment of bonuses.

The Managing Director and the Finance Director may be invited to attend meetings of the Committee, but no Director is involved in any decisions relating to their own remuneration. None of the Committee members has any personal financial interest (other than as shareholders), conflicts of interests arising from cross-directorships, or day-to-day involvement in running the business.

**Terms of reference**

The terms of reference of the Remuneration Committee are set out below.

Determine and agree with the Board the Company's overall remuneration policy and monitor the efficacy of the policy on an ongoing basis:

- determine and agree with the Board the remuneration of the Executive Director and senior management;
- determine the objectives and headline targets for any performance-related bonus or incentive schemes;
- monitor, review and approve the remuneration framework for other senior employees; and
- review and approve any termination payment such that these are appropriate for both the individual and the Company.

**Directors' Remuneration**

| | For the year ended 31 December 2023 | | | |
|---|---|---|---|---|
| | **Short term benefits £** | **Post-Employment benefits £** | **Share based payment £** | **Total £** |
| *Executive Directors* | | | | |
| Shaun Bunn | 215,000 | - | 263,257 | 478,257 |
| Gregory Kuenzel | 170,333 | 5,110 | 202,603 | 378,046 |
| *Non-executive Directors* | | | | |
| Neil O'Brien | 58,500 | - | 142,124 | 200,624 |
| Peter Damouni | 52,500 | - | 126,294 | 178,794 |
| | 496,333 | 5,110 | 734,278 | 1,235,721 |

| | For the year ended 31 December 2022 | | | |
|---|---|---|---|---|
| | **Short term benefits £** | **Post-Employment benefits £** | **Share based payment £** | **Total £** |
| Executive Directors | | | | |
| Shaun Bunn | 156,250 | - | 54,267 | 210,517 |
| Michael Struthers* | 57,625 | - | - | 57,625 |
| Gregory Kuenzel | 74,000 | 2,220 | - | 76,220 |
| Non-executive Directors | | | | |
| Neil O'Brien | 30,000 | - | - | 30,000 |
| Peter Damouni | 22,000 | - | - | 22,000 |
| | 339,875 | 2,220 | 54,267 | 396,362 |

*Resigned 8 June 2022

Details of Directors' holdings in share options can be found in the Directors' Report on page 5.

**The year ahead**

We believe that remuneration throughout the business is structured appropriately to incentivise performance, rewarding behaviour in the spirit of ownership throughout the organisation. This will undergo ongoing review as the business evolves, in order to ensure that our employees and executives are remunerated optimally in the interests of the Group.

The Committee and I remain focused on ensuring that reward at the Group continues to be closely aligned with the delivery of long-term shareholder value.

Peter Damouni
Chair of the Remuneration Committee
10 June 2024

## INDEPENDENT AUDITOR'S REPORT

**Independent Auditor's Report to the Members of Empire Metals Ltd**

**Opinion**

We have audited the financial statements of Empire Metals Limited (the "Group") for the year ended 31 December 2023 which comprise the Consolidated Statements of Financial Position, the Consolidated Statements of Comprehensive Income, the Consolidated Statements of Changes in Shareholders' Equity, the Consolidated Cash Flow Statement, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRS") as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union.

**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 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 director's 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 ability to continue to adopt the going concern basis of accounting included;

- Obtaining management's assessment of going concern and associated cash flow forecasts for the period to 30 June 2025;
- Reviewing the cash flow forecasts to confirm mathematical accuracy;
- Discussing significant assumptions with management, comparing these with the post year end financial position, as well as reviewing the expenditure forecast to historic spend and known commitments; and
- Reviewing the latest available post year end general ledgers, bank statements, regulatory announcements and board minutes to ensure no evidence of deviations from the forecasts.

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 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**

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. The materiality applied to the Group financial statements was set at £140,000 (2022: £92,000), with performance materiality set at £112,000 (2022: £73,600).

Materiality has been calculated as 2% of net assets at the year end (2022: 2% of net assets), which we have determined, in our professional judgement, to be the principal benchmark within the financial statements in assessing financial performance as the intangible assets are the primary assets of the business.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures. Performance materiality was set at 80% (2022: 80%) of materiality and applied during our audit of the Group as we believed this would give sufficient coverage of significant and residual risks within the financial statements.

For each component in the scope of our Group audit, we allocated a materiality that was less than our overall Group materiality. Materiality applied to components ranged between £82,000 and £112,000 (2022: £44,000 to £91,000) with performance materiality set at 80% (2022: 80%). We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £7,000 at Group level (2022: £4,600).

We applied the concept of materiality both in planning and performing the audit, and in evaluating the effect of misstatement.

**Our approach to the audit**

Our audit is risk based and is designed to focus our efforts on the areas at greatest risk of material misstatement, aspects subject to significant management judgement as well as greatest complexity, risk and size.

In designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas involving significant accounting estimates and judgement by the directors and considered future events that are inherently uncertain. These areas of estimate and judgement included the impairment assessment of intangible exploration assets, valuation and classification of assets held for sale and valuation of share-based payments. 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.

Of the six reporting components of the Group, a full scope audit was performed on the complete financial information of two components, and, for the other components, a limited scope review was performed because they were not material to the Group.

The audit of the of the Group was performed in London, conducted by PKF Littlejohn LLP using a team with specific experience of auditing listed exploration groups.

**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 |
|---|---|
| **Classification and valuation of intangible exploration assets (refer to note 9)** | |
| **The Group has intangible assets totalling £2,869,667 (2022: £3,337,598) at the year end in relation to capitalised exploration costs in respect of its projects.**<br><br>**During the year, the Group was granted the exploration licence for the Walton Copper-Gold-Lithium Project located in Western Australia, in which Empire holds a 70% interest. However, it has also decided to focus its efforts on the Pitfield project which led to impairment indicators under IFRS 6 on the other project areas.**<br><br>**The Group also decided that the Gindalbie project would no longer be a core focus of the Group and the option over this project was allowed to lapse and it was not renewed.**<br><br>**There is a risk that these additions and disposals have been incorrectly treated in accordance with IFRS 6 or that there are indicators of impairment as at 31 December 2023.** | Our audit work included:<br>• Confirming that the Group has good title to the applicable licences;<br>• Obtaining copies of the licenses and reviewing to ensure all conditions/terms associated with the licenses are appropriately considered and have been met;<br>• Ensuring that the acquisition of new licenses is correctly accounted for and the cost associated with licenses is appropriately treated;<br>• Substantive testing of additions in the year to supporting documentation and ensuring appropriateness of capitalisation under IFRS 6;<br>• Reviewing management's assessment of the carrying value of the exploration projects and discussing their impairment assessments on each of the projects; |

| | |
|---|---|
| **Particularly for early-stage exploration projects, where the calculation of recoverable amount via value in use calculations is not possible, management's assessment of impairment under IFRS 6 requires estimation and judgement and as a result the accuracy and recoverability of the carrying value is considered to be a key audit matter**. | • Challenging the key assumptions in management's impairment assessment to ensure reasonable, assessing against the impairment indicators of IFRS 6; and<br>• Ensuring the disclosures in the financial statements are in accordance with the underlying documentation and IFRS 6. |
| **Classification and valuation of assets held for sale (refer to note 11)** | |
| **The Group has assets held for sale totalling £1,744,584 (2022: £Nil) at the year end in relation to capitalised costs for the Eclipse licence area.**<br><br>**During the year, the Group decided to focus its efforts on the Pitfield project and has transferred the Eclipse licence from intangible assets to assets held for sale, as it is actively looking to sell the project.**<br><br>**There is a risk that the assets held for sale are not valued and accounted for correctly in accordance with IFRS 5, given the financial and risk significance of the balance classified as held for sale, we have accessed this to be a key audit matter.** | Our audit work included:<br>• Reviewing management's assessment of the classification as held for sale and ensuring in line with the requirements of IFRS 5;<br>• Reviewing management's valuation to ensure measured at the lower of carrying amount and fair value less costs to sell;<br>• Reviewing the determination of the fair value and challenging/ corroborating this fair value with reference to available documentation;<br>• Obtaining copies of any third-party documents to challenge or corroborate management's valuation determination;<br>• Confirming with management on the sales processes that have been initiated including discussions with potential buyers in year and post year-end; and<br>• Ensuring the disclosures in the financial statements are in accordance with the underlying documentation and IFRS 5. |

**Other information**

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

We have nothing to report in this regard.

**Responsibilities of directors**

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

## INDEPENDENT AUDITOR'S REPORT

In preparing the financial statements, the directors are responsible for assessing the Group'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 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 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 about potential instances of non-compliance with laws and regulations both in the UK and in overseas subsidiaries. We also selected a specific audit team based on experience with auditing entities within this industry and of a similar size.

- We determined the principal laws and regulations relevant to the Group in this regard to be those arising from:
    - The AIM Rules;
    - British Virgin Islands law;
    - Local industry regulations in Austria and Australia where exploration activity took place in the year; and
    - Local tax and employment law.

- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the Group with those laws and regulations. These procedures included, but were not limited to:
    - Making enquiries of management
    - Review of board minutes
    - Review of RNS announcements
    - Review of relevant accounting ledgers to assess any instances of non-compliance.

- We also identified the risks of material misstatement of the financial statements due to fraud. Aside form the non-rebuttable presumption of a risk arising from management override of controls, we did not identify any significant fraud risks, other than those identified in the Key Audit Matter section.

- 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; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business We also identified the risks of material misstatement of the financial statements due to fraud. Aside from the non-rebuttable presumption of a risk arising from management override of controls, we did not identify any significant fraud risks.

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 Group's members, as a body, in accordance with our engagement letter. Our audit work has been undertaken so that we might state to the Group'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 Group and the Group's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Adam Humphreys (Engagement Partner)**
**For and on behalf of PKF Littlejohn LLP**
**Registered Auditor**
10 June 2024

15 Westferry Circus
Canary Wharf
London E14 4HD

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION
## As at 31 December 2023

| | | Group | |
|---|---|---|---|
| **Registered number: 1570939** | Note | **2023** | 2022 |
| | | **£** | £ |
| **Non-Current Assets** | | | |
| Property, plant and equipment | 8 | **7,377** | 1,328 |
| Right of use Asset | 8 | **21,067** | - |
| Held for sale asset | 11 | **1,744,584** | - |
| Intangible assets | 9 | **2,869,667** | 3,337,598 |
| **Total Non-current assets** | | **4,642,695** | 3,338,926 |
| **Current Assets** | | | |
| Trade and other receivables | 10 | **311,126** | 69,695 |
| Cash and cash equivalents | 12 | **2,752,187** | 1,467,769 |
| **Total current assets** | | **3,063,313** | 1,537,464 |
| **Total Assets** | | **7,706,008** | 4,876,390 |
| **Current Liabilities** | | | |
| Trade and other payables | 13 | **730,292** | 110,304 |
| Finance lease liabilities | 14 | **21,382** | - |
| **Total Current Liabilities** | | **751,674** | 110,304 |
| **Total Liabilities** | | **751,674** | 110,304 |
| **Net Assets** | | **6,954,334** | 4,766,086 |
| **Equity attributable to owners of the Parent** | | | |
| Share capital | 15 | **-** | - |
| Share premium | 15 | **49,892,259** | 45,523,695 |
| Reverse acquisition reserve | | **(18,845,147)** | (18,845,147) |
| Other reserves | 16 | **811,616** | 448,309 |
| Accumulated losses | | **(24,904,394)** | (22,360,771) |
| **Total equity attributable to owners of the Parent** | | **6,954,334** | 4,766,086 |
| **Total Equity** | | **6,954,334** | 4,766,086 |

The Financial Statements were approved and authorised for issue by the Board of Directors on 10 June 2024 and were signed on its behalf by:

Gregory Kuenzel
Finance Director

The Notes on pages 28 to 51 form part of these Financial Statements.

# EMPIRE METALS LTD

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
## Year ended 31 December 2023

| | Note | Group | |
|---|---|---|---|
| | | **Year ended 31 December 2023** | Year ended 31 December 2022 |
| **Continuing Operations** | | **£** | £ |
| Revenue | | - | - |
| Cost of sales | | - | - |
| **Gross profit** | | - | - |
| Administration expenses | 6 | **(2,267,694)** | (1,046,638) |
| Other losses | 18 | **(527,245)** | (114,587) |
| **Operating loss before taxation** | | **(2,794,939)** | (1,161,225) |
| Income tax | 7 | **(1,522)** | (1,495) |
| **Loss for the year** | | **(2,796,461)** | (1,162,720) |
| **Loss attributable to:** | | | |
| - owners of the Parent | | **(2,796,461)** | (1,162,720) |
| | | **(2,796,461)** | (1,162,720) |
| **Other Comprehensive Income:** | | | |
| **Items that may be subsequently reclassified to profit or loss** | | | |
| Exchange differences on translating foreign operations | | **(185,049)** | 58,301 |
| **Total Comprehensive Income** | | **(2,981,510)** | (1,104,419) |
| **Attributable to:** | | | |
| - owners of the Parent | | **(2,981,510)** | (1,104,419) |
| **Total Comprehensive Income** | | **(2,981,510)** | (1,104,419) |
| - Total comprehensive income attributable to discontinued operations | | **-** | - |
| - Total comprehensive income attributable to continuing operations | | **(2,981,510)** | (1,104,419) |
| **Earnings per share (pence) from continuing operations attributable to owners of the Parent – Basic & Diluted** | 21 | **(0.560)** | (0.292) |

The Notes on pages 28 to 51 form part of these Financial Statements.

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
## For the year ended 31 December 2023

| | Share premium | Reverse acquisition reserve | Other reserves | Retained losses | Total equity |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| **As at 1 January 2022** | **43,836,855** | **(18,845,147)** | **520,293** | **(21,386,556)** | **4,125,445** |
| Loss for the year | - | - | - | (1,162,720) | (1,162,720) |
| **Other comprehensive income** | | | | | |
| Exchange differences on translating foreign operations | - | - | 58,301 | - | 58,301 |
| **Total comprehensive income for the year** | **-** | **-** | **58,301** | **(1,162,720)** | **(1,104,419)** |
| **Transactions with owners** | | | | | |
| Issue of ordinary shares | 1,775,760 | - | - | - | 1,775,760 |
| Cost of capital | (88,920) | - | - | - | (88,920) |
| Share option charge | - | - | 58,220 | - | 58,220 |
| Expiry of Share Options | - | - | (188,505) | 188,505 | - |
| **Total transactions with owners** | **1,686,840** | **-** | **(130,285)** | **188,505** | **1,745,060** |
| **As at 31 December 2022** | **45,523,695** | **(18,845,147)** | **448,309** | **(22,360,771)** | **4,766,086** |
| **As at 1 January 2023** | **45,523,695** | **(18,845,147)** | **448,309** | **(22,360,771)** | **4,766,086** |
| Loss for the year | - | - | - | (2,796,461) | (2,796,461) |
| **Other comprehensive income** | | | | | |
| Exchange differences on translating foreign operations | - | - | (185,049) | - | (185,049) |
| **Total comprehensive income for the year** | - | - | **(185,049)** | **(2,796,461)** | **(2,981,510)** |
| **Transactions with owners** | | | | | |
| Issue of ordinary shares | 4,571,468 | - | - | - | 4,571,468 |
| Cost of capital | (202,904) | - | - | - | (202,904) |
| Share option charge | - | - | 801,194 | - | 801,194 |
| Exercise and expiry of Share Options | - | - | (252,838) | 252,838 | - |
| **Total transactions with owners** | **4,368,564** | **-** | **548,356** | **252,838** | **5,169,758** |
| **As at 31 December 2023** | **49,892,259** | **(18,845,147)** | **811,616** | **(24,904,394)** | **6,954,334** |

The Notes on pages 28 to 51 form part of these Financial Statements.

## CONSOLIDATED CASH FLOW STATEMENT
### For the year ended 31 December 2023

| | Note | Group 2023 £ | Group 2022 £ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Loss after taxation including discontinued operations | | **(2,796,461)** | (1,162,720) |
| Adjustments for: | | | |
| Services satisfied by issue of shares | | **-** | 27,500 |
| Share based payment | | **801,194** | 58,220 |
| Net finance income | | **(16,795)** | (2,795) |
| Impairment of intangible assets | | **527,245** | 114,587 |
| Tax expense | | **1,522** | 1,495 |
| Depreciation and amortisation | | **23,349** | 300 |
| (Increase)/ decrease in trade and other receivables | | **(155,398)** | 17,506 |
| Increase/(Decrease) in trade and other payables | | **616,528** | (26,490) |
| **Net cash used in operating activities** | | **(998,816)** | (972,397) |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment | | **(50,528)** | (1,628) |
| Additions to exploration and evaluation intangible asset | | **(1,884,290)** | (1,339,952) |
| **Net cash used in investing activities** | | **(1,934,818)** | (1,341,580) |
| **Cash flows from financing activities** | | | |
| Proceeds from issue of shares, less shares issued in lieu of fees | | **4,382,779** | 1,657,500 |
| Cost of share issue | | **(202,904)** | (88,920) |
| Interest received | | **16,795** | 2,795 |
| Finance lease liabilities | | **42,134** | - |
| Repayment of finance lease liabilities | | **(20,752)** | - |
| **Net cash generated from financing activities** | | **4,218,052** | 1,571,375 |
| **Net increase/ (decrease) in cash and cash equivalents** | | **1,284,418** | (742,602) |
| **Cash and cash equivalents at beginning of year** | | **1,467,769** | 2,210,371 |
| **Cash and cash equivalents at end of year** | 12 | **2,752,187** | 1,467,769 |
| | | | |
| **Non-cash investing and financing activities** | | | |
| Acquisition of exploration license – share based payment[1] | 9 | **75,760** | 78,227 |
| Share options and warrants issued in respect of services[2] | 17 | **801,194** | 58,220 |

[1] Comprised of 5,611,863 shares at 1.35p in respect of consideration payable to acquire the Walton Project License.

[2] Share options and warrants over a total of 39,080,208 ordinary shares of no par value were granted to Directors and management in the period.

The Notes on pages 28 to 51 form part of these Financial Statements.

## NOTES TO THE FINANCIAL STATEMENTS
## For the year ended 31 December 2023

### ACCOUNTING POLICIES

### 1. General Information

The principal activity of Empire Metals Limited ("the Company") and its subsidiaries (together "the Group") is to implement its mineral exploration strategy to advance projects towards defining a sufficient in-situ mineral resource to support a detailed feasibility study towards mine development and production.

The Company's shares are traded on AIM, a market operated by the London Stock Exchange. The Company is incorporated in the British Virgin Islands and domiciled in the United Kingdom. The Company changed its name to Empire Metals Limited on 10 February 2020.

The address of its registered office is Craigmuir Chambers, PO Box 71, Road Town, Tortola, BVI.

### 2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

#### 2.1 Basis of Preparation of Financial Statements

The Group Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations as adopted by the European Union. The Group Financial Statements have been prepared under the historical cost convention, unless stated otherwise.

The Financial Statements are presented in UK Pounds Sterling rounded to the nearest pound.

The preparation of Financial Statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's Accounting Policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements, are disclosed in Note 4.

#### 2.2 Changes in accounting policy and disclosures

*(a) New and amended standards mandatory for the first time for the financial periods beginning on or after 1 January 2023*

The International Accounting Standards Board (IASB) issued various amendments and revisions to International Financial Reporting Standards and IFRIC interpretations. The amendments and revisions were applicable for the period ended 31 December 2023 but did not result in any material changes to the Financial Statements of the Group.

*b) New standards, amendments and interpretations in issue but not yet effective or not yet endorsed and not early adopted*

Standards, amendments and interpretations that are not yet effective and have not been early adopted are as follows:

| Standard | Impact on initial application | Effective date |
|---|---|---|
| IAS 1 (Amendments) | Classification of Liabilities as Current or Non-Current | 1 January 2024 |

The Group is evaluating the impact of the new and amended standards above which are not expected to have a material impact on future Group Financial Statements.

### 2.3 Basis of Consolidation

The Group Financial Statements consolidate the Financial Statements of Empire Metals Limited and the Financial Statements of all of its subsidiary undertakings made up to 31 December 2023.

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Where an entity does not have returns, the Group's power over the investee is assessed as to whether control is held. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Below is a summary of subsidiaries of the Group:

| Name of subsidiary | Place of business | Parent company | Registered capital | Share capital held | Principal activities |
|---|---|---|---|---|---|
| Kibe Investments No.2 Limited | British Virgin Islands | Empire Metals Ltd | Ordinary shares US$12 | 100% | Dormant |
| Noricum Gold AT GmbH | Austria | Kibe Investments No.2 Limited | Ordinary shares €35,000 | 100% | Exploration |
| GMC Investments Limited | British Virgin Islands | Empire Metals Ltd | Ordinary shares US$1 | 100% | Dormant |
| European Mining Services Limited | United Kingdom | Empire Metals Ltd | Ordinary shares £1 | 100% | Mining Services |
| Eclipse Exploration Pty Ltd | Australia | Empire Metals Ltd | Ordinary Shares AUD$1 | 100% | Exploration |

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

### 2.4 Going Concern

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Chairman's Report from page 3. In addition, Note 3 to the Financial Statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; and details of its exposure to credit and liquidity risk.

The Financial Statements have been prepared on a going concern basis. Although the Group's assets are not generating steady revenue streams, an operating loss has been reported and an operating loss is expected in the 12 months to 31 December 2024, the Directors believe that the Group will have sufficient funds to meet its immediate working capital requirements and to meet all committed exploration costs over the next 12 months from the date of approval of these Financial Statements. As at the balance sheet date, the Group has cash and cash equivalents of £2,752,187 and a further £3 million was raised via the issue of new ordinary shares in January 2024. These amounts combined are expected to adequately cover forecast working capital requirements.

The Directors have, in the light of all the above circumstances, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the Group Financial Statements.

### 2.5 Segment Reporting

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

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

### 2.6 Foreign Currencies

*(a) Functional and presentation currency*

Items included in the Financial Statements of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The functional currency of the Company is Sterling, the functional currency of the BVI subsidiaries is US Dollars, the functional currency of the Austrian subsidiary is Euros and the functional currency of the Australian subsidiary is AUD Dollars. The Financial Statements are presented in Pounds Sterling, rounded to the nearest pound.

*(b) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where such items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

*(c) Group companies*

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

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

- income and expenses for each statement of comprehensive income presented are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

- all resulting exchange differences are recognised in other comprehensive income where material.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of monetary items receivable from foreign subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future, are taken to other comprehensive income. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

### 2.7 Intangible Assets

*Exploration and evaluation assets*

The Group recognises expenditure as exploration and evaluation assets when it determines that those assets will be successful in finding specific mineral resources. Expenditure included in the initial measurement of exploration and evaluation assets and which are classified as intangible assets, relate to the acquisition of rights to explore, topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling and activities to evaluate the technical feasibility and commercial viability of extracting a mineral resource. Capitalisation of pre-production expenditure ceases when the mining property is capable of commercial production.

Exploration and evaluation assets are recorded and held at cost.

Exploration and evaluation assets are assessed for impairment annually or when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The assessment is carried out by allocating exploration and evaluation assets to cash generating units, which are based on specific projects or geographical areas. IFRS 6 permits impairments of exploration and evaluation expenditure to be reversed should the conditions which led to the impairment improve. The Group continually monitors the position of the projects capitalised and impaired.

Whenever the exploration for and evaluation of mineral resources in cash generating units does not lead to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities of that unit, the associated expenditures are written off to the Income Statement.

**2.8 Property, Plant and Equipment**

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on all property, plant and equipment to write off the cost less estimated residual value of each asset over its expected useful economic life on a straight-line basis at the following annual rates:

Computer equipment – 20 to 50% straight line
Field equipment - 20 to 50% straight line

All assets are subject to annual impairment reviews. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replacement part is derecognised. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

The asset's residual value and useful economic lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within 'Other gains / (losses)' in the income statement.

**2.9 Impairment of non-financial assets**

Assets that have an indefinite useful life, for example, intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Non-financial assets that suffered impairment (except goodwill) are reviewed for possible reversal of the impairment at each reporting date.

**2.10 Assets classified as held for sale**

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying value and fair value less costs to sell. An impairment loss is recognised for any subsequent write-down of the asset to fair value less costs to sell.

**2.11 Financial Assets**

*(a) Classification*

The Group classifies its financial assets in the following categories: at amortised cost including trade receivables and other financial assets at amortised cost, at fair value through other comprehensive income and at fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

*(b) Recognition and measurement*

*Amortised cost*
Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, in which case they are recognised at fair value. The group holds the trade and other receivables with the objective of collecting the contractual cash flows, and so it measures them subsequently at amortised cost using the effective interest method.

The group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principle and interest.

*(c) Impairment of financial assets*

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables (not subject to provisional pricing) and other receivables due in less than 12 months, the Group applies the simplified approach in calculating ECLs, as permitted by IFRS 9. Therefore, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

*(d) Derecognition*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. This is the same treatment for a financial asset measured at FVTPL.

**2.12 Financial Liabilities**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables.

*Subsequent measurement*

The measurement of financial liabilities depends on their classification, as described below:

*Trade and other payables*

After initial recognition, trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss and other comprehensive income.

*Derecognition*

A financial liability is derecognised when the associated obligation is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss and other comprehensive income.

*Fair value*

All assets and liabilities for which fair value is measured or disclosed in the consolidated Financial Statements are categorised within the fair value hierarchy. The fair value hierarchy prioritises the inputs to valuation techniques used to measure fair value. The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments and other assets and liabilities for which the fair value was used:

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

### 2.13 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand.

### 2.14 Taxation

Tax for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity. In this case the tax is also recognised directly in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated Financial Statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted, or substantially enacted, by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the group the ability to control the reversal of the temporary difference not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### 2.15 Share Capital, share premium and other reserves

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity, as a deduction, net of tax, from the proceeds provided there is sufficient premium available. Should sufficient premium not be available placing costs are recognised in the Income Statement.

Other reserves consist of the share option reserve and the foreign exchange translation reserve. See Notes 16 and 17 for further detail.

### 2.16 Reverse acquisition reserve

The reverse acquisition reserve arose on the acquisition of Kibe Investments No. 2 Limited in 2010. There has been no movement in the reserve since that date.

### 2.17 Share Based Payments

The Group operates a number of equity-settled share-based schemes, under which the entity receives services from employees or third-party suppliers as consideration for equity instruments (shares, options and warrants) of the Group. The Group may also issue warrants to share subscribers as part of a share placing. The fair value of the equity-settled share based payments is recognised as an expense in the income statement or charged to equity depending on the nature of the service provided or instrument issued. The total amount to be expensed or charged in the case of options is determined by reference to the fair value of the options or warrants granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability or sales growth targets, or remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

In the case of shares and warrants the amount charged to the share premium account is determined by reference to the fair value of the services received if available. If the fair value of the services received is not determinable the shares are valued by reference to the market price and the warrants are valued by reference to the fair value of the warrants granted as described previously.

Non-market vesting conditions are included in assumptions about the number of options or warrants that are expected to vest. The total expense or charge is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement or equity as appropriate, with a corresponding adjustment to another reserve in equity.

When the warrants or options are exercised, the Company issues new shares. The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium when the warrants or options are exercised.

### 2.18 Leases

The Group leases certain property.

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 amortised 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 14.

Exemptions are applied for short life leases and low value assets, with payment made under operating leases charged to the Consolidated Statement of Comprehensive Income on a straight-line basis of the period of the lease.

### 2.19 Revenue Recognition

Revenue is recognised in respect of amounts recharged to project strategic partners in accordance with their contractual terms. Revenue is also generated from management and consulting services to third parties.

The Group derives revenue from the transfer of services overtime and at a point in time in the service lines detailed below. Revenues from external customers come from consulting services.

The Group provides management services to subsidiary undertakings and joint venture entities for a fixed monthly fee. Revenue from providing services is recognised in the accounting period in which the services are rendered. Efforts to satisfy the performance obligation are expended evenly throughout the performance period and so the performance obligation is considered to be satisfied evenly over time.

### 2.20 Finance Income

Finance income consists of bank interest on cash and cash equivalents which is recognised using the effective interest rate method.

### 2.21 Discontinued Operations

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 represented as if the operation had been discontinued from the start of the comparative year.

## 3. Financial Risk Management

### 3.1 Financial Risk Factors

The Group's activities expose it to a variety of financial risks being market risk (including, interest rate risk, currency risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

***Market Risk***

*(a) Foreign currency risks*

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and Euros against the UK pound. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group negotiates all material contracts for activities in relation to its subsidiary in USD and Euros. The Directors will continue to assess the effect of movements in exchange rates on the Group's financial operations and initiate suitable risk management measures where necessary.

*(b) Price risk*

The Group is not exposed to commodity price risk as a result of its operations, which are still in the exploration phase. Other than insignificant consulting revenue, there is no revenue. The Directors will revisit the appropriateness of this policy should the Group's operations change in size or nature.

The Group has no exposure to equity securities price risk, as it has no listed equity investments.

*(c) Interest rate risk*

As the Group has no borrowings, it is not exposed to interest rate risk on financial liabilities. The Group's interest rate risk arises from its cash held on short-term deposit, which is not significant.

***Credit Risk***

Credit risk arises from cash and cash equivalents as well as outstanding receivables. Management does not expect any losses from non-performance of these receivables.

The amount of exposure to any individual counter party is subject to a limit, which is assessed by the Board. No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

The Group considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk.

***Liquidity Risk***

In keeping with similar sized mineral exploration groups, the Group's continued future operations depend on the ability to raise sufficient working capital through the issue of equity share capital. The Directors are confident that adequate funding will be forthcoming with which to finance operations. Controls over expenditure are carefully managed. In January 2024, the Company raised net proceeds of £3m. See note 2.4 for further details on going concern and liquidity.

**3.2 Capital Risk Management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, in order to provide returns for shareholders and to enable the Group to continue its exploration and evaluation activities. The Group has no debt at 31 December 2023 and defines capital based on the total equity of the Company being £6.9m. The Group monitors its level of cash resources available against future planned exploration and evaluation activities and may issue new shares in order to raise further funds from time to time.

## 4. Critical Accounting Estimates and Judgements

The preparation of the Group Financial Statements in conformity with IFRSs requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amount of expenses during the year. Actual results may vary from the estimates used to produce these Financial Statements.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant items subject to such estimates and assumptions include, but are not limited to:

*Impairment of exploration and evaluation costs*
Exploration and evaluation costs have a carrying value at 31 December 2023 of £2,869,667 (2022: £3,337,598): refer to Note 9 for more information. The Group has a right to renew exploration permits and the asset is only depreciated once extraction of the resource commences. Management tests annually whether exploration projects have future economic value in accordance with the accounting policy stated in Note 2.7. Each exploration project is subject to an annual review by either a consultant or senior company geologist to determine if the exploration results returned during the year warrant further exploration expenditure and have the potential to result in an economic discovery. This review takes into consideration the expected costs of extraction, long term metal prices, anticipated resource volumes and supply and demand outlook. In the event that a project does not represent an economic exploration target and results indicate there is no additional upside, a decision will be made to discontinue exploration.

On 24 February 2024, the Company announced that management had undertaken an assessment of the Company's non-core assets and as a consequence decided not to extend the Gindalbie Tribute Agreement which was due to expire on 24 February 2024. As a result, the previously capitalised exploration costs related to Gindalbie totalling £527,245 have been fully impaired as at 31 December 2023.

*Held for sale assets*
The Company is working on a potential divestment of the Eclipse project and are actively engaged with a number of Australian companies operating in the gold mining sector to find a buyer. Management are committed to the sale of the Eclipse licence and given the recent increase in the gold price this asset has become significantly more attractive. The expectation is that this sale will be completed in the next 6 months.

As a result this asset has been reclassified as held for sale. The carrying value of the Eclipse Project is £1.744 million. This represents the acquisition cost plus the carried forward exploration expenditure. An initial assessment study resulted in an anticipated operating profit from the Eclipse shaft gold target of A$3.8 million (approx. £2 million). This represents only one target within the licence area with multiple targets offering further high-grade gold discovery potential. As a result, management believe the fair value less costs to sell is in excess of the carrying value and as a result, continue to value the asset at the existing carrying value.

*Share based payment transactions*
The Group has made awards of options and warrants over its unissued share capital to certain Directors and employees as part of their remuneration package. Certain warrants have also been issued to shareholders as part of their subscription for shares and to suppliers for various services received.

The valuation of these options and warrants involves making a number of critical estimates relating to price volatility, future dividend yields, expected life of the options and forfeiture rates. These assumptions have been described in more detail in Note 17.

## 5. Segmental Information

As at 31 December 2023, the Group operates in three geographical areas, the UK, Austria and Australia. The Company operates in one geographical area, the UK. Activities in the UK are mainly administrative in nature whilst activities in Austria and Australia relate to exploration and evaluation work. The reports used by the chief operating decision maker are based on these geographical segments.

The Group generated no revenue during the year ended 31 December 2023: £nil (2022: £nil).

| **2023** | **Australia £** | **Austria £** | **UK £** | **Total £** |
|---|---|---|---|---|
| Revenue | - | - | - | - |
| Administrative expenses | (298,616) | (15,706) | (1,953,372) | (2,267,694) |
| Other losses | (527,245) | - | - | (527,245) |
| Operating loss from continued operations per reportable segment | **(825,861)** | **(15,706)** | **(1,948,372)** | **(2,794,939)** |
| Additions to non-current assets | 1,998,961 | 3,223 | 8,394 | 2,010,578 |
| Reportable segment assets | 4,975,259 | 72,741 | 2,658,008 | 7,706,008 |
| Reportable segment liabilities | 667,694 | 8,614 | 75,366 | 751,674 |

Segment assets and liabilities are allocated based on geographical location.

| **2022** | **Australia £** | **Austria £** | **UK £** | **Total £** |
|---|---|---|---|---|
| Revenue | - | - | - | - |
| Administrative expenses | (143,454) | (13,151) | (890,033) | (1,046,638) |
| Other gains/(losses) | (114,587) | - | - | (114,587) |
| Operating loss from continued operations per reportable segment | **(258,041)** | **(13,151)** | **(890,033)** | **(1,161,225)** |
| Additions to non-current assets | 1,410,026 | 6,778 | 1,375 | 1,418,179 |
| Reportable segment assets | 3,416,905 | 76,126 | 1,383,359 | 4,876,390 |
| Reportable segment liabilities | 34,196 | 3,239 | 72,869 | 110,304 |

### 6. Expenses by Nature

| | 2023 £ | 2022 £ |
|---|---|---|
| Directors' fees (note 20) | **496,333** | 342,095 |
| Employee Expenses | **150,369** | 40,882 |
| Fees payable to the Company's auditors for the audit of the Parent Company and group financial statements | **50,000** | 39,000 |
| Professional, legal and consulting fees | **186,588** | 142,507 |
| Accounting related services | **40,153** | 36,226 |
| Insurance | **27,640** | 32,270 |
| Office and administrative expenses | **66,575** | 71,585 |
| Depreciation | **23,349** | 300 |
| Travel and subsistence | **140,370** | 84,556 |
| AIM related costs including investor relations | **222,902** | 188,703 |
| Share option expense | **801,194** | 58,220 |
| Other expenses | **62,221** | 10,294 |
| Total administrative expenses | **2,267,694** | 1,046,638 |

### 7. Taxation

The tax on the Group's loss differs from the theoretical amount that would arise using the weighted average tax rate applicable to the losses of the consolidated entities as follows:

| | Group | |
|---|---|---|
| | **2023 £** | 2022 £ |
| Loss before tax from continued operations | **(2,794,939)** | (1,162,720) |
| Tax at the weighted average rate of 24% (2022: 23%) | (670,785) | (267,082) |
| Expenditure not deductible for tax purposes | 330,998 | 45,863 |
| Effect of differing tax rates across juristictions | (3,400) | 78,186 |
| Net tax effect of losses carried forward on which no deferred tax asset is recognised | 344,709 | 144,528 |
| Income tax expense for the year | **1,522** | 1,495 |

No charge to taxation arises due to the losses incurred.

The weighted average applicable tax rate of 24% (2022: 23%) used is a combination of the 25% standard rate of corporation tax in the UK (2022: 19%), 24% Austrian corporation tax (2022: 25%) and 25% Australian corporation tax.

The Group has accumulated tax losses of approximately £7,440,998 (2022: £7,110,000) available to carry forward against future taxable profits. A deferred tax asset has not been recognised because of uncertainty over future taxable profits against which the losses may be utilised.

## 8. Property, Plant and Equipment

| | Field equipment £ | Computer equipment £ | Right of use asset £ | Total £ |
|---|---|---|---|---|
| **Cost** | | | | |
| **As at 31 December 2022** | **10,229** | **27,173** | **-** | **37,402** |
| As at 1 January 2023 | 10,229 | 27,173 | - | 37,402 |
| Additions | - | 8,394 | 42,134 | 50,528 |
| Exchange differences | - | (12) | - | (12) |
| **As at 31 December 2023** | **10,229** | **35,555** | **42,134** | **87,918** |
| **Depreciation** | | | | |
| **As at 31 December 2022** | **10,229** | **25,845** | **-** | **36,074** |
| Charge for the year | - | 2,345 | 21,004 | 23,349 |
| Exchange differences | - | (12) | 63 | 51 |
| **As at 31 December 2023** | **10,229** | **28,178** | **21,067** | **59,474** |
| **Net book value as at 31 December 2022** | **-** | **1,328** | **-** | **1,328** |
| **Net book value as at 31 December 2023** | **-** | **7,377** | **21,067** | **28,444** |

The right of use asset shown above is an asset in use by the Group's subsidiary undertaking and represents leasehold premises. Please refer to Note 14.

## 9. Intangible Assets

| **Exploration & Evaluation Assets at Cost and Net Book Value** | **2023** **£** | 2022 £ |
|---|---|---|
| Balance as at 1 January | **3,337,598** | **1,952,419** |
| Additions | 1,960,050 | 1,418,179 |
| Transfer to asset held for sale | (1,744,584) | - |
| Impairments | (527,245) | (114,587) |
| Foreign exchange differences | (156,152) | 81,587 |
| As at 31 December | **2,869,667** | **3,337,598** |

The Exploration & Evaluation additions in the current period primarily relates to work performed at the Company's Pitfield project. An initial drill programme consisting of 21 RC drill holes were completed in April of this year, following on from extensive geophysics and geochemistry programmes., The Company has since commenced a second phase of diamond drilling at Pitfield with this to be followed by a third phase of RC drilling later this year. A total of 20,000 combined diamons and RC drilling has now been completed as of the date of this report. The Company is now advancing detailed mineralogical and mettalurgical studies with a view to undertakiung resource drilling towards the end of the year along with pilot plant and process flow sheet design.

*Eclipse-Gindalbie Project*

In 2020 the Group acquired an option to purchase 75% of the Eclipse Gold license. The option was exercised in February 2021 for a consideration of AUD$1,000,000 (approximately £550,000) in cash and AUD$500,000 (£277,750) settled via the issue of 7,095,510 new ordinary shares of no-par value at a price of 3.91p.

In January 2022, the Group entered into a Tribute Agreement for the Gindalbie license. The cost to enter into the Tribute Agreement was AUD$250,000 for an initial 6-month exploration term. An additional A$250,000 was paid in August 2022 to extend the exploration period by a further 18 months.

In February 2022, 1,676m of Reverse Circulation ("RC") drilling was completed, focused mainly on the Homeward Bound, Laurel-Bulletin, South Gippsland #3, Golden Puzzle and Bud's Find areas. Of the four RC holes drilled at the Homeward Bound target, three reported very high-grade intercepts.

Following from this, a further six Diamond Drill ("DD") holes for a total of 999m were completed at Eclipse during the year to test for continuity between Eclipse and Jack's Dream and to the north-west of Jack's Dream. Five of the six DD holes intercepted the mineralised shear reporting significant gold intercepts.

Following on from successful drilling campaigns in February 2022 and June 2022, the Company decided to carry out a small RC campaign consisting of nine RC drill holes for 770m. The Company found evidence of kaolinite-rich clays within the intensely leached upper part of the weathering profile.

On 24 February 2024, the Company announced that management had undertaken an assessment of the Company's non-core assets and as a consequence decided not to extend the Gindalbie Tribute Agreement which was due to expire on 24 February 2024. As a result, the previously capitalised exploration costs related to Gindalbie totalling £528,838 have been fully impaired as at 31 December 2023.

The Eclipse project has also been reclassified as an Asset Held for Sale as the Company works on a potential divestment of this asset. Please refer to Note 11.

*Pitfield Project*

The Company acquired a 70% interest in the Pitfield project from Century Minerals Pty Ltd ('Century') on 13 April 2022. The consideration for the acquisition was satisflied by the issue of 5,611,863, new ordinary shares to Century.

In accordance with IFRS 6, the Directors undertook an assessment of the following areas and circumstances which could indicate the existence of impairment:

- The Group's right to explore in an area has expired or will expire in the near future without renewal.
- No further exploration or evaluation is planned or budgeted for.
- A decision has been taken by the Board to discontinue exploration and evaluation in an area due to the absence of a commercial level of reserves.
- Sufficient data exists to indicate that the book value may not be fully recovered from future development and production

Based on the above assessment, management does not consider there to be any indicators present over the Pitfield project, in accordance with the criterion of IFRS 6. As such, the Board do not believe that any impairment is necessary.

*Walton Project*

The Company acquired a 70% interest in the Walton project from Century on 24 April 2023. The consideration for the acquisition was satisflied by the issue of 5,611,863, new ordinary shares to Century.

In accordance with IFRS 6, the Directors undertook an assessment of the following areas and circumstances which could indicate the existence of impairment:

- The Group's right to explore in an area has expired or will expire in the near future without renewal.
- No further exploration or evaluation is planned or budgeted for.
- A decision has been taken by the Board to discontinue exploration and evaluation in an area due to the absence of a commercial level of reserves.
- Sufficient data exists to indicate that the book value may not be fully recovered from future development and production.

Based on the above assessment, management does not consider there to be any indicators present over the Pitfield project, in accordance with the criterion of IFRS 6. As such, the Board do not believe that any impairment is necessary.

## 10. Trade and Other Receivables

| | **2023** | 2022 |
|---|---|---|
| | **£** | £ |
| VAT receivable | **93,807** | 15,796 |
| Prepayments | **30,144** | 18,230 |
| Cash in transit | **100,000** | - |
| Other receivables | **87,175** | 35,669 |
| | **311,126** | 69,695 |

Other receivables are all due within one year. The fair value of all receivables is the same as their carrying values stated above. These assets, excluding prepayments, are the only form of financial asset within the Group, together with cash and cash equivalents.

Cash in transit relates to funds sent from Empire Metals Limited to Eclipse Exploration Pty Ltd at the year end.

The carrying amounts of the Group's other receivables are denominated in the following currencies:

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| UK Pounds | **115,617** | 58,308 |
| Euros | **757** | 626 |
| Australian Dollars | **194,752** | 10,761 |
| | **311,126** | 69,695 |

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security. All trade and other receivables are considered fully recoverable and performing.

## 11. Held For Sale Asset

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Balance as at 1 January | - | - |
| Additions | - | - |
| Impairment | - | - |
| Transferred from Exploration and Evaluation assets | **1,744,584** | - |
| **As at 31 December** | **1,744,584** | - |

The Company is working on a potential divestment of the Eclipse project and are actively engaged with a number of Australian companies operating in the gold mining sector to find a buyer. Management are committed to the sale of the Eclipse licence and given the recent increase in the gold price this asset has become significantly more attractive. The expectation is that this sale will be completed in the next 6 months.

As a result this asset has been reclassified as held for sale. The carrying value of the Eclipse Project is £1.744 million. This represents the acquisition cost plus the carried forward exploration expenditure. An initial assessment study resulted in an operating profit from the Eclipse shaft gold target of A$3.8 million (approx. £2 million). This represents only one target within the licence area with multiple targets offering further high-grade gold discovery potential. As a result, management believe the fair value less costs to sell is in excess of the carrying value and as a result, continue to value the asset at the existing carrying value.

## 12. Cash and Cash Equivalents

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Cash at bank and in hand | **2,752,187** | 1,467,769 |

The Group's cash is held with facilities with AA and A credit ratings.

The carrying amounts of the Group and Company's cash and cash equivalents are denominated in the following currencies:

| | 2023<br>£ | 2022<br>£ |
|---|---|---|
| UK Pounds | **2,396,719** | 1,200,351 |
| Euros | **6,073** | 11,469 |
| US Dollars | **138,287** | 185,458 |
| Australian Dollars | **211,108** | 70,491 |
| **Cash at bank and in hand** | **2,752,187** | 1,467,769 |

## 13. Trade and Other Payables

| | 2023<br>£ | 2022<br>£ |
|---|---|---|
| Trade payables | **319,356** | 67,298 |
| Other payables | **22,177** | 6,422 |
| Accrued expenses | **388,759** | 36,584 |
| | **730,292** | 110,304 |

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

| | 2023<br>£ | 2022<br>£ |
|---|---|---|
| UK Pounds | **75,366** | 72,869 |
| Euros | **8,614** | 3,239 |
| Australian Dollars | **646,312** | 34,196 |
| | **730,292** | 110,304 |

## 14. Lease Liabilities

| | Group | |
|---|---|---|
| | **31 December 2023**<br>**£** | 31 December 2022<br>£ |
| **Non-current liabilities** | | |
| Lease liabilities | - | - |
| | **-** | **-** |
| **Current liabilities** | | |
| Lease liabilities | 21,382 | - |
| | **21,382** | **-** |

**Lease Liabilities**

Lease liabilities are effectively secured, as the rights to the leased asset revert to the lessor in the event of default. Please refer to Note 8 for further details on the right of use asset.

| | Group | |
|---|---|---|
| | **31 December 2023** | 31 December 2022 |
| **Right of Use liabilities – minimum lease payments** | **£** | £ |
| Not later than one year | 21,382 | - |
| Later than one year and no later than five years | - | - |
| Later than five years | - | - |
| | **21,382** | **-** |
| Future finance charges on right of use liabilities | 348 | - |
| **Minimum lease payments** | **21,730** | **-** |

For the year ended 31 December 2023, the total finance charges were £977 (2022: £nil).

The contracted and planned lease commitments were discounted using a weighted average incremental borrowing rate of 6%.

The present value of right of use liabilities is as follows:

| | Group | |
|---|---|---|
| | **31 December 2023** | 31 December 2022 |
| | **£** | £ |
| Not later than one year | 22,665 | - |
| Later than one year and no later than five years | - | - |
| Later than five years | - | - |
| **Present value of right of use liabilities** | **22,665** | **-** |

## 15. Share Capital and Share Premium

On 15 December 2010 the shareholders approved the removal of the Company's authorised share capital and so there is no limit on the number of shares the Company is authorised to issue. On that date the shareholders also approved the removal of the nominal value of the shares, as permitted under local company legislation. As such all amounts raised are considered to be share premium.

**Issued share capital**

| **Group** | **Number of shares** | **Share premium £** | **Total £** |
|---|---|---|---|
| **At 1 December 2021** | **336,711,755** | **43,836,855** | **43,836,855** |
| Issue of Ordinary Shares – 13 April 2022 | 5,611,863 | 75,760 | 75,760 |
| Issue of Ordinary Shares – 28 April 2022 | 85,000,000 | 1,700,000 | 1,700,000 |
| Cost of Capital – 28 April 2022 | - | (88,920) | (88,920) |
| **At 31 December 2022** | **427,323,618** | **45,523,695** | **45,523,695** |
| Issue of Ordinary Shares – 13 March 2023 | 55,555,554 | 1,250,000 | 1,250,000 |
| Issue of Ordinary Shares – 26 April 2023 | 5,611,863 | 75,760 | 75,760 |
| Exercise of Warrants – 27 April 2023 | 1,500,000 | 19,500 | 19,500 |
| Exercise of Warrants – 15 August 2023 | 1,600,000 | 48,000 | 48,000 |
| Exercise of Warrants – 15 August 2023 | 773,333 | 26,100 | 26,100 |
| Issue of Ordinary Shares – 25 September 2023 | 75,000,000 | 3,000,000 | 3,000,000 |
| Exercise of Warrants – 29 November 2023 | 1,876,553 | 24,395 | 24,395 |
| Exercise of Options – 8 December 2023 | 500,000 | 20,000 | 20,000 |
| Exercise of Options – 8 December 2023 | 500,000 | 27,500 | 27,500 |

| | | | |
|---|---|---|---|
| Exercise of Warrants – 26 December 2023 | 1,336,875 | 80,213 | 80,213 |
| Cost of Capital | - | (202,904) | (202,904) |
| **At 31 December 2023** | **571,577,796** | **49,892,259** | **49,892,259** |

On 22 February 2021, the Company issued and allotted 7,095,510 new Ordinary Shares at a price of 3.9 pence per share as consideration for the purchase of 75% of the equity of Eclipse Exploration Pty. The Company issued and allotted a further 7,095,510 new Ordinary Shares at the same price as payment of a finder's fee in respect of the Eclipse transaction.

On 20 May 2021, the Company issued and allotted 1,921,068 new Ordinary Shares at a price of 2.85 pence per share as consideration for the purchase of 75% of the equity of Central Menzies. The Company issued and allotted a further 1,921,068 new Ordinary Shares at the same price as payment of a finder's fee in respect of the Central Menzies transaction.

On 10 June 2021, pursuant to the advisory agreement, a fee of US$150,000 settled via the issue of 3,995,238 new ordinary shares in the Company at a price of 2.65p were allotted to the Company's Georgian advisor.

On 13 April 2022, following completion on Pitfield Copper Project, the Company issued 5,611,863 consideration shares to Century Minerals Pty Ltd.

On 28 April 2022, the Company announced a placing of 85,000,000 new ordinary shares of no par value, at a price of 2p.

On 13 March 2023 the Company completed a placing to raise £1.25 million before expenses by way of a placing of 55,555,554 new ordinary shares of no par value in the capital at a price of 4p.

On 26 April 2023, following completion on the Walton Copper-Gold-Lithium Project, the Company issued 5,611,863 consideration shares.

On 27 April 2023 the Company received notification from a warrant holder to exercise warrants over 1,500,000 new ordinary shares of no par value in the share capital of the Company at a price of 1.3p per share.

On 15 August 2023, the Company received notification from a warrant holder to exercise warrants over 773,333 new ordinary shares of no par value in the share capital of the Company at a price of 3.375p per share and 1,600,000 new ordinary shares of no par value in the share capital of the Company at a price of 3p per share. The Company issued new ordinary shares to the warrant holders for an aggregate cash value of £74,099.99.

On 25 September 2023, the Company issued 75,000,000 new ordinary shares at a price of 4p per share for gross proceeds of £3,000,000.

On 29 November 2023, the Company received notification from a warrant holder to exercise warrants over 1,876,553 new ordinary shares of no par value in the share capital of the Company at a price of 1.3p per share. The Company issued new ordinary shares to the warrant holders for an aggregate cash value of £24,395.

On 8 December 2023, the Company received notification from an option holder to exercise options over 500,000 new ordinary shares of no par value in the share capital of the Company at a price of 4p per share and 500,000 new ordinary shares of no par value in the share capital of the Company at a price of 5.5p per share. The Company issued new ordinary shares to the option holders for an aggregate cash value of £47,500.

On 26 December 2023 the Company received notification from a warrant holder to exercise warrants over 1,336,875 new ordinary shares of no par value in the share capital of the Company at a price of 6p per share.

### 16. Other reserves

| | 2023<br>£ | 2022<br>£ |
|---|---|---|
| Foreign currency translation reserve | **(365,824)** | (180,776) |
| Share option reserve | **1,177,440** | 629,085 |
| | **811,616** | 448,309 |

Foreign currency translation reserve – the foreign currency translation reserve represents the effect of changes in exchange rates arising from translating the Financial Statements of subsidiary undertakings into the Company's presentation currency.

Share option reserve – the share option reserve represents the fair value of share options and warrants in issue. The amounts included are recycled to share premium on exercise or recycled to retained earnings on expiry. Note 17 outlines the share based payments made in the year.

### 17. Share Based Payments

Warrants and options outstanding at 31 December 2023 have the following expiry dates and exercise prices, and were valued using the Black Scholes model using the assumptions below:

| | | | Number | |
|---|---|---|---|---|
| Grant date | Expiry date | Exercise price in £ per share | **2023** | 2022 |
| 30 July 2018 | 26 July 2023 | 0.1400 | **-** | 1,000,000 |
| 30 July 2018 | 26 July 2023 | 0.2000 | **-** | 1,000,000 |
| 1 July 2019 | 30 June 2024 | 0.0130 | **-** | 3,376,553 |
| 1 February 2021 | 31 January 2025 | 0.0400 | **10,000,000** | 10,500,000 |
| 1 February 2021 | 31 January 2025 | 0.0550 | **10,000,000** | 10,500,000 |
| 18 February 2021 | 22 February 2023 | 0.0470 | **-** | 14,191,020 |
| 20 April 2022 | 20 April 2026 | 0.0250 | **2,500,000** | 2,500,000 |
| 20 April 2022 | 20 April 2026 | 0.0350 | **2,500,000** | 2,500,000 |
| 20 April 2022 | 20 April 2026 | 0.0500 | **2,500,000** | 2,500,000 |
| 28 July 2022 | 29 July 2024 | 0.0300 | **-** | 1,600,000 |
| 22 March 2023 | 22 March 2028 | 0.0250 | **14,250,000** | - |
| 22 March 2023 | 22 March 2028 | 0.0300 | **14,250,000** | - |
| 25 September 2023 | 24 September 2025 | 0.0600 | **70,000** | - |
| 29 November 2023 | 28 November 2028 | 0.0860 | **8,400,000** | - |
| | | | **64,470,000** | 49,667,573 |

| | 2019 Warrants |
|---|---|
| Granted on: | 1/7/2019 |
| Life (years) | 5 years |
| Share price on grant date | 1.05p |
| Risk free rate | 0.42% |
| Expected volatility | 40.97% |
| Expected dividend yield | - |
| Exercise price | 1.3p |
| Marketability discount | 20% |
| Total fair value (£) | 8,292 |

| | 2021 Options | 2021 Options | 2021 Warrants |
|---|---|---|---|
| Granted on: | 01/02/2021 | 01/02/2021 | 18/02/2021 |
| Life (years) | 4 years | 4 years | 2 years |
| Share price on grant date | 3.45p | 3.45p | 3.7p |
| Risk free rate | 1.75% | 1.75% | 1.75% |
| Expected volatility | 98,49% | 98,49% | 92.17% |
| Expected dividend yield | - | - | - |
| Exercise price | 4p | 5.5p | 4.7p |
| Marketability discount | 20% | 20% | 20% |
| Total fair value (£) | 192,016 | 176,292 | 181,818 |

| | 2022 Options | 2022 Options | 2022 Options |
|---|---|---|---|
| Granted on: | 20/04/2022 | 20/04/2022 | 20/04/2022 |
| Life (years) | 4 years | 4 years | 4 years |
| Share price on grant date | 1.7p | 1.7p | 1.7p |
| Risk free rate | 1.75% | 1.75% | 1.75% |
| Expected volatility | 94.08% | 94.08% | 94.08% |
| Expected dividend yield | - | - | - |
| Exercise price | 2.5p | 3.5p | 5p |
| Marketability discount | 20% | 20% | 20% |
| Total fair value (£) | 20,289 | 18,149 | 15,829 |

| | 2022 Warrants | 2023 Warrants | 2023 Options |
|---|---|---|---|
| Granted on: | 28/07/2022 | 13/03/2023 | 22/03/2023 |
| Life (years) | 2 years | 2 years | 5 years |
| Share price on grant date | 1.125p | 2.5p | 2.1p |
| Risk free rate | 1.75% | 3.27% | 3.37% |
| Expected volatility | 95.86% | 100.34% | 102.16% |
| Expected dividend yield | - | - | - |
| Exercise price | 3p | 3.4 | 2.5p |
| Marketability discount | 20% | 20% | 20% |
| Total fair value (£) | 3,953 | 7,200 | 178,566 |

| | 2023 Options | 2023 Warrants | 2023 Options |
|---|---|---|---|
| Granted on: | 22/03/2023 | 25/09/2023 | 29/11/2023 |
| Life (years) | 5 years | 2 years | 5 years |
| Share price on grant date | 2.1p | 4.2p | 8.6p |
| Risk free rate | 3.37% | 3.27% | 3.37% |
| Expected volatility | 102.16% | 106.22% | 93.06% |
| Expected dividend yield | - | - | - |
| Exercise price | 3p | 6p | 8.6p |
| Marketability discount | 20% | 20% | 20% |
| Total fair value (£) | 172,888 | 22,721 | 419,819 |

The risk free rate of return is based on zero yield government bonds for a term consistent with the warrant and option life. Volatility is calculated using an average of the Company's share price 6 months prior to the granted date.

The movement of options and warrants for the year to 31 December 2023 is shown below:

| | **2023** | | 2022 | |
|---|---|---|---|---|
| | **Number** | **Weighted average exercise price (£)** | Number | Weighted average exercise price (£) |
| As at 1 January | **49,667,573** | **0.05** | 55,155,481 | 0.06 |
| Granted | **39,080,208** | **0.04** | 9,100,000 | 0.04 |
| Exercised | **(8,086,761)** | **(0.004)** | - | - |
| Expired | **(16,191,020)** | **(0.02)** | (14,587,908) | (0.02) |
| Outstanding as at 31 December | **64,470,000** | **0.04** | 49,667,573 | 0.05 |
| Exercisable at 31 December | **64,470,000** | **0.04** | 49,667,573 | 0.05 |

| | **2023** | | | | 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| Range of exercise prices (£) | **Weighted average exercise price (£)** | **Number of shares** | **Weighted average remaining life expected (years)** | **Weighted average remaining life contracted (years)** | Weighted average exercise price (£) | Number of shares | Weighted average remaining life expected (years) | Weighted average remaining life contracted (years) |
| 0.013 - 0.2 | **0.04** | **64,470,000** | **3** | **3** | **0.05** | **49,667,573** | **3** | **3** |

The total fair value charged to the statement of comprehensive income for the year ended 31 December 2023 and included in administrative expenses was £801,194 (2022: £58,220).

## 18. Other losses

| | **Group** | |
|---|---|---|
| | **2023** | 2022 |
| | **£** | £ |
| Impairment of intangible assets (Note 9) | **(527,245)** | (114,587) |
| | **(527,245)** | (114,587) |

## 19. Employees

| | Group | |
|---|---|---|
| | **2023** | 2022 |
| | **£** | £ |
| Salaries and wages | **106,011** | 27,030 |
| Pensions | **11,425** | 2,737 |
| | **117,436** | 29,767 |

The average monthly number of employees during the year was 3 (2022: 2).

## 20. Directors' Remuneration

| | For the year ended 31 December 2023 | | | |
|---|---|---|---|---|
| | **Short term benefits** | **Post-Employment benefits** | **Share based payment** | **Total** |
| | **£** | **£** | **£** | **£** |
| **Executive Directors** | | | | |
| Shaun Bunn | 215,000 | - | 263,257 | 478,257 |
| Gregory Kuenzel | 170,333 | 5,110 | 202,603 | 378,046 |
| **Non-executive Directors** | | | | |
| Neil O'Brien | 58,500 | - | 142,124 | 200,624 |
| Peter Damouni | 52,500 | - | 126,294 | 178,794 |
| | 496,333 | 5,110 | 734,278 | 1,235,721 |

| | For the year ended 31 December 2022 | | | |
|---|---|---|---|---|
| | **Short term benefits** | **Post-Employment benefits** | **Share based payment** | **Total** |
| | **£** | **£** | **£** | **£** |
| **Executive Directors** | | | | |
| Shaun Bunn | 156,250 | - | 54,267 | 210,517 |
| Michael Struthers* | 57,625 | - | - | 57,625 |
| Gregory Kuenzel | 74,000 | 2,220 | - | 76,220 |
| **Non-executive Directors** | | | | |
| Neil O'Brien | 30,000 | - | - | 30,000 |
| Peter Damouni | 22,000 | - | - | 22,000 |
| | 339,875 | 2,220 | 54,267 | 396,362 |

**Resigned 8 June 2022*

## 21. Earnings per Share

**Continuing operations**
The calculation of the total basic losses per share of 0.560 pence (2022: loss 0.292 pence) is based on the losses attributable to equity owners of the group of £2,796,461 (2022: £1,162,720) and on the weighted average number of ordinary shares of 498,087,397 (2022: 398,508,796) in issue during the period.

In accordance with IAS 33, basic and diluted earnings per share are identical in 2023 as the effect of the exercise of share options or warrants would be to decrease the loss per share as the entity is loss making, these instruments are anti-dilutive.

## 22. Commitments

*(a) Work programme commitment*

The Eclipse Mining Licence has an annual minimum expenditure commitment of AUD$30,300.

The Pitfield/Walton Projects have an annual minimum expenditure commitment of AUD$435,500 across all licences.

*(b) Royalty agreements*

As part of the contractual arrangement with Kibe No.1 Investments Limited the Group has agreed to pay a royalty on revenue from gold sales arising from gold mines developed by Noricum Gold AT GmbH and covered by licenses acquired by Kibe No.1 Investments Limited. Under the terms of the Royalty Agreement between Kibe No.1 Investments Limited and Noricum Gold AT GmbH, the Group shall pay royalties, based on total ounces of gold sold, equal to US$1 for every US$250 of the sale price per ounce.

*(c) Lease agreements*

During the period Eclipse Exploration Pty Ltd, a wholly owned subsidiary of Empire Metals Limited, entered into a two year office lease of AUD$40,575 per annum. At the year end the commitment amounted to AUD$39,923. Please refer to Note 14.

## 23. Financial instruments

*Financial instruments measured at fair value*
The fair value hierarchy of financial instruments measured at fair value is provided below. The different levels have been defined as follows:

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

Cost may be an appropriate estimation of fair value at the measurement date only in limited circumstances, such as for a pre-revenue entity when there is no catalyst for change in fair value, or the transaction date is relatively close to the measurement date. The financial asset relates to costs incurred with the acquisition of an option to invest in a 75% holding of Eclipse Exploration PTY. Further detail can be found in note 9.

Group
At the year end, the Company had no assets held at fair value with the exception of the asset held for sale. Refer to Note 11 for further detail. There were no assets held at fair value  as at 31 December 2022.

| | 31 December 2023 | | 31 December 2022 | |
|---|---|---|---|---|
| **Assets per Statement of Financial Position** | **At amortised cost** | **Total** | **At amortised cost** | **Total** |
| Trade and other receivables (excluding prepayments) | 280,982 | 280,982 | 51,465 | 51,465 |
| Cash and cash equivalents | 2,752,187 | 2,752,187 | 1,467,769 | 1,467,769 |
| **Total** | **3,033,169** | **3,033,169** | **1,519,234** | **1,519,234** |
| **Liabilities per Statement of Financial Position** | | | | |
| Trade and other payables (excluding accruals) | 341,533 | 341,533 | 73,720 | 73,720 |
| **Total** | **341,533** | **341,533** | **73,720** | **73,720** |

## 24. Related Party Transactions

**Loans provided by Parent Company**

As at 31 December 2023 there were amounts receivable of £12,803 (2022: £10,933) from Kibe No.2 Investments Limited. No interest was charged on the loans.

As at 31 December 2023 there were amounts receivable of £696,226 (2022: £696,186) from European Mining Services Limited.

As at 31 December 2023 there were amounts receivable of £6,472,444 (2022: £4,376,213) from Eclipse Exploration Pty Ltd.

As at 31 December 2023 there were amounts receivable of £155,325 (2022: £145,325) from Noricum AT GmbH.

As at 31 December 2023 there were amounts receivable of £53,202 (2022: £51,602) from GMC Investments Limited.

**Loans provided by Kibe No.2 Investments Limited**

As at 31 December 2023 there were amounts receivable of £754,517 (2022: £754,517) from Noricum AT GmbH.

All intra-group transactions are eliminated on consolidation.

**Other Transactions**

Westend Corporate LLP, an entity in which Gregory Kuenzel is a partner, was paid a fee of £73,858 (2022: £84,040) for accounting and corporate services to the Group. At the year end there was nothing outstanding (2022: £7,124).

MOAR Consulting Inc, an entity in which Neil O'Brien is a beneficiary provided geological consulting services to Eclipse Exploration Pty Ltd. Total charges for the year ended 31 December 2023 were CAD$84,717 (2022: £0)

Silvergate Capital Partners Ltd an entity in which Peter Damouni is a beneficiary, was paid a fee of £15,000 (2022: £0) for business development services to the Group.

During the period invoices totalling AUD$38,439 were paid to Century Minerals Pty Ltd (2022: AUD$119,918).

## 25. Ultimate Controlling Party

The Directors believe there to be no ultimate controlling party.

## 26. Events after the Reporting Date

On 22 January 2024 the Company completed a placing to raise £3 million before expenses by way of a placing of 27,272,728 new ordinary shares of no par value in the capital.

On 29 February 2024 the Company agreed to issue options over a total of 8,500,00 ordinary shares of no-par value to employees of the Group.

On 26 April 2024, it was announced management had undertaken an assessment of the Company's non-core assets and as a consequence decided not to extend the completion date for the acquisition of the Stavely Project, located in Victoria, which expired on 6 April 2024, and as a consequence the acquisition has been terminated.