POWER
METAL RESOURCES

ANNUAL REPORT
For the year ended 30 September 2022

Power Metal Resources plc

Registered number: 07800337

POWER METAL RESOURCES PLC

CONTENTS

COMPANY INFORMATION

Directors:	P Johnson	*Chief Executive Officer*
	S Richardson Brown	*Interim Non-Executive Chairman*
	Ed Shaw	*Non-Executive Director*
	Owain Morton	*Non-Executive Director (appointed 10 October 2022)*
Company secretary:	ONE Advisory Limited	
Company number:	07800337	
Registered office:	201 Temple Chambers 3-7 Temple Avenue London EC4Y 0DT	
Auditor:	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus London E14 4HD	
Nominated Adviser and broker:	SP Angel Corporate Finance LLP Prince Frederick House 35-39 Maddox Street London W1S 2PP	
Joint brokers:	SI Capital Limited 46 Bridge Street Godalming Surrey GU7 1HL	
	First Equity Limited Salisbury House London Wall Finsbury London EC2M 5QQ	
Solicitor:	Druces LLP Salisbury House London Wall London EC2M 5PS	

CHIEF EXECUTIVE OFFICER'S REVIEW
FOR THE YEAR ENDED 30 SEPTEMBER 2022

Highlights from the year under review:

Operational

- The year saw the Company complete a number of new acquisitions to advance its global project portfolio whilst in parallel continue to develop and strengthen its existing business interests.

- The dual pathway of proactive exploration of retained project interests continued across multiple projects, alongside the advancement of corporate activities seeking the outright disposal or planned spin-out Initial Public Offering ("IPO") of certain project interests.

- In Canada, during the financial year and thereafter, the Company continued to acquire new uranium project interests through direct staking and existing project acquisitions in the Athabasca Basin region of Saskatchewan, reflecting the Company's view that the uranium commodity is to experience a renaissance due to global expansion of nuclear power generation.

- In July 2022, First Class Metals PLC (LON:FMC) listed in London, with Power Metal holding a c.28% interest valued at c.£1.8m on listing. FMC holds the former Power Metal Schreiber-Hemlo project interests, sold to FCM for equity in September 2021.

- In November 2021, the Company completed the acquisition of the Pilot Mountain Project, a tungsten focused project and completing the four-project portfolio of Golden Metal Resources PLC ("GMT") which raised £750,000 in pre-IPO financing in December 2021 and during the year continued its IPO preparatory work.

- The Company confirmed its continuation into year two of the Authier North/Duval East lithium project earn-in to 100% in July 2022.

- A diamond drill programme was conducted at the Silver Peak project in British Columbia, Canada, demonstrating bonanza grade silver at the project.

- In Africa, a diamond drill programme was also conducted in late 2021/early 2022 at the Haneti Project in Tanzania targeting nickel, copper, and platinum group elements (held with joint venture ("JV") partner Katoro Gold PLC (LON:KAT). The programme provided additional geological information to enable the JV partners to review and consider next steps exploration.

- Following exploration work at the Kanye Resources JV in Botswana (Ditau and Kalahari Copper Belt Projects), a conditional disposal of the Company's 50% JV interest back to partner Kavango Resources PLC (LON:KAV) was announced.

- Power Metal signed a conditional acquisition of 56.7% of the shares in Kalahari Key Mineral Exploration Pty Ltd ("KKME"), holder of the Molopo Farms Complex Project ("MFC Project") in Botswana. Moving loop electromagnetic surveys conducted at the MFC Project in summer 2022 confirmed a major conductor at the T1-6 target where nickel and PGEs had previously been identified in the 20/21 drill programme and led to the accelerated launch of a follow up diamond drill programme at T1-6 and other targets in September 2022.

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- Reverse circulation drilling at the Tati Project ("Tati") in Botswana identified near surface high-grade gold and follow on work confirmed an 8km gold-in-soil anomaly at Tati, leading to the staking of a further prospecting licence to cover the full anomaly footprint.

- In Australia, October 2022 saw the completion of the acquisition of First Development Resources Pty Ltd and its entire gold/copper focused Western Australian exploration interests. This was followed up by the acquisition of the Selta Project then targeting uranium and rare earth elements in the Northern Territory of Australia. The two acquisitions completed the portfolio of First Development Resources PLC, a UK holding company which raised £1,125,000 in pre-IPO financing and during the year undertook IPO preparatory work.

- Finally in Australia, the Company submitted two licence applications in South Australia comprising the Wilan Project then targeting Olympic Dam style mineralisation. During the year one of the licence applications was granted, with a second licence granted post year end.

- The Company closed the financial year with a focus on delivering advanced exploration programmes across its to be retained exploration portfolio, and with acquisition restricted to additional uranium and lithium focused opportunities.

Financial

- Total comprehensive loss for the year to 30 September 2022 of £137k (2021: loss of £622k). The reduction in loss from September 2021 is in part due to the capital contribution balance recognised during the year. The capital contribution balance arose on the completion of the capital reorganisation of the Golden Metal Resources Plc group;

- Pre-non-controlling interest total equity of £11.7m at the year-end (2021: £6.3 million); and

- Raised £2,070,000 (before issue costs) in new equity financing during the financial year, from a combination of new and existing shareholders, including the Directors. An additional £1,055,978 of cash received by the Company during the year from exercises of Power Metal share warrants and £25,000 of cash received by the Company during the year from exercises of Power Metal share options. £2,148,307 of shares were issued in relation to acquisitions in various investments and projects.

Post-year end

For information regarding events after the reporting date, see note 28 to the financial statements.

Introduction

The mineral resource exploration sector is highly cyclical and during the financial year has experienced a typical cyclical downturn brought about by a variety of factors. These include the medium-term impact of global policies to address the COVID-19 pandemic, the war in Ukraine and the uncertainty caused by inflationary pressures and interest rate policies.

The overwhelming uncertainty and unstable conditions during the financial year provided exactly the backdrop needed for a high-quality portfolio of exploration interests to be gathered at modest cost and advanced, which is precisely what Power Metal has been able to achieve.

CHIEF EXECUTIVE OFFICER'S REVIEW
FOR THE YEAR ENDED 30 SEPTEMBER 2022

Our focus now turns to value generation through ongoing exploration of retained interests, and through completion of those corporate activities in process, or planned. The next financial year we intend to report mainly on that value generation, rather than undertaking further acquisitions and therefore the business will move to a distinctly new phase in its life cycle.

Operations Review

Projects

Africa

Botswana

(Tati Project)

In October 2021 Power Metal commenced reverse circulation ("RC") drilling at the Tati Gold Project, with a 1,062m programme, results from which were released in April 2022 confirming near surface gold mineralisation including up to 3m at 5.17g/t gold from 9m downhole.

The confirmation of geological formations, and evidence of a strong gold-in-soil anomaly inspired the Company to apply for an additional licence to cover the full extent of the anomaly (licence granted April 2022).

A further site visit and ground mapping in July 2022 confirmed extensive gold workings, more extensive than previously thought and two fines' dumps representing waste material from historical mining activities at the Cherished Hope gold mine within the project boundaries.

A further RC drilling programme was commenced in August 2022 with 490m of drilling alongside sampling of the fine's dumps. The fines dumps sampling confirmed residual gold at an average of 0.94g/t, which is amenable to processing at a nearby processing facility, subject to contract and local approvals.

(Molopo Farms Complex)

In November 2021, Kavango Resources PLC (LON:KAV) secured an option to acquire the shares in Kalahari Key Mineral Exploration Pty Ltd ("KKME"), the holder of the Molopo Farms Complex Project ("MFC Project") in southwest Botswana (subject to Power Metal's 40% interest by virtue of a previously completed earn-in). This option was subsequently extended, but ultimately did not result in KAV proceeding, as announced in March 2022.

Instead, in May 2022, Power Metal agreed a conditional acquisition of 56.7% of KKME shares from KKME shareholders, for £807,348 consideration payable in new Power Metal ordinary shares of 0.1 pence each at a price of 1.75p and attaching warrants over 46,134,171 new ordinary shares at a 3.5p exercise price with a 2-year life. The conditionality was principally the receipt of local regulatory approvals which were received, and the transaction completed in November 2022. Following completion and the reversal of Power Metal's earn-in to a 40% interest into the MFC Project, the Company held an 87.71% interest in KKME which wholly owns the MFC Project.

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Moving loop electromagnetic surveys conducted in summer 2022 revealed a number of large magnetic conductors across 4 targets, with the first announced in August 2022 leading to the launch of an expedited 2,600m drill programme in September 2022.

(Kanye Resources Joint Venture ("JV"))

Exploration work continued across the Kanye Resources JV held 50% by Power Metal and 50% by JV partner KAV with a diamond drill programme commencing at the Ditau project in January 2022 and target identification work for planned drilling at the Kalahari Copper Belt project.

In July 2022, Power Metal announced a conditional agreement to dispose of its 50% interest in the Kanye Resources JV to Kavango Resources in a transaction which completed in November 2022 following the publication of a new market prospectus by Kavango Resources.

Consideration for the disposal included 60m KAV shares at a price of 0.02 pence per share, valued at £1.08m on the date of completion, together with KAV warrants and a 1% net smelter return royalty across the Kanye Resources properties.

Tanzania

In January 2022, the Company announced the commencement of diamond drilling at its 35% owned Haneti Project in Tanzania with 65% JV partner Katoro Gold PLC (LON:KAT). The results from the 900m drill programme were announced in May 2022 confirming the intersection of significant sequences of altered ultramafic and mafic rocks. The drilling demonstrated nickel, copper, gold, and platinum group elements ("PGEs") albeit not in economic quantities, however the information gathered enabled the JV partners to plan for the next exploration steps at Haneti.

Concurrent with the drill programme, rock sampling undertaken at the Babayu lithium prospect highlighted significant lithium and tantalum prospectivity leading to the development of a lithium consolidation strategy, covering existing lithium applications and reviewing potential partnerships with local licence holders.

Australia

First Development Resources

In October 2021, Power Metal announced the acquisition of a portfolio of precious and base metal focused projects in Western Australia held by private Australian company First Development Resources Pty Ltd ("FDR Australia"). FDR Australia was acquired outright by First Development Resources PLC ("FDR UK") for consideration including a deemed value of £686,667 in Power Metal shares and with a plan to list FDR UK on the London capital markets.

Subsequently in November 2021, FDR UK also conditionally acquired the Selta Project in the Northern Territory of Australia, through the 100% acquisition of URE Metals Pty Ltd, a private Australian subsidiary, payable through the issue of £500,000 deemed equity value in FDR UK. The conditions for acquisition were all satisfied in February 2022.

Further transactions undertaken during the year included the acquisition of the Ripon Hills project in Western Australia and restructuring of the FDR group to simplify the listing process.

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During the course of the financial year various corporate work streams were undertaken including pre-IPO preparations, notably the completion of a £1,125,000 pre-IPO financing announced in June 2022.

In addition, during the year various exploration work was undertaken. At the Wallal Project a desktop study was finalised, and three magnetic bullseye anomalies were identified within the project area. The Eastern anomaly will be targeted in the Phase I diamond drilling programme planned to commence immediately post admission. To facilitate site works the pre-requisite Heritage Clearance Survey was completed in Q3 2022.

The desktop studies for the Braeside West and Ripon Hills Projects were completed during 2022 which identified multiple gold and base metal targets for further investigation.

At the Selta Project, a desktop study completed during 2022 identified multiple uranium and rare-earth element targets and the geology at Selta is interpreted to be compositionally similar to that which underpins the nearby Nolans Deposit currently being developed by ASX listed Arafura Resources.

Wilan Project

In October 2021, Power Metal announced its wholly owned Australian subsidiary, Power Metal Resources Pty Ltd, had lodged two licence applications covering 1,994km^2 in the Gawler Craton region within South Australia.

The originally named Gawler Project, subsequently renamed the Wilan Project, saw the first 999km^2 licence granted in September 2022 and the identification of an Iron Oxide Copper Gold ("IOCG") target within the granted exploration licence area.

New Ballarat Gold Corporation (NBGC)

Power Metal holds a 49.9% interest in NBGC with partner Red Rock Resources PLC (LON:RRR). NBGC holds a 100% interest in Red Rock Australasia Pty Ltd ("RRAL") which itself holds a portfolio of granted exploration licences and licence applications in the Victoria Goldfields region in the State of Victoria, Australia.

The original applications were submitted in early 2020, and during the financial year RRAL saw a number of licence applications granted, such that by the financial year end 15 granted licences covered a footprint of some 1,841km^2 and 5 licence applications awaiting grant of 493km^2.

An operating team based in Ballarat, Victoria, conducted various exploration work during the year including an inaugural diamond drill programme in December 2021, with results demonstrating gold bearing structures and evidence of gold mineralisation across the target areas.

In July 2022, the Company announced the conditional acquisition by RRAL of the licence including the historic Berringa gold mine with conditions satisfied and the transaction completed in September 2022.

North America

Silver Peak
Power Metal has a 30% interest in the Silver Peak project in British Columbia, Canada, following completion of an earn-in in the 2021 financial year.

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In August 2021 a total of 19 short core holes were completed targeting high-grade extensions of the Victoria Vein. 10 out of the 19 holes drilled returned >1000g/t silver assays with significant copper (Cu), zinc (Zn), lead (Pb) and antimony (Sb) credits. Following the initial announcement of results in November 2021, overlimit assays were completed for Cu, Zn, Pb and Sb. Final silver equivalent assays were received and reported in December 2021 which included a highlight interval of 0.76m 10,131g/t silver equivalent.

In August 2022 the Company had its Exploration Manager conduct a one-day site visit to the project. He was accompanied by Michael Nugent who represents the majority ownership group. Due to the complex nature of the surrounding topography, the site visit was completed in order to gain a better understanding of the opportunity, and challenges that Silver Peak faces during further exploration and next stage exploration plans.

Further work was undertaken during the course of the year to review potential commercial options for the project.

Authier North

In 2021 Power Metal signed an agreement to earn into a 100% interest in the Authier North project.

Following on from a ground exploration programme in March 2022 the Company engaged Dahrouge Geological Consultant Ltd to complete an independent technical review of the project. This review identified two target areas for further investigation and exploration plans have been developed for next stage ground exploration.

The Company successfully satisfied the year one option terms and entered into year two of the agreement on 12 July 2022.

Athabasca Basin

During the year the Company continued to build its portfolio of Athabasca Basin, Saskatchewan, Canada, focused uranium properties. This portfolio was originally built in 2021 utilising internal technical resources to identify prospective new opportunities for acquisition via direct low-cost mineral claim staking.

The original portfolio of seven uranium focussed properties was expanded multiple times in 2022 with the first being July 2022 following the acquisition of the Reindeer Lake, Porter Lake and Old Woman Rapids from an established prospector.

Furthermore, via direct mineral staking, the Company acquired the Durrant Lake property located in the eastern side of the Athabasca Basin in August 2022. Durrant Lake is bordered on three sides by claims held by uranium focused companies including Orano SA, Denison Mines Corp and ISO Energy Ltd. Shortly after, in September 2022, the company staked a further project located inside the basin called the Badger Lake project bringing the portfolio's total to 11 properties.

During summer 2022, Power Metal undertook ground exploration at three properties (Clearwater, Thibault Lake and Tait Hill).

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In August 2022, Power Metal announced the conditional disposal of the Reitenbach property to Teathers Financial PLC for a disposal value of £360,000 and to form the listing asset for that vehicle. Teathers Financial PLC will be renamed Uranium Energy Exploration PLC ("UEE") and listed on a preferred stock exchange in London. The conditions of the disposal included the successful listing of UEE.

As at the year-end, Power Metal held 11 properties (including the conditionally disposed Reitenbach and E-12 properties) covering approximately 780km^2 in and surrounding the Athabasca Basin.

Schreiber-Hemlo / First Class Metals

The Company announced the completion of the sale of its 100% owned Schreiber-Hemlo interests to First Class Metals PLC (LON:FCM) in October 2021 for £1m.

In July 2022, FCM successfully listed on the London stock exchange and Power Metal's holding on listing was valued at circa £1.8m.

Golden Metal Resources

In November 2021, the Company completed the acquisition of the Pilot Mountain tungsten Project. This acquisition completed the four-project portfolio of Golden Metal Resources PLC ("GMT") which is focussed in Nevada, USA. The Pilot Mountain transaction was further bolstered by the subsequent acquisition of the longer-term tail-benefit included in the original consideration from the vendor, fellow AIM-listed Thor Mining PLC in January 2022.

Following the acquisition of Pilot Mountain and during the year, GMT undertook pre-IPO preparations including the completion of a £750,000 pre-IPO financing which diluted the Company's interest in GMT to 83.13%.

In parallel with the pre-IPO work, GMT completed various exploration work programmes across its Nevada portfolio which included a 3D induced polarisation ("IP") geophysical survey over the Pilot Mountain Project, a high-resolution soil geochemical survey over the Garfield project which includes a total of 453 individual sample points. Further minor work streams at the Golconda Summit project were completed including rock sampling as well as the completion of permitting for mechanised trenching. Furthermore, GMT obtained access to a historical soil geochemical survey completed over Golconda Summit which included 741 individual samples.

The results from both the IP geophysical survey and Garfield soil geochemical survey are pending. The results, once received by GMT, will be compiled, analysed and released when ready.

New Opportunities

Power Metal Resources

During the financial year Power Metal continued to review new opportunities and completed a number of acquisitions as outlined above and following the year end.

The focus of the Company post year end is acquisitions focused on uranium or lithium opportunities.

**CHIEF EXECUTIVE OFFICER'S REVIEW
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

Corporate Social Responsibility ("CSR")

The Company maintains a focus on CSR through internal policies and our approach to external operational activities.

During the year and after the year end the Company developed its internal environmental, social and governance ("ESG") policies and procedures to codify many of the practices in place at the Company and to introduce a number of new initiatives.

The Company will continue to prudently invest in the regions in which we have business activities, in support of the communities where we operate. As an early-stage company, Power Metal is keen to employ workers from the areas in which we operate, and to operate in a safe, responsible, and reasonable manner.

As certain projects mature, we would expect our community engagement to become more extensive in line with the level of operational activities.

Financial Review

The Group recorded an audited total comprehensive loss after tax for the year to 30 September 2022 of £137k (2021: loss of £622k) with the increase reflecting the increased administration costs pertaining to increased business activities and notably those in connection with the costs of planned spin-out IPO listings. The loss per share from continuing activities was 0.15p (2021: 0.05p).

The Group's exploration activities during the financial year under review were funded through the issue of shares to raise cash. In aggregate, new ordinary shares were issued during the financial year, raising a total of £2.07 million from fundraising, £1.06 million from the exercise of warrants, £0.03 million from the exercise of options and £2.15 million relating to the acquisitions of various investments and projects.

We ended the financial year with a cash balance of £1.56 million (2021: £1.28 million), which was enhanced post-financial year end by a financing in January 2023 raising an additional £900,000, before expenses.

Cash balances held at the year-end are supplemented by listed company shares and warrants (cash equivalents), which represent a further pool of accessible cash available on the sale of shares in listed companies.

Targets for 2023

Our operational targets for the remainder of 2023 are:

- To continue our proactive exploration work across retained priority exploration interests seeking multiple large-scale metal discoveries.

- To generate value from our existing portfolio through the continuation of spin-out listings and outright disposals further enhancing the Company's financial strength.

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Board Changes

In October 2022, Owain Morton was appointed to the Board as Non-executive Director.

Outlook

Power Metal has built its business through a creative acquisition and project generation approach with a view to building a portfolio charged with the potential to deliver the metals needed by the world in an era of metal criticality.

The portfolio is charged with strategic, and multiple potentially district scale exploration and development interests, some for priority internal exploration and some for value generation through spin-out listings or outright disposal.

As the world begins to recognise the importance of metal supply, and the need to support and invest in sources of supply, the Company is uniquely well positioned. We look forward to the developments in the business during 2023.

Paul Johnson, Chief Executive Officer
3 March 2023

STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2022

Overview of the business

The financial year to 30 September 2022 resulted in a total comprehensive loss for the year of £137k (2021: loss of £622k).

Net assets at the year-end stood at £13.8 million (2021: £6.0 million). The Group's cash position of £1.56 million as at 30 September 2022 was supplemented post-year end following a placing of £0.9 million.

Business Strategy

The overriding strategic objective of the Company is to make large scale metal discoveries. Power Metal has been structured with a portfolio model with diversity of interests by commodity, jurisdiction and geology which is considered by the Company to increase the likelihood of a large-scale metal discovery.

The Company seeks to minimise fixed financial or operational commitments providing underlying operational flexibility. This enables the financial and managerial resources to be focused forward on the projects with the greatest potential to deliver the discoveries targeted.

Further information on the Group's operations is set out in the Chief Executive Officer's Review on page 2 to 10.

Principal risks

Exploration risk
The Group's business is mineral exploration and evaluation, which are speculative activities. There is no certainty that Power Metal will proceed to the development of any of its projects or otherwise realise their full value. The Group aims to mitigate this risk when evaluating new business opportunities by targeting areas of potential where there is at least some historical drilling or geological data available and where leading exploration consultants believe there is strong evidence of high-class mineral deposits.

Resource risk
All mineral projects have risk associated with defined grade and continuity. Mineral reserves and resources will be calculated by the Group in accordance with accepted industry standards and codes but are always subject to uncertainties in the underlying assumptions which include geological projection and commodity price assumptions. At present Power Metal does not have projects with quantified mineral reserves and resources.

Environmental risk
Exploration of a project can be adversely affected by environmental legislation and the unforeseen results of environmental studies carried out during the evaluation stage. The Group's environmental risk extends to its corporate and exploration interests in Australia, Botswana, Canada, Tanzania and the USA. Power Metal will ensure proper measures are taken to assess environmental risk including appropriate technical submissions to reporting authorities prior to work commencing. Also, any disturbance to the environment during any exploration on any of the licence areas will be rehabilitated in accordance with the prevailing local regulations.

Financing & liquidity risk
The Group has an ongoing requirement to fund its activities through the equity capital markets. There is no certainty such funds will be available when needed. To date the Group has managed to raise the required funds, primarily through equity placements, including placements undertaken during very difficult market conditions of 2021/22 and monies from warrant exercises.

The Directors have prepared cash flow forecasts for at least the next 12 months from the date of this report and are confident that the Company has sufficient financial resources to fund its operations.

From a wider perspective it is noted that the junior resource sector is cyclical, with peaks and troughs in valuations of companies and generic sector confidence. The ease of financing follows this cyclicity and that means the financing environment for junior companies can switch from challenging to comfortable, and vice versa, quite quickly. The impact of cyclicity can be less significant for well-respected companies with successful business models, and therefore the actual financing experience is different for each company.

Power Metal holds listed securities, alongside its cash reserves, which may be sold (subject to any applicable lock-in periods), further bolstering available capital.

Political risk
All countries carry political risk that can lead to interruption of activity. Politically stable countries can have enhanced environmental and social risks, risks of strikes and changes to taxation, whereas less developed countries can have, in addition, risks associated with changes to the legal framework, civil unrest and government expropriation of assets. The Company has working knowledge of the countries in which it holds exploration licences and has appointed experienced local operators to assist the Company in its activities in order to help reduce possible political risk.

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

Review of business and financial performance
The ongoing performance of the Company is managed and monitored using a number of key financial and non-financial indicators ("KPIs") on a monthly basis:

i. Cash position

Having sufficient cash for business operations is vital for an exploration company and cash must be managed accordingly. The Directors review and manage the Group's cash flow on a monthly basis. The financial strategy is to ensure that, wherever possible, there are sufficient funds to cover corporate overheads and exploration expenditure for as long a period as possible. Power Metal Resources has confidence that financing of the Company can continue as and when required, albeit the board is keen to avoid excessive dilution and will manage the financing process with that objective in mind.

Furthermore, the Company has ensured that where possible it has built operational flexibility in its corporate and exploration portfolio enabling expenditure to be paused should the financing environment prove difficult and cash preservation prove essential.

ii. Exploration expenditure by project

The Company controls its exploration spend by project versus budget and in relation to its available cash resources. If the results of exploration do not meet expectations, then budgeted activities are re-evaluated or even cancelled. Evaluation of early-stage projects is approached in a cost-effective way. The Group determines whether there are any indicators of impairment of its exploration assets on an annual basis.

iii. Share price

The Company monitors its share price monthly versus a peer group of explorers. Many factors outside the Company's control can affect the share price but the Company appreciates that this KPI is important to shareholders and the market in general in assessing the Company's performance.

Directors' indemnities

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

Section 172 (1) Statement

The Board of Power Metal is aware that the decisions we make may affect the lives of many people. The Board makes a conscious effort to try and understand the interests of our stakeholders, and to reflect them in the choices we make in creating long-term sustainable success for the business.

The Board views engagement with our shareholders and wider stakeholder groups as essential work. We are aware that we need to listen to each stakeholder group, so that we can understand specific interests, and foster effective and mutually beneficial relationships. By understanding our stakeholders, we can build their needs into the decisions we take.

Throughout this Annual Report, we provide examples of how we:

- Consider the likely consequences of long-term decisions;
- Foster relationships with stakeholders;
- Understand our impact on our local community and the environment; and
- Demonstrate the importance of behaving responsibly.

This section serves as our s172 statement and should be read in conjunction with the Strategic Report and the Company's Corporate Governance Statement. S172 of the Companies Act 2006 (CA) requires Directors to act in a way that they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole, taking into account the following factors (among others) listed in s172:

(a) the likely consequences of any decision in the long term,
(b) the interests of the company's employees,
(c) the need to foster the company's business relationships with suppliers, customers and others,
(d) the impact of the company's operations on the community and the environment,

(e) the desirability of the company maintaining a reputation for high standards of business conduct, and
(f) the need to act fairly as between members of the company.

The Directors continue to have regard to the interests of the Company's employees and other stakeholders, including the impact of its activities on the community, the environment and the Company's reputation, when making decisions. Acting in good faith and fairly between members, the Directors consider what is most likely to promote the success of the Company for its members in the long term.

Active stakeholder engagement and open communication have become increasingly important in decision making for the Board. Specific decisions taken during the year following consultations with key stakeholders include:

- An intensification of investment community engagement through social media and through online interaction with shareholders and investors and a return post Covid-19 to undertaking of live and face to face investor events;
- The work undertaken by the FDR PLC team to engage with heritage groups in Australia, in preparation for planned exploration activities;
- The use of local operators and advisers where possible to increase employment and consultancy revenues within local operating environments;
- The issue of shares and options to service providers and options to directors in order to create long term incentives, align their interests with those of the members and conserve cash through the period of uncertainty during the earlier part of the accounting period.

The Board regularly reviews our principal stakeholders and how we engage each group. The stakeholder voice is brought into the boardroom throughout the annual corporate cycle through information provided by management and also by direct engagement with stakeholders themselves, including shareholder interviews and question and answer sessions with the Chief Executive Officer. The relevance of each stakeholder group may increase or decrease depending on the matter or issue in question, so the Board seeks to consider the needs and priorities of each stakeholder group during its discussions and as part of its decision making.

The table below acts as our s172(1) statement by setting out the key stakeholder groups, their interests and how Power Metal has engaged with them over the reporting period. However, given the importance of stakeholder focus, long-term strategy and reputation, these themes are also discussed throughout this Annual Report.

Stakeholder	Their interests	How we engage
Investors	Business sustainability High standards of governance Comprehensive review of financial performance of the business Success of the business Ethical behaviour Awareness of long-term strategy and direction Improving market perception of the business Delivering long term value to shareholders Experience of directors Project prospectivity	Interim and Annual Report Investor Relations section on the Company website RNS announcements Trading updates Shareholder circulars AGM results Press releases Media articles and interviews, including podcasts Board encourages open dialogue with the Company's investors Use of social media
Regulatory bodies	Compliance with regulations Worker pay and conditions Health and Safety Brand reputation Waste and environment Insurance Environmental protection	Company website Stock exchange announcements Annual Report Direct contact with regulators Compliance updates at Board Meetings Consistent risk review Compliance with local regulatory requirements and industry standard principles Appointment of nominated advisor in accordance with AIM Rules
Environment	Sustainability Energy usage Recycling Waste Management	Oversight of corporate responsibility plans Reduce environmental impact of exploration by producing detailed field operation guidelines Adhere to local guidelines Obtain required permits from local authorities Removal of operational waste and treatment at appropriate facilities Detailed field operation guidelines to minimise any negative environmental impact of exploration activities

Community	Community outreach Human Rights Sustainability	Meeting with key community representatives Partnering with the communities in which we operate – sharing plans/ideas for discussion Active communication with landowners and communities where field work is taking place Local landowners are paid promptly Adhere to Government guidelines for approaching landowner and native title holder discussion Rehabilitation of drill sites after work has completed Employment of local contractors where possible Fair and prompt payment of all contractors
Contractors	Terms and conditions of contract Health and safety Human rights and modern slavery	Anti-bribery and anti-corruption policy Whistleblowing policy is in place to ensure rights are protected Provide mandatory health and safety training and creating a safe working environment through strict procedures. Contractors are sourced locally where possible Communication with contractors is frequent through a dedicated exploration manager

Paul Johnson, Chief Executive Officer
3 March 2023

BOARD OF DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

Paul Johnson, Chief Executive Officer
Paul Johnson holds a degree in Management Science from the University of Manchester Institute of Science and Technology and is a Chartered Accountant, Chartered Loss Adjuster and Associate of the Chartered Insurance Institute. Paul is the Chief Executive Officer of Value Generation Limited, a family investment and advisory company focused on the natural resource and related fintech sectors.

Paul Johnson is an experienced public company director and has previously been Chief Executive Officer of Metal Tiger PLC (AIM), Metal NRG PLC (Standard Segment of the main London Stock Exchange) and China Africa Resources PLC (AIM). He has been Chairman of ECR Minerals PLC (AIM) and Non-Executive Director of Greatland Gold PLC (AIM), Papua Mining PLC (AIM), Thor Mining PLC (AIM) and Armadale Capital (AIM).

Scott Richardson Brown, Interim Non-Executive Chairman
Scott is a Fellow of the Institute of Chartered Accountants in England and Wales. He began his career at Coopers & Lybrand (later PricewaterhouseCoopers) in the banking and capital markets division, he later became a partner in the corporate broking/finance division of Oriel Securities Limited covering a range of sectors.

Since leaving Oriel Securities Limited, Scott has held a number of directorships of AIM-quoted companies operating within the natural resources sector in both CEO, CFO and Non-Executive Director roles and specialises in restructuring and turning around companies in difficulty.

Ed Shaw, Non-Executive Director
Ed started his career 25 years ago at Citibank having studied Chemistry at the University of Bristol. Ed was one of the founding partners of Newpeak Capital LLP in 2007 and has a long history of trading and more recently raising capital for companies in the mining sector including microcap resource stocks, the area of the market in which POW is currently positioned.

Ed complements the existing team and helps strengthen the Board particularly by adding weight to the Company's financing strategy, a key element of business management for listed microcaps.

Owain Morton, Non-Executive Director
Owain holds a Masters and Bachelor in Mining Engineering along with Mineral Surveying & Resource Management from Camborne School of Mines.

Owain is an experienced mining and minerals professional leading and managing teams in mining operations, exploration, engineering, technology and innovation as well as evaluations and supporting capital raising. He has worked at management level for some of the world's largest mining and metals companies, traders and engineering houses including; Barrick, ArcelorMittal, Glencore and TetraTech. Owain has previously held board positions for ArcelorMittal subsidiaries in Bosnia, Algeria and South Africa.

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2022

The Directors present their report together with the audited consolidated financial statements of Power Metal Resources PLC (the "Company"), together with its subsidiaries (the "Group"):

- its 83.13% owned subsidiary, Golden Metal Resources PLC ("GMT");
- its 83.13% owned indirect subsidiary, Golden Metal Resources LLC ("GMR LLC");
- its 83.13% owned indirect subsidiary, Pilot Metals Inc. ("PMI");
- its 83.13% owned indirect subsidiary, BFM Resources Inc. ("BFMR")
- its 62.12% owned subsidiary, First Development Resources PLC ("FDR");
- its 62.12% owned indirect subsidiary, First Development Resources Pty Ltd ("FDR Pty");
- its 62.12% owned indirect subsidiary, Pardoo Resources Pty Ltd ("Pardoo");
- its 62.12% owned indirect subsidiary, RH Resources Pty Ltd ("RH Pty");
- its 62.12% owned indirect subsidiary, URE Metals Pty Ltd ("URE");
- its 100% owned subsidiary, Power Capital Investments Ltd ("PCI");
- its 100% owned subsidiary, Tati Greenstone Resources Pty Ltd ("TGR");
- its 100% owned subsidiary, Power Metal Resources Botswana Pty Ltd ("PMRB");
- its 100% owned subsidiary, Power Metal Resources Australia Pty Ltd ("PMRA");
- its 100% owned subsidiary, Power Metal Resources Canada Inc ("PMRC");
- its 100% owned indirect subsidiary, 102134984 Saskatchewan Ltd ("SASK");
- the 70% owned Power Metal Resources SA (formerly ABM Kobald SAS), ("PMRSA");
- its 100% owned subsidiary, Regent Resources Interests Corporation ("RRIC");
- its 100% owned subsidiary, Cobalt Blue Holdings Inc ("CBH"); and
- its 100% owned subsidiary, African Battery Metals Ltd ("ABM").

The Group's focus is metals exploration and development with a focus currently on precious metals exploration in North America and Australia together with base and strategic metals exploration in Africa.

Results
The Group reports a total comprehensive loss of £137k (2021: loss of £622k).

Major events after the reporting date
For information regarding events after the reporting date, see note 28 to the financial statements.

Dividends
The Directors do not recommend the payment of a dividend for the year ended 30 September 2022 (2021: £nil).

Financial risk management
The Group's operations are exposed to a variety of financial risks, and these are detailed in note 24 to these financial statements.

Political donations
There were no political donations during the year ended 30 September 2022 (2021: £nil).

Bribery legislation
The Directors have adopted appropriate procedures to ensure compliance with the Bribery Act 2010.

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2022

Directors
The Directors of the Company who served during the year and since the reporting date are as follows:
P Johnson, Chief Executive Officer
S Richardson Brown, Interim Non-executive Chairman
E Shaw, Non-executive Director
O Morton, Non-executive Director (appointed 10 October 2022)

Directors' interests
The beneficial interests of the Directors holding office at the end of 30 September 2022 in the issued share capital of the Company as of 30 September 2022 were as follows:

	Number of ordinary shares of 0.1p each	Percentage of issued ordinary share capital
P Johnson*	76,000,000	4.71
S Richardson Brown	-	-
E Shaw	14,000,000	0.87

* Includes 7,000,000 ordinary shares held by his wife, Michelle Johnson, and 59,500,000 held by Value Generation Ltd, a company beneficially owned by Paul Johnson

Details of share options and warrants granted to Directors are disclosed in note 22 to the financial statements.

Directors' remuneration and service contracts
Details of Directors' emoluments including share-based payments are disclosed in note 8 to the financial statements.

	Salary/fees £'000	Bonus £'000	Total 2022 £'000	Total 2021 £'000
A Bell (Resigned 30.9.21)	-	-	-	78
P Johnson	105	61	166	166
S Richardson Brown	33	21	54	31
E Shaw	25	15	40	31
Total	**163**	**97**	**260**	**306**

There were 7 employees other than the Directors during the year ended 30 September 2022.

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

Going concern
The financial statements are prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, the Directors have taken into account all relevant available information about the current and future position of the Group, including current level of resources and the required level of spending on exploration and corporate activities. As part of their assessment, the Directors have also considered the potential for continuing warrant exercises and the ability to raise new funding whist maintaining an acceptable level of cash flows for the Group to meet all commitments.

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2022

The Directors have stress tested the Group's cash projections, which involves preserving cash flows and adopting a policy of minimal cash spending for a period of at least 12 months from the date of approval of these financial statements. The Directors believe the measures they have available will result in sufficient working capital and cash flows to continue in operational existence. Taking these matters in consideration, the Directors continue to adopt the going concern basis of accounting in the preparation of the financial statements.

The financial statements do not include the adjustments that would be required should the going concern basis of preparation no longer be appropriate.

Statement of Directors' responsibilities
The Directors are responsible for preparing the Strategic Report, the Directors' Report, and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the financial statements in accordance with UK-adopted international accounting standards and, as regards the Company financial statements, as applied in accordance with the requirements of the Companies Act 2006. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and the Group and of the Group's results for that period.

In preparing these financial statements, the Directors are required to:
– select suitable accounting policies and then apply them consistently;
– make judgements and estimates that are reasonable and prudent;
– state whether the financial statements comply with UK-adopted international accounting standards in conformity with the Companies Act 2006; and
– prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

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

Statement of disclosure to auditor
So far as the Directors are aware:
– there is no relevant audit information of which the Company's auditor is unaware; and
– all the Directors have taken the 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 have expressed their willingness to continue in office and a resolution will be proposed at the annual general meeting to reappoint PKF Littlejohn LLP as auditor for the next financial year.

By order of the Board

Paul Johnson, Chief Executive Officer
3 March 2023

CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2022

As Chairman of the Board of Directors of Power Metal Resources PLC (Power Metal), (Company), (Group), it is my responsibility to ensure that the Company has both sound corporate governance and an effective Board. As Chairman of the Company, my responsibilities include leading the Board effectively, overseeing the Company's corporate governance model, and ensuring that good information flows freely between Executives and Non-Executives in a timely manner. The Chairman's principal responsibility is to ensure that the Company and its Board are acting in the best interests of shareholders.

This report follows the structure of the Quoted Companies Alliance Corporate Governance ("QCA Code") guidelines and explains how we have applied the guidance. The Board considers that the Group complies with the QCA Code so far as it is practicable having regard to the size, nature and current stage of development of the Company, and areas of non-compliance are disclosed in the text below. Further details of the Company's compliance with the QCA Code can be found on the Company's Corporate Governance page on the website (https://www.powermetalresources.com/corporate-governance), and any areas of non-compliance will be disclosed in the text below.

The Board understands that application of the QCA Code supports the Company's medium to long-term success whilst simultaneously managing risks and providing an underlying framework of commitment and transparent communications with stakeholders.

QCA Principles

1. Establish a strategy and business model which promotes long-term value for shareholders

A description of the Company's business model and strategy can be found on page 11, and the key challenges in executing the Company's strategy can be found on page 11 to 12.

2. Seek to understand and meet shareholder needs and expectations

Power Metal places a great deal of importance on communication with its stakeholders and is committed to establishing constructive relationships with investors and potential investors in order to assist it in developing an understanding of the views of its shareholders. The Company seeks to provide effective communication through Interim and Annual Reports, along with Regulatory News Service announcements on the Company's website, www.powermetalresources.com and active engagement including CEO interviews and Q&A sessions with a range of social and investor-oriented media. The Company also has a News Archive section on the website, enabling investors to easily access a range of archived reports and previous updates, as well as a Shareholder Circulars page which includes key business and corporate governance updates. For the year under review, in order to improve shareholder communications, the Board has provided regular updates to shareholders on the progress of the Company's projects through RNS announcements and on its website.

Power Metal is committed to maintaining a healthy dialogue between the Board and all of its shareholders to enable shareholders to come to informed decisions about the Company. This is achieved through formal meetings such as the AGM, which typically provides an opportunity to meet, listen and present to shareholders, and shareholders are encouraged to attend. The Company is open to receiving feedback from key stakeholders and will take action where appropriate. The key contact for shareholder liaison is Paul Johnson, who meets with shareholders as and when requested.

Information on the Investors section of the Company's website is kept up to date and contains details of relevant developments, interviews, presentations and key reports.

The Company also engages the services of external media service providers who assist with Power Metal's public and investor relations, ensuring information is accessible to stakeholders and released in a timely and informative manner. These advisers also seek to encourage and facilitate shareholder engagement.

3. Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Board recognises that the long-term success of the Group is reliant upon the efforts of employees of the Group 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.

Power Metal seeks to be a socially responsible Company which has a positive impact on the communities in which it operates. No discrimination is tolerated and the Company endeavours to give all employees the opportunity to develop their capabilities. Everyone within the Group is a valued member of the team and our aim is to help every individual achieve their full potential. We offer equal opportunities regardless of race, gender, gender identity or assignment, age, disability, religion, and sexual orientation. The Group 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 Group.

Further details on the Company's take on stakeholder and social responsibilities and their implications for long-term success can be found in the Section 172 Statement in the Strategic Report on pages 11 to 16.

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

The Board has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks in a timely manner. The Board ensures that corrective action is taken and that risks are identified as early as practically possible, as well as being responsible for reviewing the effectiveness of internal financial controls. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. Although no system of internal financial control can provide absolute assurance against material misstatement or loss, the Group's systems are designed to provide reasonable assurance that problems are identified on a timely basis and dealt with appropriately. In addition, members of the Board attend industry conferences and seminars to keep abreast of sector risks and industry changes.

The Audit Committee (as well as the Board as a whole) reviews reports from the Company's auditors relating to the internal control systems in use throughout the Group in order to determine the adequacy and efficiency of internal control and risk management systems. An internal audit function is not yet considered necessary as day to day control is sufficiently exercised by the Company's Executive Directors. However, the Board will continue to monitor the need for an internal audit function.

5. Maintain the Board as a well-functioning, balanced team led by the Chair

The Board currently comprises one Executive Director, Paul Johnson and three Non-Executive Directors, Scott Richardson Brown, Ed Shaw, and Owain Morton (appointed 10 October 2022). Scott Richardson Brown is acting as interim Chairman.

Ed Shaw is employed by the Company's joint broker, First Equity, and, as such, the Company does not consider him to be an Independent Non Executive Director in accordance with the QCA code. Scott Richardson Brown and Owain Morton are considered to be Independent Non Executive Directors. Scott Richardson Brown has an interest in 11,000,000 options and Owain Morton has an interest in 5,000,000 options which were granted to him as part of his appointment as a Non Executive Director to the Company. Neither Mr Richardson Brown, Mr Morton or the Company believe that their interests are significant in assessing their respective independence.

The Board comprises the interim Independent Non-Executive Chairman, Scott Richardson Brown, the CEO, Paul Johnson, Ed Shaw, the Non Executive Director and Owain Morton, the independent Non-Executive Director. The Directors are satisfied that the Company's Board composition is appropriate given the Company's size and stage of development. The Board will keep this matter under regular review and to the extent, additional independence is felt to be required on the Board, it shall be sought. The Board further believes that the skillsets of the interim Non Executive Chairman and Non-Executive Director are appropriate and beneficial for all shareholders and stakeholders and that they offer key expertise to the Executive Director that are advantageous for the Company as a whole. Furthermore, the Board maintains that its composition will be frequently reviewed as the Company develops.

Mr Paul Johnson worked for 329 days per year. Mr Scott Richardson Brown and Mr Ed Shaw worked for not less than 24 days per year.

During the financial year there were 7 routine Board Meetings and 17 non-routine Board Meetings, and the attendance of each director is outlined below:

Director	Routine Board Meetings	Non-Routine Board Meetings
Paul Johnson	7	17
Scott Richardson Brown	7	17
Ed Shaw	7	17

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

The Company's Board includes Directors from a range of industries including the accounting and finance, and natural resources sectors. The Company believes that the current balance of skills in the Board as a whole reflects a very broad range of personal, commercial, and professional capabilities, providing the ability to deliver the Company's strategy for the benefit of shareholders over the medium and long-term. Directors are encouraged to maintain up-to-date skillsets by attending training, conferences and networking events. Biographical details of the Directors can be found on page 17.

ONE Advisory Limited has been contracted by the Company to act as Power Metal's Company Secretary and has been given the responsibility for ensuring that Board procedures are followed and that the Company complies with all applicable rules, regulations and obligations governing its operation, including assistance with Board and shareholder meetings and Market Abuse Regulations ("MAR") compliance. ONE Advisory Limited also supports the Board in its development of the Company's corporate governance responsibilities, assisting with the Company's application of the QCA Code and in relation to AIM Rule 26 disclosures.

The Company's Nominated Adviser is consulted on all matters. The Company took advice on general corporate PLC management, potential & actual acquisitions, changes to board composition and business strategy.

All Directors have access to independent professional advice, if required.

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

The Directors consider that the Company and Board are not yet of a sufficient size for a full Board evaluation to make commercial and practical sense. Therefore, the Board accepts that the Company does not comply with this aspect of the QCA Code, although in frequent Board meetings/calls, the Directors can discuss any areas where they feel a change would be beneficial for the Company, and the Company Secretary remains on hand to provide impartial advice. As the Company grows, it intends to expand the Board and, with expansion, re-consider the need for a formal Board evaluation.

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

The Board recognises that its 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 aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole. 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. The Board also ensures that communities within the regions that the Company operates within continue to be supported, being cognisant of the Company's pledge to Corporate Social Responsibility.

A large part of the Company's activities is centred upon an open and respectful dialogue with shareholders, contractors, regulators 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 importance 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.

9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2022

The Board delegates authority to two Committees to assist in meeting its business objectives whilst ensuring a sound system of internal control and risk management. The Committees meet independently of Board meetings.

Audit Committee
The Audit Committee comprises Scott Richardson Brown and Ed Shaw and is chaired by Scott Richardson Brown. The Audit Committee is responsible for ensuring that the financial performance, position, and prospects of the Group are properly monitored and reported on and for meeting with the auditor and reviewing audit reports relating to the Company's accounts. The Audit Committee is required to report formally to the Board on its proceedings after each meeting on all matters for which it has responsibility. The audit committee met once during the year under review.

Remuneration Committee
The Remuneration Committee comprises Scott Richardson Brown and Edmund Shaw, and is chaired by Scott Richardson Brown, a qualified chartered accountant. The Committee is responsible for the review and recommendation of the scale and structure of remuneration for senior management, including any bonus arrangements or the award of share options with due regard to the interests of shareholders and the performance of the Company.

The Board notes that additional information supplied by the Audit Committee and by the Remuneration Committee has been disseminated across the whole of this Annual Report, rather than included as separate Committee Reports.

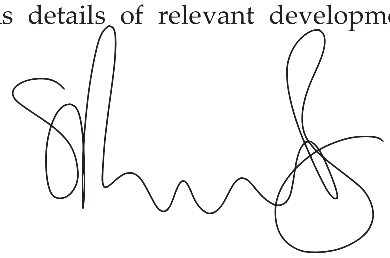
Major events after the reporting date
For information regarding events after the reporting date, see note 28 to the financial statements.

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

The Board is committed to maintaining effective communication and having constructive dialogue with its shareholders and other relevant stakeholders. The Company intends to have ongoing relationships with both its private and institutional shareholders (through meetings and presentations), and for them to 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, where possible. The Board discloses the result of general meetings by way of announcement and additionally discloses the results of proxy votes during the meetings and subsequently on the website. The proxy results of the 2022 Annual General Meeting can be found on the Company's Corporate Governance webpage. The Board maintains that, if there is a resolution passed at an AGM with 20% votes against, the Company will seek to understand the reason for the result and, where appropriate, take suitable action.

The latest Corporate Documents can be found on the Company's website. Information on the Investors section of the Group's website is kept updated and contains details of relevant developments, interviews, presentations, and other key information.



Scott Richardson Brown, Interim Non-Executive Chairman
3 March 2023

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF POWER METAL RESOURCES PLC

Opinion

We have audited the financial statements of Power Metal Resources Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 September 2022 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- Challenging the directors' forecasts prepared to assess the group's and parent company's ability to meet its financial obligations as they fall due for a period of at least twelve months from the date of approval of the financial statements. We have reviewed the consistency of committed cash flows against contractual arrangements and historic information and compared general overheads to current run rates;

- Identifying and evaluating subsequent events which impact upon going concern, including the recent equity fund raise, and evaluating the likelihood of occurrence of other forecast future cash inflows; and
- Stress testing the forecasted cash flows by eliminating sources of income that are not currently guaranteed, as well as critically reviewing committed versus non committed expenditure, in order to evaluate reasonably possible downside scenarios impacting the headroom.

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

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

Our application of materiality

We apply the concept of materiality in both planning and performing the audit, and in evaluating the effect of misstatements. At the planning stage, materiality is used to determine the financial statements areas that are included within the scope of the audit and the extent of the sample sizes during the audit.

The materiality applied to the group financial statements was £242,000 (2021: £127,000), based on 2% of gross assets, as it is from these assets that the group seeks to deliver returns for shareholders, in particular the value of exploration and development projects the group is interested in and the recoverability of financial assets. A separate materiality was set for the group statement of comprehensive income items to obtain sufficient coverage from testing of expenditure in the year. The materiality applied was £136,000 (2021: £27,000), based on 5% of the loss for the year adjusted for non-recurring items.

Materiality for the parent company has been set at £213,000 (2021: £126,500) based on 2% of gross assets, with a separate materiality for the statement of comprehensive income of £103,000 (2021: £26,500), based on 5% of the loss for the year adjusted for non-recurring items.

Performance materiality for the group and parent company has been set at 70% (2021: 70%) of overall materiality, and the threshold for which we communicate errors to management has been set at 5% of overall materiality. We also agreed to report any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds. We set performance materiality based upon the required coverage from testing key items and the absence of audit adjustments in prior periods.

Materiality has been reassessed at the closing stages of the audit, taking into consideration new information which arose. No alterations were made to materiality either during or at the conclusion of the audit.

Our approach to the audit

In designing our audit, we looked at areas which deemed to involve significant judgement and estimation by the directors, such as the key audit matters surrounding the carrying value of intangible assets, and the classification and valuation of investment and financial assets balances. The remaining significant judgemental area surrounded the valuation of share-based payments. We also addressed the risk of management override of controls, including consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Work on all significant components of the group has been performed by us as group auditor.

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
Carrying value of intangible exploration and evaluation assets (Note 10)	
The group holds material intangible assets relating to capitalised costs in respect of mineral exploration projects. **The directors consider each asset to assess whether there are indicators of impairment by considering the potential resources available from exploration and evaluation work undertaken, together with the availability of finance to further evaluate the exploration rights.** **There is a risk that impairment indicators exist which would result in an impairment of the year end intangible assets balance.**	Our work in this area included: • Holding discussions with management and evaluating the development of the projects during the year, and subsequent to the year end, for evidence of impairment indicators in accordance with IFRS 6 Exploration for and Evaluation of Mineral Resources; • Obtaining and reviewing applicable correspondence and license agreements to ensure transactions are accounted for in accordance with the terms therein; • Confirming good title to the projects exists as at the year-end; • Performing substantive tests of detail on intangible additions during the year and confirming their eligibility for capitalisation; • Evaluating, and providing challenge to, management's impairment assessment; and • Reviewing the disclosures in the financial statements, including those relating to estimates and judgements used, and evaluate their completeness.

Classification and valuation of investments (in subsidiaries, associates, joint ventures, and other financial assets) (Notes 11, 12, 13, 14 and 15)	
Investments in subsidiaries and receivables from group undertakings (parent company only), as well as joint ventures, associates and equity investments as financial assets (group & parent company), are the most significant balances in the financial statements. **There is a risk that the requirements of IAS 28 Investments in Associates and Joint Ventures, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Arrangements have not been applied correctly, and that investment balances have been inappropriately classified and recorded in the financial statements.** **Given the early-stage exploration activities in these entities, existence of losses and potential delays in advancing developments at the underlying projects depending on the availability of funding to meet minimum expenditure and earn-in commitments, there is a risk that the investment balances are not fully recoverable.** **In addition to the above, there are material assets classified as held for sale at the year end. There is a risk that the requirements of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations have not been met in terms of classification, valuation and disclosure.**	Our work in this area included: • Confirmation of ownership and good title of all investments; • For financial assets, reviewing accounting entries made during the year and at year end in respect of fair value movements and vouching to supporting documentation; • Considering the criteria within IAS 28 Investments in Associates and Joint Ventures and determine if the accounting treatment of the JV entities is in accordance with the standard, including corroboration to relevant supporting documentation or correspondence. Considering ownership percentage, as well as any indications of significant influence, control, or joint control; • Considering the classification criteria within IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations and concluding as to whether the accounting treatment is appropriate at the year end, based on conditions existing at the balance sheet date; • Considering whether the assets classified as held for sale are held at an appropriate carrying value at year end in accordance with IFRS 5, being the lower of fair value less costs to sell and carrying amount; • Considering the recoverability of investments and intercompany loans by reference to underlying net asset values, including the recoverability potential of the underlying exploration projects by reference to IFRS 6; • Obtaining and reviewing board impairment papers in respect of investments, providing appropriate challenge, and obtaining corroboration for any key assumptions made; and • Reviewing disclosures made in the financial statements in accordance with IFRS 5, IAS 28 and IFRS 9 and ensuring these are

	complete and in accordance with the applicable standards.

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management and our experience of the resource exploration sector.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from:
  - Companies Act 2006;
  - AIM Rules;
  - Local tax and employment law; and
  - Local environmental and mining regulations.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
  - Enquiries of management;
  - Review of Board minutes;
  - Review of legal expenses; and
  - Review of RNS announcements.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the estimates, judgements and assumptions applied by management in the assessment of impairment of intangible assets and investment balances gave the greatest potential for management bias.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF POWER METAL RESOURCES PLC

- 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.

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

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

Use of our report

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

David Thompson (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
3 March 2023

15 Westferry Circus
Canary Wharf
London E14 4HD

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Note	2022 £'000	2021 £'000
Revenue		37	37
Gross profit		37	37
Operating expenses	6	(3,127)	(847)
Impairment	10	-	(156)
Fair value gains through profit or loss	15	309	445
Loss from operating activities		(2,781)	(521)
Share of post-tax losses of equity accounted joint ventures	12	(167)	(102)
Loss before tax		(2,948)	(623)
Taxation	9	-	-
Loss for the year from continuing operations		(2,948)	(623)
Other comprehensive income			
Items that will or may be reclassified to profit or loss;			
Exchange translation		18	1
Items that will not be reclassified to profit or loss			
Capital contribution	20	2,793	-
Total other comprehensive (expense)/income		2,811	1
Total comprehensive loss for the year		(137)	(622)
Loss for the period attributable to:			
Owners of the parent		(2,256)	(592)
Non-controlling interests		(692)	(31)
		(2,948)	(623)
Total comprehensive loss attributable to:			
Owners of the parent		82	(591)
Non-controlling interests		(219)	(31)
		(137)	(622)
Earnings per share from continuing operations attributable to the ordinary equity holder of the parent:			
Basic and diluted loss per share (pence)	21	(0.15)	(0.05)

The notes on pages 46 to 89 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

	Note	30 September 2022 £'000	30 September 2021 £'000
Assets			
Intangible assets	**10**	7,138	800
Investments in associates and joint ventures	**12**	402	166
Financial assets at fair value through profit or loss	**15**	1,620	3,527
Property, plant and equipment		33	2
Non-current assets		9,193	4,495
Financial assets at fair value through profit or loss	**15**	2,384	179
Trade and other receivables	**16**	346	175
Cash and cash equivalents	**17**	1,560	1,281
Current assets		4,290	1,635
Assets classified as held for sale	**14**	1,124	153
Total assets		14,607	6,283
Equity			
Share capital	**19**	8,065	7,705
Share premium	**19**	23,312	18,437
Capital redemption reserve		5	5
Capital contribution reserve	**20**	2,322	-
Share based payment reserve	**22**	1,638	1,541
Exchange reserve		90	72
Accumulated losses		(23,740)	(21,488)
Total		11,692	6,272
Non-controlling interests	**18**	2,065	(306)
Total equity		13,757	5,966
Liabilities			
Trade and other payables	**23**	850	317
Current liabilities		850	317
Total liabilities		850	317
Total equity and liabilities		14,607	6,283

The financial statements of Power Metal Resources PLC, company number 07800337, were approved by the board of Directors and authorised for issue on 3 March 2023. They were signed on its behalf by:

Paul Johnson, Chief Executive Officer

The notes on pages 46 to 89 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Share capital £'000	Share premium £'000	Shares to be issued £'000	Capital Redemption Reserve £'000	Capital contribution reserve £'000	Share based payment Reserve £'000	Exchange reserve £'000	Retained deficit £'000	Total £'000	Non-Controlling Interests £'000	Total Equity £'000
Balance at 1 October 2020	7,286	14,910	22	5	-	1,286	71	(20,911)	2,669	(275)	2,394
Loss for the period	-	-	-	-	-	-	-	(592)	(592)	(31)	(623)
Other comprehensive income	-	-	-	-	-	-	1	-	1	-	1
Total comprehensive income / (expense) for the period	-	-	-	-	-	-	1	(592)	(591)	(31)	(622)
Adjustment for previous year	(19)	19	-	-	-	-	-	-	-	-	-
Issue of ordinary shares	438	3,546	(22)	-	-	-	-	-	3,962	-	3,962
Costs of share issues	-	(38)	-	-	-	-	-	-	(38)	-	(38)
Share-based payments	-	-	-	-	-	270	-	-	270	-	270
Warrant exercises	-	-	-	-	-	(15)	-	15	-		-

The notes on pages 46 to 89 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2021

Total transactions with owners	419	3,527	(22)	-	-	255	-	15	4,194	-	4,194
Balance at 30 September 2021	7,705	18,437	-	5	-	1,541	72	(21,488)	6,272	(306)	5,966

The following describes the nature and purpose of each reserve:
Share Capital: Amount subscribed for share capital at nominal value.
Shares to be issued: Amount subscribed for share capital not yet issued at the reporting date.
Share based payment reserve: Amounts recognised for the fair value of share options and warrants granted.
Capital Contribution Reserve: relates to the assignment of receivables from subsidiary undertakings for which no consideration is expected to be paid.
Share Premium: Amount subscribed for share capital in excess of nominal value.
Capital Redemption Reserve: Amounts relating to the purchase of Company's own shares.
Exchange Reserve: Foreign exchange differences in re-translation.
Non-controlling interests: Cumulative net profits/(losses) and exchange differences in relation to non-controlling interests. Retained profits/(losses): Cumulative net profits/(losses) recognised in the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Share capital £'000	Share premium £'000	Capital Redemption Reserve £'000	Capital contribution reserve £'000	Share based payment Reserve £'000	Exchange reserve £'000	Retained deficit £'000	Total £'000	Non-Controlling Interests £'000	Total Equity £'000
Balance at 1 October 2021	7,705	18,437	5	-	1,541	72	(21,488)	6,272	(306)	5,966
Loss for the period	-	-	-	-	-	-	(2,258)	(2,258)	(690)	(2,948)
Other comprehensive income	-	-	-	-	-	18	-	18	-	18
Capital contribution	-	-	-	2,322	-	-	-	2,322	471	2,793
Total comprehensive income / (expense) for the period	-	-	-	2,322	-	18	(2,258)	82	(219)	(137)
Issue of ordinary shares	360	4,999	-	-	-	-	-	5,359	-	5,359
Costs of share issues	-	(124)	-	-	-	-	-	(124)	-	(124)
Share-based payments	-	-	-	-	101	-	-	101	-	101
Warrant exercises	-	-	-	-	(4)	-	4	-	-	-
Non-controlling interest adjustment on	-	-	-	-	-	-	-	-	2,590	2,590

The notes on pages 46 to 89 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2022

step disposal of subsidiaries										
Total transactions with owners	360	4,875	-	-	97	-	4	5,336	2,590	7,926
Balance at 30 September 2022	8,065	23,312	5	2,322	1,638	90	(23,742)	11,690	2,065	13,755

The following describes the nature and purpose of each reserve:
Share Capital: Amount subscribed for share capital at nominal value.
Shares to be issued: Amount subscribed for share capital not yet issued at the reporting date.
Share based payment reserve: Amounts recognised for the fair value of share options and warrants granted.
Capital Contribution Reserve: relates to the assignment of receivables from subsidiary undertakings for which no consideration is expected to be paid.
Share Premium: Amount subscribed for share capital in excess of nominal value.
Capital Redemption Reserve: Amounts relating to the purchase of Company's own shares.
Exchange Reserve: Foreign exchange differences in re-translation.
Non-controlling interests: Cumulative net profits/(losses) and exchange differences in relation to non-controlling interests. Retained profits/(losses): Cumulative net profits/(losses) recognised in the financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
AS AT 30 SEPTEMBER 2022

	2022 £'000	2021 £'000
Cash flows used in operating activities		
Loss for the year from continuing activities	(2,948)	(623)
Adjustments for:		
Fair value adjustments	(309)	(445)
Share of post-tax losses of equity accounted joint ventures	167	102
Impairment	-	156
Disposals of financial assets	245	-
Share-based payment expense	101	270
Foreign exchange differences	11	1
	(2,733)	(539)
Changes in working capital:		
Increase in trade and other receivables	(250)	(181)
Increase in trade and other payables	477	156
Net cash used in operating activities	(2,506)	(564)
Cash flows from investing activities		
Purchase of intangibles	(1,530)	(528)
Purchase of financial assets at fair value through profit or loss	(426)	(2,184)
Investment in joint ventures	(188)	(256)
Proceeds from investment disposals	-	261
Purchase of property, plant, and equipment	(32)	(2)
Net cash outflows from investing activities	(2,176)	(2,709)
Cash flows from financing activities		
Proceeds from issue of share capital	3,211	3,679
Shares issued to non-controlling interests by subsidiaries	1,875	-
Issue costs	(125)	(38)
Net cash inflows from financing activities	4,961	3,641
Increase in cash and cash equivalents	279	368
Cash and cash equivalents at beginning of year	1,281	913
Cash and cash equivalents at 30 September	1,560	1,281

CONSOLIDATED STATEMENT OF CASH FLOWS
AS AT 30 SEPTEMBER 2022

Significant non-cash transactions during the year

During the year ended 30 September 2022 a capital contribution and corresponding receivable balance of £2,793k was recognised in respect of the value of loans from subsidiary undertakings as part of a group reorganisation. See note 20 for further detail.

During the year, the Group acquired intangible assets, either directly or indirectly via subsidiary undertakings and investments in subsidiaries, totalling £2,148k via the issue of ordinary shares.

Included in purchases of intangible assets, is £2,590k, relating to the issue of shares by Golden Metal Resources Plc and First Development Resources Plc during the year, to non-controlling interests.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

	Note	2022 £'000	2021 £'000
Assets			
Investments in subsidiaries	**11**	2,632	-
Investments in joint ventures	**12**	496	301
Investments in associates	**12**	209	-
Intangible assets	**10**	-	428
Financial assets at fair value through profit or loss	**15**	1,485	3,334
Property, plant and equipment		2	2
Non-current assets		4,824	4,065
Financial assets at fair value through profit or loss	**15**	2,384	179
Trade and other receivables	**16**	1,384	780
Cash and cash equivalents	**17**	1,032	1,251
Current assets		4,800	2,210
Assets classified as held for sale	**14**	1,045	153
Total assets		10,669	6,428
Equity			
Share capital	**19**	8,065	7,705
Share premium	**19**	23,312	18,438
Capital redemption reserve		5	5
Share based payment reserve	**22**	1,638	1,541
Accumulated losses		(22,868)	(21,508)
Total Equity		10,152	6,181
Liabilities			
Trade and other payables	**23**	517	247
Current liabilities		517	247
Total liabilities		517	247
Total equity and liabilities		10,669	6,428

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent Company is not presented as part of these financial statements. The loss for the financial year dealt with in the financial statements of the parent Company was £1,364,000 (2021: loss of £1,015,000).

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	Share Capital	Share premium	Shares to be issued	Capital Redemption Reserve	Share based payment reserve	Retained deficit	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 October 2020	7,286	14,910	22	5	1,286	(20,508)	3,001
Loss for the period	-	-	-	-	-	(1,015)	(1,015)
Total comprehensive (expense) for the period	-	-	-	-	-	(1,015)	(1,015)
Adjustment for previous year	(19)	19	-	-	-	-	-
Issue of ordinary shares	438	3,547	(22)	-	-	-	3,963
Cost of share issues	-	(38)	-	-	-	-	(38)
Share-based payments	-	-	-	-	270	-	270
Warrants exercised	-	-	-	-	(15)	15	-
Total transactions with owners	419	3,528	(22)	-	255	15	4,195
Balance at 30 September 2021	7,705	18,438	-	5	1,541	(21,508)	6,181

The following describes the nature and purpose of each reserve:
Share Capital: Amount subscribed for share capital at nominal value.
Shares to be issued: Amount subscribed for share capital not yet issued at the reporting date.
Share based payment reserve: Amounts recognised for the fair value of share options and warrants granted.
Share Premium: Amount subscribed for share capital in excess of nominal value.
Capital Redemption Reserve: Amounts relating to the purchase of Company's own shares.
Retained profits/(losses): Cumulative net profits/(losses) recognised in the financial statements.

The notes on pages 46 to 89 are an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Share Capital	Share premium	Shares to be issued	Capital Redemption Reserve	Share based payment reserve	Retained deficit	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 October 2021	7,705	18,437	-	5	1,541	(21,508)	6,180
Loss for the period	-	-	-	-	-	(1,364)	(1,364)
Total comprehensive (expense) for the period	-	-	-		-	(1,364)	(1,364)
Issue of ordinary shares	360	4,999	-	-	-	-	5,359
Cost of share issues	-	(124)	-	-	-	-	(124)
Share-based payments	-	-	-	-	101	-	101
Warrants exercised	-	-	-	-	(4)	4	-
Total transactions with owners	360	4,875	-	-	97	4	5,336
Balance at 30 September 2022	8,065	23,312	-	5	1,638	(22,868)	10,152

The following describes the nature and purpose of each reserve:
Share Capital: Amount subscribed for share capital at nominal value.
Shares to be issued: Amount subscribed for share capital not yet issued at the reporting date.
Share based payment reserve: Amounts recognised for the fair value of share options and warrants granted.
Share Premium: Amount subscribed for share capital in excess of nominal value.
Capital Redemption Reserve: Amounts relating to the purchase of Company's own shares.
Retained profits/(losses): Cumulative net profits/(losses) recognised in the financial statements.

The notes on pages 46 to 89 are an integral part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	2022	2021
	£'000	£'000
Cash flows from operating activities		
Loss for the year from continuing activities	(1,363)	(1,015)
Adjustments for:		
Fair value adjustment	(309)	(445)
Impairment	-	156
Disposals and impairment	1,033	-
Share based payment expense	101	270
Expected credit losses	(756)	-
	(1,294)	(1,034)
Changes in working capital:		
Increase in trade and other receivables	(1,193)	(181)
Increase in trade and other payables	263	58
Net cash used in operating activities	(2,224)	(1,157)
Cash flows from investing activities		
Investment in joint ventures	(188)	(257)
Investment in associates	(209)	-
Investment in subsidiaries	(484)	-
Investment in financial assets	(200)	(1,991)
Investment in intangible assets	-	(156)
Proceeds from investment disposals	-	261
Purchase of property, plant and equipment	-	(2)
Net cash outflows from investing activities	(1,081)	(2,145)
Cash flows from financing activities		
Proceeds from issue of share capital	3,211	3,678
Issue costs	(125)	(38)
Net cash inflows from financing activities	3,086	3,640
(Decrease)/Increase in cash and cash equivalents	(219)	338
Cash and cash equivalents at beginning of year	1,251	913
Cash and cash equivalents at 30 September	1,032	1,251

The notes on pages 46 to 89 are an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. Reporting entity

Power Metal Resources PLC is a public company limited by shares which is incorporated and domiciled in England and Wales. The address of the Company's registered office is 201 Temple Chambers, 3-7 Temple Avenue, London EC4Y 0DT. The consolidated financial statements of the Company as at and for the year ended 30 September 2022 include the Company and its subsidiaries. The Group is primarily involved in the exploration and exploitation of mineral resources in Africa, Australia, Canada and the US.

2. Going concern

The financial statements are prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, the Directors have considered all relevant available information about the current and future position of the Group, including current level of resources, additional funding raised during the year and post-year-end, and the required level of spending on exploration and drilling activities. As part of their assessment, the Directors have also taken into account the ability to raise new funding whist maintaining an acceptable level of cash flows for the Group to meet all commitments.

The Directors have stress tested the Group's cash projections, which involves preserving cash flows and adopting a policy of minimal cash spending for a period of at least 12 months from the date of approval of these financial statements. The Directors believe the measures they have put in place will result in sufficient working capital and cash flows to continue in operational existence, assuming that all exploration and drilling activities are managed carefully and curtailed if necessary. For the Group to carry out the desired levels of exploration and drilling activities, the Directors believe that it needs to secure further funding either from a strategic partner or subsequent equity raisings in the next financial year, which the Group has succeeded in completing over recent years. The Group has the ability to partially dispose of equity investments if required. Taking these matters in consideration, the Directors continue to adopt the going concern basis of accounting in the preparation of the financial statements.

The financial statements do not include the adjustments that would be required should the going concern basis of preparation no longer be appropriate.

3. Basis of preparation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards and as regards the Company financial statements, as applied in accordance with the requirements of the Companies Act 2006. The financial statements are prepared on the historical cost basis or the fair value basis where the fair value of relevant assets or liabilities has been applied, which applies to all listed investments held by the Group and company.

(b) (i) New and amended standards, and interpretations issued and effective for the financial year beginning 1 October 2021

There were no new standards, amendments or interpretations effective for the first time for periods beginning on or after 1 October 2021 that had a material effect on the Group or Company financial statements.

(ii) New standards, amendments and interpretations in issue but not yet effective

At the date of approval of these financial statements, the following standards and interpretations which have not been applied in these financial statements were in issue but not yet effective:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current *and* Amendments to IAS 1: Classification of Liabilities as Current or Non-current – Deferral of Effective Date – effective 1 January 2023*
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies – effective 1 January 2023*
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates – effective 1 January 2023*
- Amendments to IAS 12 Deferred Tax Related to Assets and Liabilities arising from a Single Transaction - effective 1 January 2023*

**Not yet endorsed in the UK*

The Directors do not expect that the adoption of these standards will have a material impact on the financial information of the group or company in future periods.

(c) Functional and presentation currency

These consolidated financial statements are presented in Pounds Sterling, which is the Company's functional and presentation currency. All financial information presented has been rounded to the nearest thousand pounds, except where otherwise indicated.

(d) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

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

Group

Carrying value of intangible assets – Notes 4(g)(ii)

In arriving at the carrying value of intangible assets, the Group determines the need for impairment based on the level of geological knowledge and confidence of the mineral resources. Such decisions are taken on the basis of the exploration and research work carried out in the period utilising expert reports.

Classification of investments - Note 4 (a) (ii)

The Group determines the classification of investment in associates based on whether significant influence is held in the entity. The existence of significant influence is evidenced in the following ways:

- Board of directors' representation,
- Management personnel swapping or sharing,
- Material transactions with the investee,
- Policy-making participation,
- Technical information exchanges.

If there is no evidence of any of the above, the Group determines that investments held are classified as financial assets.

Fair value measurement - Note 4 (c)
All assets and liabilities for which fair value is measured and disclosed in the financial statements are categorised within the fair value hierarchy (see note 4 (c) (ii).

For investments which are unlisted, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Classification of Joint Arrangements - Note 12
The Group determines whether it holds a joint arrangement if the parties to the joint arrangement are bound by a contract and the contract gives two or more of those parties joint control of the arrangement.

Once a joint arrangement has been identified, the Group class the arrangement as a joint operation if the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement.

The Group recognises the following in its financial statements in respect of a joint operation:

- Its assets, including its share of jointly held assets,
- Its liabilities, including its share of jointly incurred liabilities,
- Its revenue from the sale of its share of output arising from the joint operation,
- Its share of revenue from the sale of the output by the joint operation, and
- Its expenses, including its share of any expenses incurred jointly.

A joint arrangement is classified as a joint venture if the arrangement is structured through a separate vehicle. The Group accounts for its interest in a joint venture using the equity method.

Non-current assets held for sale - Note 14
As at 30 September 2022, the Group classified the assets and liabilities of its joint operation, Kanye Resources Pty Ltd as a non-current asset held for sale, following an announcement by the Company and its joint operation partner, Kavango Resources Plc ("Kavango"), stating an agreement had been signed whereby Kavango would purchase Power's shareholding following certain obligations, such as the publication of a prospectus by Kavango by 31 October 2022. Based on these terms, the criteria within IFRS 5 (listed below) were considered to be met at 30 September 2022.

- The asset is available for immediate sale,
- An active programme to locate a buyer is initiated,
- The sale is highly probable, within 12 months of classification,

- The asset is being actively marketed; and
- Actions require to complete the plan indicate that it is unlikely the plan will be significantly changed or withdrawn.

As required by IFRS 5, when the asset is initially classified as held for sale, the carrying amount of the asset is measured at its fair value, to determine if any further write-downs are required, and is recognised as a separate line on the statement of financial position. After classification, the asset is measured at the lower of carrying amount and fair value less costs to sell. Impairment is considered both at the time of classification and subsequent measurement by the directors. Management did not consider an impairment adjustment was required at the year end.

Parent

Receivables from Group undertakings – Note 16

The Parent Company in applying the expected credit loss (ECL) model under IFRS 9 must make assumptions when implementing the forward-looking ECL model. This model is required to be used to assess the intercompany loans receivable from subsidiaries for impairment.

Estimations were made regarding the credit risk of the counterparty and the underlying probability of default in each of the credit loss scenarios. The scenarios identified by management included Production, Divestment, Fire-sale and Failure. These scenarios considered technical data, necessary licences to be awarded, the Company's ability to raise finance, and ability to sell the project. The directors make judgements on the expected likelihood and outcome of each of the above scenarios, and these expected values are applied to the loan balances.

4. Significant accounting policies

The accounting policies set out below have been applied consistently throughout the year presented in these consolidated financial statements and have been applied consistently by Group entities.

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company made up to 30 September each year.

Business combinations

On acquisition, the assets and liabilities of a subsidiary are measured at their fair value at the date of acquisition. Any excess of the cost of the acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If the aggregate of the acquisition-date fair value of the consideration transferred and the amount recognised for the non-controlling interest (and where the business combination is achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree) is lower than the fair value of the assets, liabilities and contingent liabilities and the fair value of any pre-existing interest held in the business acquired, the difference is recognised in profit and loss.

(i) Subsidiaries and acquisitions

Business combinations are accounted for using the acquisition method as at the acquisition date – i.e., when control is transferred to the Group. Control is when the investor has power over the investee, exposure or rights, to variable returns from its involvements with the investee, and the ability to use its power over the investee to affect the amount of the investor's returns.

The results of subsidiaries acquired or disposed of during the year are included in the statement of comprehensive income from the effective date of acquisition, or up to the effective date of disposal, as appropriate.

Non-controlling interests in subsidiaries are presented separately from the equity attributable to equity owners of the parent Company. When changes in ownership in a subsidiary do not result in a loss of control, the non-controlling shareholders' interests are initially measured at the non-controlling interests' proportionate share of the subsidiaries net assets. Subsequent to this, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(ii) Equity accounted investees

Associates

Associates are entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not the ability to control or jointly control those policies. Investments in associates are accounted for using the equity method of accounting.

Joint Arrangements

Joint arrangements are where parties are bound by a contractual arrangement and that arrangement gives two or more of those parties joint control of the arrangement. Joint arrangements are accounted for using the equity method of accounting.

The group classifies its interests in joint arrangements as either:
- Joint ventures: where the group has rights to only the net assets of the joint arrangement
- Joint operations: where the group has both the rights to assets and obligations for the liabilities of the joint arrangement.

In assessing the classification of interests in joint arrangements, the Group considers:
- The structure of the joint arrangement
- The legal form of joint arrangements structured through a separate vehicle
- The contractual terms of the joint arrangement agreement
- Any other facts and circumstances (including any other contractual arrangements).

The Group accounts for its interests in joint operations by recognising its share of assets, liabilities, revenues and expenses in accordance with its contractually conferred rights and obligations. In accordance with IFRS 11 Joint Arrangements, the Group is required to apply all the principles of IFRS 3 Business Combinations when it acquires an interest in a joint operation that constitutes a business as defined by IFRS 3.

Equity method of accounting

Under the equity method of accounting, interests in associates and joint arrangements are initially recognised at cost. The Group's share of associates and joint arrangements post-acquisition profit / loss after tax and other comprehensive income/ loss are presented as the 'Share of results of Equity accounted investees' in the Group income statement and Group Statement of other comprehensive income respectively. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment less any impairment in value. Where indicators of impairment arise, the carrying amount of the associate is tested for impairment by comparing its recoverable amount against its carrying value. Unrealised gains arising from transactions with associates are eliminated to the extent of the Group's interest in the entity. Unrealised losses are similarly eliminated to the extent that they do not provide evidence of impairment of a transferred asset. When the Group's share of losses in an associate or joint arrangement equal or exceeds its interest in the associate, the Group does not recognise further losses unless the Group has incurred obligations or made payments on behalf of the entity. When the Group ceases to have or significant influence, any retained interest in the entity is re-measured to its fair value at the date when or significant influence is lost with the change in carrying amount recognised in the income statement. The Group also reclassifies any movements previously recognised in other comprehensive income to the income statement.

(iii) Transactions eliminated on consolidation

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

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

Foreign currency differences arising on retranslation into an entity's functional currency are recognised in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations are translated to pounds sterling at exchange rates at the reporting date. The income and expenses of foreign operations are translated to pounds sterling at exchange rates at the dates of the transactions, with differences recognised in other comprehensive income.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign currency gains and losses arising from such items are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income and presented in the exchange reserve in equity.

(c) Financial instruments

(i) Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Group's accounting policy for each category is as follows;

Amortised cost
The Group's financial assets held at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g., trade receivables), but also incorporate other types of financial assets where the objective is to hold their assets to collect contractual cash flows and the contractual cash flows are solely payments of the principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime ECLs. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime ECL for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Cash and cash equivalents comprise cash and cash at bank balances.

Fair value through profit or loss
Financial assets held at fair value through the profit or loss comprise equity investments held. These are carried in the statement of financial position at fair value (refer to fair value hierarchy below). Subsequent to initial recognition, changes in fair value are recognised in the statement of comprehensive income.

(ii) Financial liabilities
The Group’s financial liabilities include trade and other payables. All financial liabilities are recognised initially at fair value, net of transaction costs incurred, and are subsequently stated at amortised cost, using the effective interest method.

Unless otherwise indicated, the carrying values of the Group’s financial liabilities measured at amortised cost represents a reasonable approximation of their fair values.
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).

(d) Contingent liabilities

Possible obligations depending on whether uncertain future events occur or present obligations where payment is not probable and/or cannot be measured reliably, are not recognised in the financial statements of the Group due to the uncertain nature of the instrument, instead, details of contingent liabilities are disclosed in the notes to the financial statements.

(e) Share capital

Ordinary shares

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

(f) Capital contribution

Capital contribution relates to the assignment of receivables from subsidiary undertakings for which no consideration is expected to be paid.

(g) Intangible assets

(i) Prospecting and exploration rights

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

Exploration and evaluation costs arising following the application for the legal right, are capitalised on a project-by-project basis, pending determination of the technical feasibility and commercial viability of the project. When a project is deemed not feasible, related costs are expensed as incurred. Costs incurred include any costs pertaining to technical and administrative overheads. Administration costs that are not directly attributable to a specific exploration area are expensed as incurred, and subsequently capitalised if it is reasonably certain that a resource will be defined.

Capitalised development expenditure will be measured at cost less accumulated amortisation and impairment losses.

(ii) Impairment

Whenever events or changes in circumstance indicate that the carrying amount of an asset may not be recoverable an asset is reviewed for impairment. An asset's carrying value is written down to its estimated recoverable amount (being the higher of the fair value less costs to sell and value in use) if that is less than the asset's carrying amount.

Impairment reviews for deferred exploration and evaluation expenditure are carried out on a project-by-project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise such as:

- unexpected geological occurrences that render the resource uneconomic;
- title to the asset is compromised;
- variations in mineral prices that render the project uneconomic;
- substantive expenditure on further exploration and evaluation of mineral resources is neither budgeted nor planned; and
- the period for which the Group has the right to explore has expired and is not expected to be renewed.

Impairment losses are recognised in profit or loss. For all assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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

Market vesting conditions are factored into the fair value of all options granted. If all other vesting conditions are satisfied, a charge is made irrespective of whether market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the income statement over the remaining vesting period.

(i) Finance income and finance expense
Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions and impairment losses recognised on financial assets.
Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

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

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

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

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

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

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

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(k) Segmental information

An operating segment is defined as a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker and for which discrete financial information is available.

The Group disclose reportable segments which are regularly reviewed by the chief operating decision maker, (the CEO) and revenues, expenses and non-current assets in relation to each reporting segment are presented in note 5 to the financial statements.

(l) Non-current assets held for sale and disposal groups

Non-current assets and disposal groups are classified as held for sale when:

- They are available for immediate sale;
- Management is committed to a plan to sell;
- It is unlikely that significant changes to the plan will be made or that the plan will be withdrawn;
- An active programme to locate a buyer has been initiated;
- The asset or disposal group is being marketed at a reasonable price in relation to its fair value, and
- A sale is expected to complete within 12 months from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of:

- Their carrying amount immediately prior to being classified as held for sale in accordance with the group's accounting policy; and
- Fair value less costs of disposal.

Following their classification as held for sale, non-current assets (including those in a disposal group) are not depreciated. The results of operations disposed during the year are included in the consolidated statement of comprehensive income up to the date of disposal.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

5. Operating segments

The Group has one single business segment which is the exploration of mineral resources and exploration.

During the year, the Group's exploration and development activities focussed on several geographical areas, with support provided from the UK headquarters. The non-current assets held by each geographical segment is detailed in the table below. None of the segments generated revenue during the period.

2022	Australia	Botswana	Canada	Tanzania	UK	US	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Intangible assets	1,624	359	291	-	-	4,864	**7,138**
Investments in Joint Ventures	193	-	-	-	-	-	**193**
Investments in Associates	-	209	-	-	-	-	**209**
Financial Assets at fair value through profit or loss	-	679	472	234	159	76	**1,620**
Non-current assets held for sale	-	-	-	-	1,124	-	**1,124**
Property, plant & Equipment	-	-	-	-	33	-	**33**
Total	**1,817**	**1,247**	**763**	**234**	**1,316**	**4,940**	**10,317**

2021	Australia	Botswana	Canada	Tanzania	UK	US	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Intangible assets	-	714	3	-	-	83	**800**
Investments in Joint Ventures	166	-	-	-	-	-	**166**
Financial Assets at fair value through profit or loss	35	392	1,545	128	926	501	**3,527**
Non-current assets held for sale	-	153	-	-	-	-	**153**
Property, plant & Equipment	-	-	-	-	2	-	**2**
Total	**201**	**1,259**	**1,548**	**128**	**928**	**584**	**4,648**

6. Operating expenses

Operating expenses include:	2022 £'000	2021 £'000
Staff costs (note 7)	960	686
Foreign exchange loss	11	14
Share based payment expense	70	249
Loss on disposal	180	770
Auditor's remuneration – audit services	29	27

Auditor's remuneration in respect of the Company amounted to £29,000 (2021: £26,500).

7. Staff costs

	Group 2022 £'000	Company 2022 £'000	Group 2021 £'000	Company 2021 £'000
Social security contributions	89	86	49	49
Directors' salary and fees (note 8)	260	260	327	327
Staff salaries	535	460	59	59
Share based payments	70	70	250	250
Pensions	6	6	1	1
Total	**960**	**882**	**686**	**686**

The monthly average number of employees (including Directors) during the period was:

	Group 2022	Company 2022	Group 2021	Company 2021
Directors and staff	8	10	5	5
Total	**8**	**10**	**5**	**5**

8. Directors' emoluments

2022

	Executive £'000	Non-executive £'000	Total £'000
Wages and salaries	166	94	260
Share-based payments	-	2	2
Total	**166**	**96**	**262**

2021

	Executive £'000	Non-executive £'000	Total £'000
Wages and salaries	265	62	327
Total	**265**	**62**	**327**

Emoluments disclosed above include the following amounts paid to the highest Director:

	2022	2021
	£'000	£'000
Emoluments for qualifying services	166	166

9. Taxation

Reconciliation of tax (credit)/expense	**2022**	**2021**
	£'000	**£'000**
Losses from operations	(2,948)	(623)
Tax using the Company's effective domestic tax rate of 19% (2021: 19%)	(560)	(118)
Effects of:		
Disallowable expenditure	50	38
Current losses with no recognisable deferred tax asset	510	80
	-	-

Factors that may affect future tax charges
At the year end, the UK Company had unused tax losses available for offset against suitable future profits of approximately £5,282,021 (2021: £3,819,246). A deferred tax asset has not been recognised in respect of such losses due to uncertainty of future profit streams. The main rate of UK corporation tax during the year ended 30 September 2022 was 19.00 per cent (2021: 19.00 per cent).

10. Intangible assets

Group	**Prospecting and exploration rights**
	£'000
Cost	
As at 30 September 2020	1,126
Reclassification from Investment in Joint Venture	273
Additions	527
Balance at 30 September 2021	**1,926**
As at 30 September 2021	1,926
Reclassification from financial assets	136
Reclassification to assets held for sale	(993)
Additions	7,186
Effect of foreign exchange	9
Balance at 30 September 2022	**8,264**

Impairment	
As at 30 September 2020	970
Charge	156
Balance at 30 September 2021	**1,126**
As at 30 September 2021	1,126
Balance at 30 September 2022	**1,126**
Net book value	
At 30 September 2021	**800**
At 30 September 2022	**7,138**

During the year, the Ditau Camp/South Ghanzi Projects, and two properties held within the Athabasca project were transferred to held for sale and the Group acquired interests in several other projects, see below:

	2022 £'000	2021 £'000
Intangible assets		
Athabasca Uranium Project	175	3
Authier North Project	115	-
Tati Gold-Nickel Project	359	186
Garfield, Stonewall, Golconda Summit & Pilot Mountain Projects	4,865	83
Ditau Camp/South Ghanzi Projects	-	528
Wallal, Braeside West, Selta & Ripon Hill Projects	1,624	-
Total	**7,138**	**800**

The Directors regularly assess the carrying value of the Group's assets, including its prospecting and exploitation rights, and write off any exploration expenditure that they believe to be irrecoverable.

Athabasca Uranium Project
As at 30 September 2022, the Group held 11 properties covering 780km2 within and surrounding the prolific Athabasca Basin, including several new property acquisitions and additional staked ground, secured in the last quarter.

The conditional disposal of two properties held at the Athabasca project were announced during the year; Reitenbach, in August 2022 and E-12 in November 2022. Work is in process to complete the transaction through a listing on the London capital markets for the proposed holding vehicle, Teathers Financial Plc, to be renamed Uranium Energy Exploration PLC. The two properties have been moved to assets held for sale in the statement of financial position, totalling £28k.

A detailed update was announced in September 2022 covering a recently completed exploration programme covering Tait Hill, Thibault Lake and Clearwater and the launch of hyperspectral remote sensing review work at Cook Lake and E-12 properties. The update also included the expansion of the Tait Hill property and the staking of a new property Badger Lake, which followed on from the newly staked strategic Durrant Lake property.

Authier North Project
In July 2022, Power Metal decided to proceed into year 2 of the earn-in to a 100% interest in Authier North following completion and review of a Property Evaluation Report by Canada-based lithium geologist. The Authier North Property consists of 15 mineral claims covering an area of approximately 560 hectares and is prospective for lithium pegmatites and base metal mineralisation.

It is expected that the ground exploration programme will be undertaken in Spring 2023 and in the interim, the Company is considering the commercial options for the project.

Tati Gold-Nickel Project
In August 2022 the Company announced the commencement of RC drilling at the Tati Gold Project, designed to test the along strike and down dip extension of quartz reefs associated with the historical Cherished Hope gold mine. In early September 2022, the Company announced the completion of 490m of RC drilling over 9 holes and the successful intersection of quartz reef in all holes drilled, with multiple holes intersecting multiple sub-parallel quartz reef structures.

Molopo Farms Complex Project
In 2019 Power Metal acquired an equity stake in private company Kalahari Key Mineral Exploration Pty Limited (KKME), a Botswana registered exploration company with a 100% interest in the 1,723km2 Molopo Farms Complex Project (MFC) and in the previous financial year completed an earn-in to a 40% direct project interest.

The company secured a conditional agreement to acquire an additional 58.7% of shares in project partner KKME as announced on 18 May 2022. This acquisition, conditional on receipt of in-country regulatory approval, would see Power Metal holding 87.71% of KKME which will hold 100% of the Molopo Farms Complex Project ("Molopo Farms") after an appropriate restructuring, also part of the acquisition. At Molopo Farms, Power Metal is targeting large-scale nickel-copper-PGE mineralisation.

Overall, the planned drill programme included 5 or 6 holes for a total of circa 2,600m of diamond drilling, and included two drillholes into target T1-6, located approximately 530m and 830m south of original hole K1-6, both designed to intersect the core of a geophysical conductor target.

Garfield, Stonewall, Golconda Summit and Pilot Mountain Projects
The Garfield and Stonewall exploration properties in Nevada were acquired in June 2021, through the Company’s wholly owned operational subsidiary, Golden Metal Resources PLC (“Golden Metal”). A high-resolution soil geochemical survey was carried out at the Garfield property during the year with results pending at year end. The soil survey assay results will help Golden Metal in targeting additional copper-gold-silver mineralisation.

During the year, a detailed desktop study was undertaken for the Stonewall project which identified multiple targets for follow up exploration programmes.

Golden Metal acquired 100% of the Pilot Mountain project during the year and has commissioned three-dimensional modelling of the high-resolution induced polarisation geophysics survey data collected, with results awaited. This is Golden Metal’s flagship project.

Golden Metal is also the operator of the Golconda Summit Project which is held under an earn-in right from the mineral claim owner under an option agreement. Recently obtained historical dataset from a high-resolution geochemical soil survey covering the entirety of the Golconda Summit Project has highlighted three zones of strongly anomalous arsenic and gold mineralisation for further investigation. In addition. rock sample assay results from a geological mapping and sampling programme over Golconda Summit, undertaken by Golden Metal's in-country senior geological consultant, have confirmed strong arsenic (pathfinder for Carlin-type gold mineralisation) and gold anomalism.

Ditau Camp/South Ghanzi Projects
In September 2020, the Company acquired 50% of four prospecting licences in Botswana, from Kavango Resources PLC (“Kavango”), held in a joint operation arrangement in the prior year ended 30 September 2021.

During the year ended 30 September 2022, an agreement was put in place whereby Kavango would repurchase the 50% held by the Company on completion of a Prospectus, to be announced by Kavango in Q4 2022. As such, the investment was reclassified as held for sale as at 30 September 2022, the total of which was £965k. The disposal took place following the year end, see subsequent events note for further details.

Wallal Project, Ripon Hills, Braeside Project and Selta Project
In October 2021, First Development Resources Pty Ltd (“FDR Pty”), an 100% subsidiary of First Development Resources PLC (“FDR PLC”), acquired the Wallal licences, located in the Paterson Province of Western Australia. The Wallal project covers an area of 572km2 and is the Group’s primary focus in the region. It is of particular interest due to several geophysical anomalies which have been identified following the completion of an in-depth study which included the reprocessing of historic seismic data along with the analysis of historic magnetic and gravity geophysical surveys.

FDR PLC also acquired the Ripon Hills and Braeside West Projects cover a combined area of approximately 300km2. The tenements are located approximately 250 km southeast of Port Hedland on the western edge of the Paterson Province in Western Australia. The projects are located on the western and eastern limbs of the Oakover Syncline. The area is primarily prospective for manganese, similar to the nearby Woodie manganese mine, as well as base-metal and gold mineralisation associated with deep seated north to north-westerly trending fault structures. These fault structures have the potential to be conduits for various styles of hydrothermal mineralisation as evidenced by recent exploration conducted by ASX listed Rumble Resources Limited on land adjacent to the Braeside West tenement.

In February 2022, FDR PLC acquired URE Metals Pty Ltd (“URE”) which holds the Selta Project. The Selta project is located in the Northern Territory in an area considered highly prospective for uranium and Rare Earth Element (“REE”) mineralisation along with base and precious metal mineralisation. Numerous companies are actively exploring within the region. The Selta project is comprised of three granted exploration licences and covers a total land area of almost 1,600km2 . The project borders ASX listed Prodigy Gold and Canadian listed Megawatt Lithium and Battery Metals Corporation; and is less than 70km northwest of Arafura’s Resources high-grade, world-class Nolans REE deposit.

Company

As at 30 September 2021, the Company held intangible assets of £428k relating to the portion of the projects held within the Kanye Resources Pty Ltd joint operation; Ditau Camp and South Ghanzi. During the year, these assets were transferred to held for sale as detailed above.

11. Investments in subsidiaries

Company	**Investment in subsidiary undertakings**
	£'000
As at 30 September 2020	4,813
Additions/Disposals	-
Balance at 30 September 2021	4,813
As at 30 September 2021	4,813
Additions	2,632
Balance at 30 September 2022	7,445
Impairment	
As at 30 September 2020	4,657
Charge	156
Balance at 30 September 2021	4,813
As at 30 September 2021	4,813
Balance at 30 September 2022	4,813
Net book value	
At 30 September 2021	**-**
At 30 September 2022	**2,632**

	2022	**2021**
Non-current investments	**£'000**	**£'000**
Investment in Golden Metal Resources PLC	1,733	-
Investment in First Development Resources PLC	899	-
Total investment in subsidiaries	**2,632**	**-**

At the date of this report, all subsidiaries are still owned by the Company as per the ownership interests shown below.

Directly	Activity	Country of incorporation	Ownership interest	Registered office
Golden Metal Resources PLC	Mining and exploration	United Kingdom	83.13%	201 Temple Chambers, 3-7 Temple Avenue, London, United Kingdom, EC4Y 0DT
Golden Metal Resources LLC	Intermediary Holding Company	USA	83.13% indirectly	3800 Howard Hughes Parkway STE 1000, Las Vegas, NV 89169, USA
Pilot Metals Inc.	Mining and exploration	USA	83.13% indirectly	241 Ridge Street STE 210. Reno, NV 89501, USA
BFM Resources Inc.	Mining and exploration	USA	83.13% indirectly	241 Ridge Street STE 210. Reno, NV 89501, USA
First Development Resources PLC	Mining and exploration	United Kingdom	62.12%	201 Temple Chambers, 3-7 Temple Avenue, London, United Kingdom, EC4Y 0DT
First Development Resources Pty Ltd	Mining and exploration	Australia	62.12% indirectly	First Floor, 160 Stirling Highway Nedlands WA 6009
Pardoo Resources Pty Ltd	Mining and exploration	Australia	62.12% indirectly	First Floor, 160 Stirling Highway Nedlands WA 6009
RH Resources Pty Ltd	Mining and exploration	Australia	62.12% indirectly	First Floor, 160 Stirling Highway Nedlands WA 6009
URE Metals Pty Ltd	Mining and exploration	Australia	62.12% indirectly	First Floor, 160 Stirling Highway Nedlands WA 6009
Power Capital Investments Ltd	Mining and exploration	United Kingdom	100%	201 Temple Chambers, 3-7 Temple Avenue, London, United Kingdom, EC4Y 0DT

Tati Greenstone Resources Pty Ltd	Mining and exploration	Botswana	100%	Plot 337/338, Corner Khama Street & Selous Avenue, Francistown, Botswana
Power Metal Resources Botswana Pty Ltd	Mining and exploration	Botswana	100%	Plot 13130, East Gate Building, Broadhurst Mail, Broadhurst, Gaborone, Botswana
Power Metal Resources Australia Pty Ltd	Mining and exploration	Australia	100%	First Floor 160 Stirling Highway, NEDLANDS, Western Australia, 6009.
Power Metal Resources Canada Inc	Mining and exploration	Canada	100%	Suite 530, 355 Burand Street, Vancouver, British Columbia, V6C 2G8
102134984 Saskatchewan Ltd	Mining and exploration	Canada	100% indirectly	1238 27th Avenue E, Vancouver, British Columbia, Canada, V5V 2L8
Regent Resources Interests Corporation	Mining and exploration	British Virgin Islands	100%	P.O. Box 2283, ABM Chambers, Columbus Centre, Road Town, Tortola, British Virgin Islands
Cobalt Blue Holdings Inc	Mining and exploration	British Virgin Islands	100%	Intershore Chambers, Road Town, Tortola, British Virgin Islands

For the year ended 30 September 2022, the subsidiary Golden Metal Resources PLC incurred a loss of £783,000 (2021: £21,000). Power Metal Resources Canada Inc Ltd incurred a loss of £62,000 (2021: £1,000) and the subsidiary First Development Resources PLC incurred a loss of £400,000 (2021: £2,000). There were no other material losses in the subsidiaries.

12. Investments in joint ventures

Group

	2022 Total £'000	2021 Total £'000
Opening balance	166	284
Additions	194	257
Share of losses	(167)	(102)
Reclassification	-	(273)
Closing balance	**193**	**166**

Company

	2022 Total £'000	2021 Total £'000
Opening balance	301	317
Additions	194	257
Reclassification	-	(273)
Closing balance	**495**	**301**

Red Rock Australasia Pty Ltd

In April 2020, the company acquired 49.9% of Red Rock Australasia Pty Ltd (RRAL), with Red Rock Resources PLC holding 50.1%. The joint venture was set up to build a strategic gold exploration portfolio in Australia. During the year, New Ballarat Gold Corporation PLC ("NBGC") acquired 100% of RRAL, and 50% of the shares of NBGC were transferred to the Company and 50% to Red Rock Resources PLC, such that NBGC became the holding company of RRAL, although no operational transactions are currently recorded in this entity.

During the year, Power Metal Resources PLC contributed £194,000 (2021: £257,000) to costs incurred by RRAL in line with the joint venture agreement. At the year ended 30 September 2022, RRAL had incurred a loss of approximately AUD $600,000 (2021: AUD $373,000). Power Metal Resources PLC included its share of the loss in the financial statements for the year ended 30 September 2022. This amounted to £167,000 (2021: £102,000). Summarised financial information for RRAL is listed below.

	2022 Total £'000
Current Assets	
Cash and Cash Equivalents	7
Other Receivables	6
Total Current Assets	13
Non-Current Assets	
Mineral Tenements	378
Total Non-Current Assets	378
Total Assets	**391**
Current Liabilities	
Payroll taxes	6
Other creditors	50
Total Current Liabilities	56
Non-Current Liabilities	
Loan – Power Metal Resources PLC	477
Loan – Red Rock Resources PLC	647
Total Non-Current Liabilities	1,124
Net Liabilities	**789**

Total loss for the year ended 30 September 2022 in relation to RRAL was £334,000 (AUD$600,000).

13. Joint Operations

Power Metal is party to a contractual arrangement whereby it holds joint control of the Ditau and South Ghanzi Projects in Botswana, with Kavango Resources PLC. In the year ended 30 September 2021, the arrangement was reclassified to a joint operation, at this point the investment carrying value was £428,000 as although the Projects were transferred into a separate vehicle, Kanye Resources (Pty) Ltd, Power Metal does not hold the rights to the net assets of the arrangement, but only the assets, liabilities, revenues and expenses relating to the Company's involvement and these items were recognised on a line by line basis in the consolidated financial statements of Power Metal.

On 8 July 2022, Power Metals and Kavango signed a sale and purchase agreement ("SPA") whereby it was agreed Kavango would acquire Power Metal's entire interest in the joint operation and thus become its sole owner. The sale was contingent of the publication of Kavango's prospectus on the LSE. Kavango published its Prospectus on 18 November 2022. As such, at 30 September 2022, the joint operation was reclassified as held for sale. See details below in note 14.

14. Assets classified as held for sale

In August 2022 a property purchase agreement was signed with Teathers Financial PLC ("Teathers") who are to be renamed Uranium Energy Exploration PLC. Teathers conditionally acquired 100% ownership of the Reitenbach Uranium Property located east of the Athabasca Basin in Northern Saskatchewan, Canada, subject to a 2% net smelter return royalty in exchange for cash and shares. The consideration payable is £360,000, to be settled by the issue of Teathers new ordinary shares of 0.1p and a cash payment of £10,000.

In November 2022 an additional property purchase agreement was signed with Teathers, for Teathers to conditionally acquire 100% ownership of the E-12 Uranium Property by the 31 December 2022. The E-12 Uranium property is located south of the Athabasca Basin in Northern Saskatchewan, Canada. The consideration payable is £250,000, to be settled by the issue of Teathers new ordinary shares of 0.1p at an issue price of 1.24114 pence per Ordinary Share and the retention of a 2% Net Smelter return royalty over the property.

In relation to the above properties, intangible assets totalling £28k, and expenses amounting to £52k relating to the projects have been transferred to assets held for sale.

As detailed above, in note 13, on 8 July 2022, Power Metals and Kavango signed a sale and purchase agreement ("SPA") whereby it was agreed Kavango would acquire Power Metal's entire interest in the Joint Operation and thus become its sole owner. Intangible assets of £993k and an intercompany loan of £80k were transferred to assets held for sale at the year end.

There was no profit or loss for the period associated with the assets held for sale. The following assets and liabilities were reclassified as held for sale:

	Group 2022 £'000	**Company 2022 £'000**	**Group 2021 £'000**	**Company 2021 £'000**
Kalahari key	-	-	153	153
Kanye	1,045	1,045	-	-
E-12	6	-	-	-
Reitenbach	73	-	-	-
Assets held for sale	**1,124**	**1,045**	**153**	**153**

15. Financial assets at fair value through profit or loss

Group

	Listed	Unlisted	2022 Total	2021 Total
	£'000	£'000	£'000	£'000
Non-current				
Opening balance	1,099	2,428	3,527	1,209
Additions	34	391	425	2,398
Fair value adjustment – equity investment	(618)	-	(618)	271
Fair value adjustment – derivative assets	-	-	-	159
Reclassification to current financial assets	(132)	(1,029)	(1,161)	(249)
Reclassification to investment in associate	-	(209)	(209)	-
Reclassification to intangible assets	-	(75)	(75)	-
Reclassification to receivables	-	(61)	(61)	-
Disposals	-	(208)	(208)	(261)
Closing balance	**383**	**1,237**	**1,620**	**3,527**

	Listed	Unlisted	2022 Total	2021 Total
	£'000	£'000	£'000	£'000
Current				
Opening balance	179	-	179	-
Additions	-	-	-	164
Fair value adjustment – equity investment	1,147	-	1,147	-
Fair value adjustment – derivative assets	(220)	-	(220)	15
Reclassification from current financial assets	1,161	-	1,161	-
Reclassification from assets held for sale	-	153	153	-
Disposals	(37)	-	(37)	-
Closing balance	**2,230**	**153**	**2,383**	**179**

Company

	Listed £'000	Unlisted £'000	2022 Total £'000	2021 Total £'000
Non-current				
Opening balance	1,099	2,234	3,333	1,208
Additions	34	166	200	2,206
Fair value adjustment – equity investment	(618)	-	(618)	271
Fair value adjustment – derivative assets	-	-	-	159
Reclassification to current financial assets	(132)	(1,028)	(1,161)	(249)
Reclassification to trade and other receivables	-	(61)	(61)	-
Disposals	-	(208)	(208)	(261)
Closing balance	**383**	**1,103**	**1,485**	**3,334**

	Listed £'000	Unlisted £'000	2022 Total £'000	2021 Total £'000
Current				
Opening balance	179	-	179	-
Additions	-	-	-	164
Fair value adjustment – equity investment	1,147	-	1,147	-
Fair value adjustment – derivative assets	(220)	-	(220)	15
Reclassification from non-current financial assets	1,162	-	1,162	-
Reclassification from assets held for sale	-	153	153	-
Disposals	(37)	-	(37)	-
Closing balance	**2,231**	**153**	**2,384**	**179**

16. Trade and other receivables

Group	2022 £'000	2021 £'000
Accounts receivable	123	104
Other receivables	149	19
Prepayments	74	52
Trade and other receivables	**346**	**175**

Company	**2022**	**2021**
	£'000	**£'000**
Receivables due from group undertakings	1,202	605
Receivables due from joint venture partners	2	-
Accounts receivable	69	104
Other receivables	37	19
Prepayments	74	52
Trade and other receivables	**1,384**	**780**

17. Cash and cash equivalents

Group

	2022	**2021**
	£'000	**£'000**
Bank balances	1,560	1,281
Cash and cash equivalents	**1,560**	**1,281**

Company

	2022	**2021**
	£'000	**£'000**
Bank balances	1,032	1,251
Cash and cash equivalents	**1,032**	**1,251**

18. Non-controlling interest

The Group has material non-controlling interests arising from its subsidiaries Golden Metal Resources PLC and First Development Resources PLC. These non-controlling interests can be summarised as follows;

	2022	**2021**
	£'000	**£'000**
Balance at 1 January	(306)	(275)
Total comprehensive loss allocated to NCI	(219)	(31)
Effect of step disposal	2,590	-
Total	**2,065**	**(306)**

	2022	**2021**
	£'000	**£'000**
Power Metal Resources SA	(306)	(306)
Golden Metal Resources PLC	1,011	-
First Development Resources PLC	1,360	-
Total	**2,065**	**(306)**

Golden Metal Resources PLC is a 83.13 per cent owned subsidiary of the Company that has material non-controlling interests ("NCI").

Summarised financial information reflecting 100 per cent of the Golden Metal Resources PLC relevant figures is set out below:

	2022	2021
	£'000	£'000
Administrative expenses	(3,191)	-
Loss after tax	(3,191)	-
Loss allocated to NCI	(538)	-
Other comprehensive income allocated to NCI	471	-
Total comprehensive loss allocated to NCI	(67)	-
Current assets	6,201	-
Current liabilities	(207)	-
Net assets	5,994	-
Non-controlling interest	**1,011**	**-**

First Development Resources PLC is a 62.12 per cent owned subsidiary of the Company that has material non-controlling interests ("NCI").

Summarised financial information reflecting 100 per cent of the First Development Resources PLC relevant figures is set out below:

	2022	2021
	£'000	£'000
Administrative expenses	(401)	-
(Loss) after tax	(401)	-
(Loss) allocated to NCI	(152)	-
Other comprehensive income allocated to NCI	-	-
Total comprehensive (loss) allocated to NCI	(152)	-
Current assets	3,726	-
Current liabilities	(136)	-
Net assets	3,590	-
Non-controlling interest	**1,359**	**-**

19. Share capital

	Number of ordinary shares	
	2022	**2021**
Ordinary shares in issue at 1 October	1,254,808,787	818,316,542
Issued for cash	137,142,857	422,890,840
Issued in settlement for acquisitions	222,703,277	13,601,405
In issue at 30 September – fully paid (par value 0.1p)	**1,614,654,921**	**1,254,808,787**

	Number of deferred shares	
	2022	**2021**
Deferred shares in issue at 1 October	3,628,594,957	3,628,594,957
In issue at 30 September	**3,628,594,957**	**3,628,594,957**

	Ordinary share capital	
	2022	**2021**
	£'000	**£'000**
Balance at beginning of year	7,705	7,286
Prior Year Adjustment	-	(19)
Share issues	360	438
Balance at 30 September	**8,065**	**7,705**

	Share Premium	
	2022	**2021**
	£'000	**£'000**
Balance at beginning of year	18,437	14,910
Prior year adjustment	-	19
Share issues	4,999	3,546
Expenses relating to share issues	(124)	(38)
Balance at 30 September	**23,312**	**18,437**

The prior year adjustment in 2021 relates to a previous misallocation between share capital and share premium, relating to a share issue in the year ended 30 September 2017. £19,011 was incorrectly allocated to share capital and has been rectified in the year ended 30 September 2021.

All ordinary shares rank equally with regard to the Company's residual assets.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Both classes of deferred shares (Deferred and Deferred A), do not entitle the holders thereof to receive notice of or attend and vote at any general meeting of the Company or to receive dividends or other distributions or to participate in any return on capital on a winding up unless the assets of the Company are in excess of £1,000,000,000,000. The Company retains the right to purchase the deferred shares from any shareholder for a consideration of one penny in aggregate for all that shareholder's deferred shares. As such, the deferred shares effectively have no value. Share certificates will not be issued in respect of the deferred shares.

Issue of ordinary shares

In October 2021, the Company received notices to exercise warrants over 15,578,947 new ordinary shares of 0.1 pence each in the Company raising an additional £139,842 for the Company. The warrant shares were issued pursuant to the exercise of 10,000,000 warrants at an exercise price of 1.0 pence per ordinary share, 1,578,947 warrants at an exercise price of 0.75 pence per ordinary share and 4,000,000 warrants at an exercise price of 0.70 pence per ordinary share.

In November 2021, Golden Metal acquired a 100% interest in the Pilot Mountain project, the consideration for which was paid by Power Metal, including the issue of 48,118,920 new ordinary shares of 0.1p each at an issue price of 2.5p, equating to £1.2m.

In November 2021 the Company acquired 100% of FDR Australia and the Wallal Main licence currently held within FDR Australia through the issue of 13,333,333 Power Metal new ordinary shares of 0.1p each at an issue price of 2.75p and 13,333,333 warrants to acquire new Ordinary Shares at an exercise price of 4.5p. Additional Consideration for the 100% acquisition of all other FDR Australia interests (granted licences and a licence application currently held by third parties to be transferred into FDR Australia under the Agreement) of 10,000,000 Power Metal shares at an issue price of 3.2p and 10,000,000 warrants to acquire new Ordinary Shares at an exercise price of 5.0p.

In November 2021, the Company raised £1,050,000 through the issue of 60,000,000 new ordinary shares of 0.1p each ("Placing Shares") at an issue price of 1.75p, the closing mid-market price on 12 November 2021. Each Placing Share has an attaching warrant to subscribe for a further new ordinary share of 0.1p each at an exercise price of 3.5p each with a two-year term from the admission of the Placing Shares creating 60,000,000 placing warrants.

In November 2021, the Company received notice to exercise warrants over 1,500,000 new ordinary shares of 0.1 pence each in the Company, at an exercise price of 0.7 pence per ordinary share, raising an additional £10,500.

In December 2021, the Company received notice to exercise warrants over 38,500,000 new ordinary shares of 0.1 pence each raising an additional £269,500 for the Company. The Warrant Shares were issued pursuant to the exercise of 38,500,000 warrants at an exercise price of 0.7 pence per ordinary share of 0.1 pence each in the Company.

In January 2022 the Company agreed terms to secure the early clearance of a Tail Benefit through the payment of £50,000 cash and issue to Thor Mining of 4,000,000 new ordinary shares of 0.1p each in the Company at an issue price of 2.5p per share.

In January 2022 the Company announced that the two Prospecting Licences comprising the Tati Project were successfully transferred into Tati Greenstone Resources Pty Ltd, a wholly owned private Botswana-based subsidiary of Power Metal. The Company issued 833,333 new ordinary Shares of 0.1p each at an issue price of 3.0 pence per New Ordinary Share. The Company also elected to proceed with the year 3 exploration spend programme (for the year ending 30 September 2022) and paid a further consideration of £50,000, to the Vendors through the issue of 833,333 New Ordinary Shares at an issue price of 3.0p each for each licence, resulting in 1,666,666 New Ordinary Shares to be issued.

In February 2022, the Company received a notice to exercise options over 13,613,929 new ordinary shares of 0.1 pence each at an exercise price of 1.0 pence per new ordinary share raising an additional £136,139 for the Company.

In February 2022, the Company received a notice to exercise warrants over 5,000,000 new ordinary shares of 0.1 pence each at an exercise price of 0.75p per Warrant Share and raising an additional £37,500 for the Company.

In April 2022, the Company received a notice to exercise warrants over 2,315,789 new ordinary shares of 0.1 pence each at an exercise price of 0.75p per Warrant Share, raising an additional £17,368 for the Company.

In May 2022, the Company received a notice to exercise warrants over 6,710,526 new ordinary shares of 0.1 pence each at an exercise price of 0.75p per Warrant Share, raising an additional £50,329 for the Company.

In May 2022 the Company signed an Agreement for the 100% acquisition of Pardoo Resources Pty Limited by First Development Resources PLC. The Company issued 398,036 Ordinary Shares at an issue price of 2.75p and 398,036 Power Metal warrants at an exercise price of 4.5p.

In June 2022, the Company received a notice to exercise warrants over 657,895 new ordinary shares of 0.1 pence each at an exercise price of 0.75p per Warrant Share, raising an additional £4,934 for the Company.

In July 2022 the Company received a notice to exercise warrants over 54,772,304 new ordinary shares, raising an additional £414,865 for the Company. The warrant shares were issued pursuant to the exercise of 51,022,319 warrants at an exercise price of 0.75 pence per ordinary share and 3,749,985 warrants at an exercise price of 0.90 pence per ordinary share.

In July 2022 the Company announced an acquisition of additional uranium properties surrounding the Athabasca Basin in northern Saskatchewan, Canada. The cost of the Acquisition was £88,872 payable as £16,158 cash and £72,714 through the issue of 5,703,599 new ordinary shares of 0.1p in the Company at an issue price of 1.275p.

In September 2022 the Company raised £800,000 before expenses through the issue of 57,142,857 new ordinary shares of 0.1p each at an issue price of 1.4p per share, the closing market price on 2 September 2022. Each share has an attaching warrant to subscribe for one new ordinary share of 0.1p each at an exercise price of 2.0p with a 12-month term from 19 September 2022 creating 57,142,857 warrants.

In September 2022, the Company raised an additional £280,000 before expenses through the issue of 20,000,000 new ordinary shares of 0.1p each at an issue price of 1.4p per share, the closing market bid price on 2 September 2022. As above, each share has an attaching warrant to subscribe for one new ordinary share of 0.1p each at an exercise price of 2.0p with a 12-month term from 19 September 2022.

20. Capital contribution

A capital contribution has been recognised in respect of assets received from the shareholder. During the year, the Company's subsidiary Golden Metal Resources Plc took part in a group reorganisation whereby £2,793k was recognised as a capital contribution, with a corresponding receivable from the shareholder. The Company contributed to the acquisition of the intangible assets by issuing shares in consideration to the vendor. This amount is eliminated within intercompany, leaving the full intangible asset value the Group financial statements. As such, the Company and the Group both treated this as a capital contribution by the shareholder and recognised the £2,793k directly in equity.

21. Earnings per share

Basic and diluted loss per share
The calculation of basic and diluted loss per share is based on the loss attributable to ordinary shareholders of £2,257,872 (2021: £591,938), and a weighted average number of ordinary shares in issue of 1,457,507,624 (2021: 1,079,317,932). The basic and diluted earnings per share are the same given the loss for the year, making the outstanding share options and warrants anti-dilutive.

22. Share options and warrants

Reconciliation of outstanding share options:

2022	**Number of options**	**Weighted average exercise price (£'s)**
Outstanding at 1 October 2021	99,325,358	0.03
Granted during the year	18,500,000	0.03
Exercised	(13,613,929)	0.02
Outstanding at 30 September 2022	**104,211,429**	**0.04**
Exercisable at 30 September 2022	**9,961,429**	**0.029**

The weighted average contractual life of the options outstanding at the reporting date is 1 year 62 days. Exercise prices of share options outstanding at the end of the 2022 period:

97,500	£6.000
1,000,000	£0.050
28,613,929	£0.010
20,000,000	£0.020
54,500,000	£0.033

2021	Number of options	Weighted average exercise price (£'s)
Outstanding at 1 October 2020	63,325,358	0.03
Granted during the year	36,000,000	0.03
Exercised	-	-
Outstanding at 30 September 2021	**99,325,358**	**0.06**
Exercisable at 30 September 2021	**83,325,358**	**0.023**

Directors Options

Included within the options issued in the year ended 30 September 2022 were 10,000,000 options issued to directors (2021: 12,500,000).

2022	Exercise price (£'s)	Number of Options
Scott Richardson Brown	0.033	5,000,000
Ed Shaw	0.033	5,000,000
		10,000,000

2021	Exercise price (£'s)	Number of Options
Andrew Bell	0.033	7,500,000
Paul Johnson	0.033	12,500,000
		20,000,000

The fair values of the options granted during the year were calculated using the Black Scholes Model with the following assumptions:

Risk free interest rate	1.382%, 0.736% & 0.601%
Expected volatility	53.9%, 64.3% & 61.8%
Expected dividend yield	0.00%
Life of the option	3 years
Share price at measurement date	£0.0132 & £0.0180

Reconciliation of outstanding warrants

2022

	Number of warrants	Weighted average exercise price (£'s)
Outstanding at 1 October 2021	205,053,812	0.01
Granted during the year	128,064,701	0.04
Lapsed during the year	(3,948,745)	0.01
Exercised during the year	(116,285,426)	0.03
Outstanding at 30 September 2022	**212,884,342**	**0.19**
Exercisable at 30 September 2022	**212,884,342**	**0.19**

The weighted average contractual life of the warrants outstanding is 1 year 19 days.

2021

	Number of warrants	Weighted average exercise price (£'s)
Outstanding at 1 October 2020	618,185,061	0.01
Granted during the year	19,819,641	0.02
Lapsed during the year	(7,810,000)	0.01
Exercised during the year	(425,140,890)	0.01
Outstanding and exercisable at 30 September 2021	**205,053,812**	**0.01**

Directors Warrants

No warrants were issued to directors in the year ended 30 September 2022 (2021:Nil).

The fair values of the warrants granted during the year were calculated using the Black Scholes Model with the following assumptions:

Risk free interest rate	0.645%, 0671% & 1.325%
Expected volatility	63.4%, 63.3%, 62.9% and 50.6%
Expected dividend yield	0.00%
Life of the option	Between 1 and 3 years
Share price at measurement date	£0.0170, £0.0172 & £0.143

£70,119 (2021: £249,717) has been recognised as a share-based payment expense in the Statement of Comprehensive Income related to the issue of share options and warrants and £35,283 (2021: £20,079) has been included in non-current assets as it relates to the acquisition of certain financial assets.

23. Trade and other payables

Group

	2022 £'000	2021 £'000
Trade payables	686	250
Accrued expenses	164	67
Trade and other payables	**850**	**317**

Company

	2022 £'000	2021 £'000
Trade payables	329	146
Accrued expenses	164	74
Payable to group undertakings	24	27
Trade and other payables	**517**	**247**

The Group's and Company's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 23.

24. Financial instruments

Financial risk management

Overview
The Group has exposure to the following risks arising from financial instruments.

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework
The Company's board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training, management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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 if the transaction date is relatively close to the measurement date. Other indicators include insufficient recent information, a wide range of possible fair values and cost represents the best estimate.

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).

There have been no transfers between levels during the period. Additions to level 3 during the period are valued based on cost of investment, for both the Group and the Company. See note 15 Financial Assets at Fair Value through Profit or Loss for further detail.

Group
2022

	Level 1	Level 2	Level 3	Total
	£'000	**£'000**	**£'000**	**£'000**
Financial Assets at fair value through profit or loss				
Financial assets (fair value through the profit or loss)	2,614	-	1,390	4,004
	2,614	**-**	**1,390**	**4,004**

Company
2022

	Level 1	Level 2	Level 3	Total
	£'000	**£'000**	**£'000**	**£'000**
Financial Assets at fair value through profit or loss				
Financial assets (fair value through the profit or loss)	2,614	-	1,255	3,869
	2,614	**-**	**1,255**	**3,869**

Group
2021

	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
Financial Assets at fair value through profit or loss				
Financial assets (fair value through the profit or loss)	1,279	-	2,479	3,706
	1,279	**-**	**2,479**	**3,706**

Company
2021

	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
Financial Assets at fair value through profit or loss				
Financial assets (fair value through the profit or loss)	1,279	-	2,234	3,513
	1,279	**-**	**2,334**	**3,513**

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

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

Group	**Carrying amount**	
	2022	**2021**
	£'000	**£'000**
Trade and other receivables	272	175
Cash and cash equivalents	1,560	1,281
	1,832	**1,456**

Company	**Carrying amount**	
	2022	**2021**
	£'000	**£'000**
Trade and other receivables	1,310	780
Cash and cash equivalents	1,032	1,251
	2,342	**2,031**

Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

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

Group

30 September 2022	**Carrying amount £'000**	**2 months or less £'000**	**2-12 months £'000**	**More than 1 year £'000**
Non-derivative financial liabilities				
Trade and other payables	757	757	-	-
	757	**757**	**-**	**-**

30 September 2021	**Carrying amount £'000**	**2 months or less £'000**	**2-12 months £'000**	**More than 1 year £'000**
Non-derivative financial liabilities				
Trade and other payables	317	317	-	-
	317	**317**	**-**	**-**

Company

30 September 2022	**Carrying amount £'000**	**2 months or less £'000**	**2-12 months £'000**	**More than 1 year £'000**
Non-derivative financial liabilities				
Trade and other payables	440	440	-	-
	440	**440**	**-**	**-**

30 September 2021	Carrying amount £'000	2 months or less £'000	2-12 months £'000	More than 1 year £'000
Non-derivative financial liabilities				
Trade and other payables	247	247	-	-
	247	**247**	**-**	**-**

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

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Due to the nature of the Group's operations, it will be mainly exposed to fluctuations in the price of iron and gold. The Group, where able, will look to hedge its foreign currency exposure.

Currency risk

The Group operates internationally and is exposed to foreign currency risk arising on cash and cash equivalents and receivables denominated in a currency other than the respective functional currencies of Group entities. The currencies in which these transactions primarily are denominated are US Dollar (USD), Canadian Dollar (CAD), Australian Dollar (AUD) and Botswana Pula (BWP). The following balances were held in foreign currency at the reporting date are:

	Group		Company	
Net foreign currency financial (liabilities)/assets	2022 £'000	2021 £'000	2022 £'000	2021 £'000
USD	48	185	48	183
CAD	13	37	13	37
AUD	5	14	5	14
BWP	52	11	52	11
Total net exposure	**118**	**247**	**118**	**245**

Sensitivity analysis

A 10 per cent strengthening of sterling against the respective currencies at 30 September 2022 would have increased/(decreased) equity and profit or loss by the amounts shown below:

Group	Profit and loss		Equity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
USD	(5)	(19)	(5)	(19)
CAD	(1)	(4)	(1)	(4)
AUD	(0)	(1)	(0)	(1)
BWP	(5)	(1)	(5)	(1)
Total net exposure	**(11)**	**(25)**	**(11)**	**(25)**

Company	Profit and loss		Equity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
USD	(5)	(18)	(5)	(18)
CAD	(1)	(4)	(1)	(4)
AUD	(0)	(1)	(0)	(1)
BWP	(5)	(1)	-	(1)
Total net exposure	**(11)**	**(24)**	**(6)**	**(24)**

A 10 per cent weakening of the sterling against the respective currencies would have an equal but opposite effect.

Capital management

The Group's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of equity which at 30 September 2022 for the Group totalled £13,755,000 (2021: £5,966,000) and for the Company totalled £10,152,000 (2021: £6,181,000).

Accounting classifications and fair values

Fair values and carrying amounts

The carrying values of financial assets and liabilities are all approximate to their fair values per the statement of financial position.

25. Contingent liabilities

During the year, the Company issued letters of support to its subsidiaries; First Development Resources Plc and Golden Metal Resources Plc, stating that the Company is willing to provide sufficient financial support to each entity for at least 12 months from the date of the approval of each entity's financial statements for the accounting period ended 30 June 2022. Additionally, it is noted in the letters that on successful IPO of both First Development Resources Plc and Golden Metal Resources Plc, support will cease. As at the date of these financial statements, it is unlikely this support will be required, and the Company is unable to make a reliable estimate of the value of the liability, if any.

26. Related parties

In addition to matters reported in note 8, the following related party transactions took place during the year ended 30 September 2022:

Andrew Bell, a previous Director of the Company, who provided consultancy services during the year is also director of Red Rock Resources PLC. Further details on the joint venture arrangement with Red Rock Resources PLC is disclosed in the Chairman's Statement and note 12 to the financial statements. The total fees invoiced to the Company by Red Rock Resources PLC for the year ended 30 September 2022 was £nil (2021: £37,700) of which £nil (2021:nil) remained outstanding at the year end. All related to repayment of costs incurred by Red Rock Resources PLC on behalf of POW.

An advance of £100,000 previously made by Power Metal to Red Rock Resources PLC in August 2021 for joint venture costs in respect of set up of New Ballarat Gold Corporation PLC and its planned listing became repayable during the year, of which £100,000 remained outstanding at the year end.

Paul Johnson, CEO of the Company, who served during the year is also director of Value Generation Limited, a management consultancy business. The total fees invoiced to the Company for the year ended 30 September 2022 were £31,800 (2021: £20,900) of which nil was outstanding at the year end and all of which related to office support provided to the Company or repayment of costs incurred by Value Generation Limited on behalf of POW, and then repaid.

During the year, the Company advanced funds to Power Metal Resources SA, totalling £Nil (2021: £101,000). At 30 September 2022, £Nil was outstanding (2021: £788,000). An expected credit loss of £Nil was recognised at the year-end in respect of the intercompany receivable (2021: £788,000), as the decision was taken by the directors to write off the balance in full.

During the year, the Company advanced funds to its subsidiary, Cobalt Blue Holdings, totalling £1,000 (2021: £3,000). The loan is repayable on demand and on 30 September 2022, £35,000 was outstanding (2021: £34,000). A cumulative expected credit loss of £10,000 was recognised at the year-end in respect of the intercompany receivable (2021: £10,000).

During the year, the Company received funds from its subsidiary, Regent Resources Interests Corporation, totalling £3,000. (2021: £3,000). The loan is repayable to the subsidiary and as at 30 September 2022, £24,000 was owed (2021: £27,000).

During the year, the Company advanced funds and was recharged expenditure from its subsidiary Golden Metal Resources PLC, totalling £70,000 (2021: £233,000). In additional, Golden Metal acquired intangible assets during the year, which were settled in Power Metal ordinary shares, warrants and cash, totalling £1,296,000. GMR PLC settled £75,000 in cash and £1,508,000 through the issue of ordinary shares. The loan is repayable on demand and on 30 September 2022, £16,000 was outstanding (2021: £233,000). An expected credit loss of £1,000 was recognised at the year-end in respect of the intercompany receivable (2021: £17,000).

During the year, the Company advanced funds to its subsidiary, Power Metal Resources Australia Pty Ltd, totalling £45,000 (2021: £1,000). The loan is repayable on demand and on 30 September 2022, £46,000 was outstanding (2021: £1,000). An expected credit loss of £4,000 was recognised at the year-end in respect of the intercompany receivable (2021: £100).

During the year, the Company advanced funds to its subsidiary, Power Metal Resources Canada Inc, totalling £261,000 (2021: £55,000). The loan is repayable on demand and on 30 September 2022, £316,000 was outstanding (2021: £55,000). An expected credit loss of £23,000 was recognised at the year-end in respect of the intercompany receivable (2021: £4,000).

During the year, the Company advanced funds to its subsidiary, Tati Greenstone Resources Pty Ltd, totalling £234,000 (2021: £114,000). The loan is repayable on demand and on 30 September 2022, £348,000 was outstanding (2021: £114,000). An expected credit loss of £28,000 was recognised at the year-end in respect of the intercompany receivable (2021: £9,000).

During the year, the Company advanced funds and was recharged expenditure from its subsidiary, First Development Resources PLC, totalling £201,000 (2021: £32,000). In addition, FDR acquired intangible assets during the year, which was settled by the issue of Power Metal ordinary shares, warrants and cash, totalling £733,000. FDR PLC settled £75,000 in cash and £855,000 through the issue of ordinary shares and on 30 September 2022, £36,000 was outstanding (2021: £32,000). The loan is repayable on demand, and an expected credit loss of £2,000 was recognised at the year-end in respect of the intercompany receivable (2021: £3,000).

During the year, the Company advanced funds to its subsidiary, Power Capital Investments Ltd, totalling £Nil (2021: £5,000). The loan is repayable on demand and on 30 September 2022, £5,000 was outstanding (2021: £5,000). An expected credit loss of £400 was recognised at the year-end in respect of the intercompany receivable (2021: £400).

27. Capital commitments

As an exploration and development company Power Metal has a portfolio of exploration projects held through holding companies relevant to the local operations of the business. All of the Company's business interests carry financial commitments to remain in good standing which are funded directly by Power Metal Resources PLC, or through its subsidiaries.

All the holding companies require timely submission of regulatory filings, financial accounts and tax submissions. Most exploration projects hold contractual or local regulatory authority agreed minimum expenditures on projects, which the Company intends to satisfy and commonly exceeds with enhanced activities dependent on available funding. In addition, a number of projects have certain production royalties and milestone payments attaching, with material payments dependent largely on projects entering production and generating revenues, which is not expected to occur for a number of years. Furthermore, projects are all held under exploration licences, prospecting licences and exploration claims, against which during the year a number of renewals are expected to be processed with associated renewal fees attaching. Finally, there are various specific costs relating to the continuance of business activities including staffing and consultancy costs, office costs and various sundry items including warehousing commitments for equipment and core storage.

Golden Metal Resources PLC has 100 per cent ownership of the Pilot Mountain, Garfield and Stonewall Projects and an earn-in option for up to 100 per cent of the Golconda Summit Project.

On 21 May 2021, Golden Metal Resources PLC became the operator of the Golconda Summit Project when it entered into an Assignment and Assumption Agreement with GR Silver Mining and Golden Metal Resources PLC was also assigned the Golconda Option Agreement to earn-in up to 100 per cent. GR Silver Mining historically entered into the Golconda Option Agreement to acquire 100 per cent title and interest with Eureka Resources, a private Nevada based company. Under the terms of the Assignment and Assumption Agreement, Golden Metal Resources PLC assumed the obligation to pay the remaining liability of US$275,000 due under the Golconda Option Agreement to Eureka Resources. Eureka Resources holds a 1 per cent net smelter royalty over the Golconda Summit Project which can be bought back at any time by Golden Metal Resources PLC within one year after commencement of production for US$1,000,000. Annual payments of US$50,000 are payable by Golden Metal Resources PLC on or before 11 August of each of 2023, 2024, 2025, 2026 and 2027 and Golden Metal Resources PLC holds an option to purchase the leased claims for US$335,000, less the amount of annual payments made.

On 17 June 2021, Golden Metal Resources LLC acquired the Garfield and Stonewall Projects from the Sunrise Resources Group. Under the terms of the Acquisition Agreements, the Sunrise Resources Group retain a 2 per cent royalty over the Garfield and Stonewall Projects. 1 per cent of each Project royalty may be repurchased by the Company for US$1,000,000 at any time.

On 1 November 2021, Golden Metal Resources PLC acquired Black Fire Industrial Minerals Pty Ltd from Thor Mining Plc in order to acquire the Pilot Mountain Project. Certain Mining Claims within the Pilot Mountain Project are subject to a two per cent royalty held by Nevada Select Royalty and based on actual proceeds from the sale of minerals. In addition, Nevada Select Royalty is entitled to receive non-refundable prepayments in respect of the Pilot Metals Royalty at a current rate of US$40,000 per annum.

No provision has been made in the financial statements for these amounts as the expenditure items are expected to be incurred in the normal course of business operations. Furthermore, whilst maintaining the current portfolio of exploration interests is the intent of the Company, should activities be ceased in any project, save for modest exit costs, the costs of that project would cease.

28. Subsequent events

In October 2022, the Company acquired Badger Lake Uranium Property (“Badger Lake”) through claim staking. Badger Lake covers an area of 16.71km^2 within the prolific Athabasca Basin. Badger Lake is surrounded by claims held by uranium focussed companies including Orano SA, Hathor Exploration and NexGen Energy Ltd.

In October 2022 the exploration programme over the 100%-owned Thibault Lake, Clearwater and Tait Hill properties completed successfully, resulting in multiple locations of anomalous radioactivity noted across all three properties with rock sample assay results currently awaited. As a result, the Tait Hill property was expanded by 32.42km2 to 110.56km2, based on work results and to include the full extent of the Mullis Lake Target as well as an anomalous lake sediment result.

As part of Owain Morton’s appointment as Non-executive Director on 10 October 2022, Mr Morton was issued with 5 million options to subscribe for new Power Metal Ordinary Shares of 0.1p each at an exercise price of 3.25 pence with a life to expiry of 3 years. The Director Options are subject to a minimum service period of 6 months and may not be exercised until the volume weighted average price of Power Metal shares trades at 5.0 pence for ten consecutive days.

On 12 October 2022 the Company created an Advisor Warrant Pool comprised of 25m warrants over new ordinary shares of 0.1 pence, this was to reflect the growth of the network of advisors and to ensure that those providing valuable support to the Company can share in the exposure to equity upside. The exercise terms of the new warrants are the same as those created for those awarded to team members of the Company in 2022, principally, to acquire new Ordinary Shares at an exercise price of 3.25p per share.

The Adviser Pool Warrants have a life to expiry ending 12 October 2025, save that should the volume weighted average share price ("VWAP") of the Company exceed 10.0p for five consecutive trading days, Power Metal shall have the right to serve a ten-business day notice on the Adviser Pool warrant holders to exercise and pay for their allocation, or they may be cancelled by the Company. The Advisor Pool

Warrants are subject to a share price performance condition and cannot be exercised until the VWAP of the Company has exceeded 5.0p per Ordinary Share for ten consecutive trading days.
In October 2022 the Company confirmed extension of insider Warrants held by Paul Johnson and Ed Shaw, of 20,000,000 and 7,500,000 respectively, and the Company has extended the expiry date on the Insider Warrants to 21 April 2023 to reflect the limitations on exercise.

On 18 November 2022, the Group concluded the 58.7% share capital purchase of Kalahari Key Mineral Exploration Pty Limited ('KKME') for total consideration of £807,348 consisting of 46,134,171 new ordinary shares in the Company at a share price of 1.75 pence, and warrants with a total fair value of £35,300.

Additionally, in the event, within 2 years, that Kalahari Key or the MFC Project is sold for US$10million or greater, or a joint venture agreement is signed where the potential project spend is US$10million or greater, Power Metal will issue further warrants over 46,134,171 new Ordinary Shares at an exercise price of 5.0p with a 2 year life to expiry. As at 30 September 2022 the above conditions were deemed unlikely to occur and therefore no contingent consideration recognised.

KKME holds a 100% interest in the Molopo Farms Complex Project, where a large scale nickel platinum-group metal discovery is being targeted in southwestern Botswana.

The acquisition meets the definition of a business combination and will be accounted for using the acquisition accounting method in accordance with the Group's accounting policies.

Details of the fair value of identifiable assets and liabilities acquired purchase consideration and goodwill are as follows:

	Fair value £'000's
Exploration and evaluation of assets	1,252
Property, plant and equipment	8
Cash and cash equivalents	64
Trade and other payables	(363)
Total fair value	**961**
NCI (12.29%)	118
Consideration	843
Goodwill	**-**

There were no associated transaction costs.

In November 2022 the Company disposed of its 50% interest in Kanye Resources JV. Kavango PLC acquired all Power Metal interests in the Kanye JV through the issue to Power Metal of 60 million Kavango shares and 60 million warrants to subscribe for new Kavango ordinary shares with a 30-month life to expiry from the 8 July 2022 transaction date (30 million at an exercise price of 4.25p and 30 million at an exercise price of 5.5p). Also, Power Metal 15 million variable price warrants with a six-month life to expiry, with a minimum exercise price of 3p and an actual exercise price at a 15% discount to the volume weighted average share price on the date of exercise. On completion of this transaction Power Metal held 69.5million Kavango shares, representing 9.85% of Kavango's issued share capital.

In November 2022 the Company acquired the North Wind Lithium Project by staking. The staking was completed through Power Metal's wholly-owned Canadian subsidiary, Power Metal Resources Canada Inc. Following a detailed review of several publicly available provincial government geological databases and reports, Power Metal have staked a total of 5,788.5-hectares over a 16km long trend of highly anomalous lithium-in-lake sediment results. The North Wind Lithium Project was considered by the Company to be prospective for lithium (Li), caesium (Cs), and tantalum (Ta) ("LCT") bearing pegmatite occurrences.

In December 2022 the Company announced a merger of its Wilan Project ("Wilan" or the "Project"), located in South Australia, with a number of other Australian exploration interests (the "Merger"). The Merger will create a new Australian exploration company and provide Power Metal with exposure to the world class Mount Isa copper belt located within Queensland, Australia. The Wilan Project is comprised of two exploration licences ("ELs") which cover a total area of 1,994km2, held within Power Metal Resources Australia Pty Ltd ("POW Australia"), which is a wholly-owned subsidiary of Power Metal Resources PLC.

A heads-of-terms agreement (the "Agreement") was signed to combine POW Australia (100% owner of the Wilan Project) with two companies holding a 100% interest in a portfolio of two granted exploration licences and four licence applications covering 1,507km2 in the Mount Isa copper belt of Queensland, Australia (the "Queensland Projects"). The Queensland Projects are held by two private Australian companies, RAB Resources Pty Ltd ("RAB Resources" or "RAB") and New Horizon Metals Pty Ltd ("New Horizon" or "NHM"). A new company ("NewCo") will acquire outright the shares in POW Australia, RAB Resources and New Horizon (the "Merger Parties"). Following the Merger Power Metal Resources PLC will hold a 20% interest in NewCo.

On 15 February 2019 Paul Johnson, Chief Executive Officer of the Company was awarded 13,613,929 options to subscribe for new ordinary shares of 0.1 pence each in the Company at an exercise price of 1.0p ("Director Options"). The Director Options had an original expiry date of 15 February 2022, which was subsequently extended to 15 May 2022 and then to 31 December 2022. Paul Johnson is unable to exercise the Director Options due to activities underway within the Company which preclude exercise at this time.

In addition, in the December 2019 financing undertaken by the Company participants received warrants to subscribe for new ordinary shares of 0.1p in Power Metal at an exercise price of 0.7p per share with an expiry date of 17 December 2021 ("December 2021 Warrants"), which warrant exercise period was subsequently extended to 17 March 22, then 17 June 2022 and lastly to 31 December 2022 (see announcement 17 June 2022). Paul Johnson, Chief Executive Office, and Ed Shaw, Non Executive Director held 6,250,000 and 5,000,000 December 2021 warrants respectively (the "Insider Warrants").

It is the Directors' intention to exercise the Insider Warrants and the Director Options as soon as they are able to do so, and the Directors expect to be in a position to exercise in the foreseeable future. Reflecting this the Company granted a final extension to the Insider Warrants and Director Options to 30 June 2023 and should they be unexercised by or on that date, they will lapse (the "Final Extension").

In January 2023 the Company announced the acquisition of the 4,222-hectare Doerksen Bay graphite Project ("Doerksen Bay" or the "Project") located in mining friendly Saskatchewan, Canada. Power Metal also announced the formation of ION Battery Resources Limited, a new UK private battery metals and minerals focused vehicle.

As consideration for the 100% acquisition of the Project, Power Metal paid the Vendors a total of £37,500 (the "Consideration"). The Consideration is payable through the issue of 2,500,000 Power Metal new ordinary shares of 0.1p each ("Consideration Shares") at an issue price of 1.5p per share. The Consideration Shares will be subject to a 4-month lock-in.

In January 2023 Power Metal announced and completed a financing raising £900,000 for the Company, for general working capital purposes, and to support the planned exploration activities at the Tati gold project in Botswana and the Athabasca Basin region uranium properties in Saskatchewan, Canada.

In January Power Metal announced the recommencement of diamond drilling at the Berringa gold mine licence in Victoria, Australia and in February 2023 the renewal of the licence for a further 5 years, and a drilling update confirming the presence of visible gold in the first three holes completed.

In February 2023 Power Metal announced the acquisition of four additional uranium properties in the Athabasca Basin region of Saskatchewan, Canada, taking the total licence footprint to 965.73km^2 over 16 properties (including Reitenbach and E-12 properties that are the subject of conditional disposal agreements).

Scott Richardson Brown and Ed Shaw previously received 5,000,000 options each to acquire new ordinary shares in the Company of 0.1p at an exercise price of 1.0p ("Director Options"). The Director Options had an original expiry date of 19 February 2023, however in February 2023 the company granted a six-month extension to a new exercise date of 19 August 2023.

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