

POWER METAL RESOURCES PLC

Annual Report and Financial Statements

For the year ended 30 September 2023

POWER METAL RESOURCES PLC

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POWER METAL RESOURCES PLC

COMPANY INFORMATION FOR THE YEAR ENDED 30 SEPTEMBER 2023

Directors:	S Wade S Richardson Brown E Shaw D W Brodie Good	<i>Chief Executive Officer</i> <i>Non-Executive Chairman</i> <i>Non-Executive Director</i> <i>Non-Executive Director</i>
Company secretary:	ONE Advisory Limited	
Company number:	07800337	
Registered office:	201 Temple Chambers 3-7 Temple Avenue London EC4Y 0DT	
Independent Auditor:	PKF Littlejohn LLP 15 Westferry Circus Canary Wharf 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 67 Grosvenor Street London W1K 3JN First Equity Limited Salisbury House London Wall London EC2M 5QQ	
Solicitor:	Druces LLP Salisbury House London Wall London EC2M 5PS	

POWER METAL RESOURCES PLC

CHIEF EXECUTIVE OFFICER'S REVIEW FOR THE YEAR ENDED 30 SEPTEMBER 2023

Introduction

The cyclical downturn in the mineral resource exploration sector continued throughout the year under review, with increasing signs however that this pressure may now be easing not least with the strong increases in the prices of gold and uranium, two commodities of focus within the Company's portfolio.

The year saw the Company continue to focus on its business model of advancing robust internal exploration programmes to seek major metal discoveries and build underlying project value, whilst also looking in parallel for significant value crystallisation through corporate activity to build the value of the Company.

Exploration Activity

Athabasca Uranium Exploration

Power Metal currently has a 100% interest in 18 uranium properties covering over 1000km² in the Athabasca Region of Saskatchewan, Canada. This is the largest ground footprint in the Athabasca Region held by a UK listed company.

Power Metal's technical team selected the Athabasca footprint by painstaking review of historical exploration data from work conducted and paid for by others, applying modern geological knowledge and techniques to identify what we believe to be the best available ground. The ground was available either because other explorers had relinquished their interests during the long-term uranium bear market or because the geological opportunities the Company identified had, at that stage, not been noted by others.

2023 saw the largest Athabasca uranium exploration programme ever undertaken by the Company with significant early findings announced recently.

Our 2023 exploration programme has covered approximately 10 properties and to date we have announced major exploration results from across the portfolio, with further updates expected.

Africa Exploration

Tati Project

The 100% owned Tati Gold Project ("Tati") is centred on a historical gold mine, Cherished Hope, and extensions of high-grade near surface gold mineralisation were confirmed during drilling campaigns carried out by Power Metal in 2021 and 2022.

Next stage exploration focused on geochemical soil sampling at Tati is now complete. A total of 280 individual samples were collected across two grids:

- One high-resolution in-fill grid is focussed on an area approximately 2km northwest of the historical Cherished Hope Gold Mine and is centred on one point anomaly which historically returned an impressive soil sample of 2.15g/t Au. To date, this anomaly has never been further investigated to determine the provenance of this gold mineralisation; and
- The second grid covers the immediate southwestern extension of Cherished Hope where individual point anomalies returned a soil sample as high as 0.84g/t Au.

The soil samples have been sent to Intertek Genalysis in Perth, Western Australia for assay and final results are awaited.

Site rehabilitation of the fines dumps covering Tati have been completed in preparation for the next phase of exploration and development. This rehabilitation work included removal of the fines dump and clearing the site of material considered by Power Metal to be suitable for processing at a local facility.

The Company has received inbound interest regarding the potential for small-scale mining at its Cherished Hope Gold Mine area where near-surface drilling results in 2022 returned bonanza gold up to 47.1g/t Au over 1m (from 6m downhole).

POWER METAL RESOURCES PLC

CHIEF EXECUTIVE OFFICER'S REVIEW (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

Molopo Farms Complex Project

During the year, Power Metal acquired an additional 58.7% interest in Kalahari Key Mineral Exploration Pty Ltd, bringing its total interest to 87.71%. Kalahari Key Mineral Exploration Pty Ltd is a Botswana incorporated private company, which holds a 100% interest in the Molopo Farms Complex Project.

Extensive exploration to date has confirmed the feeder zone geological model, together with the presence of nickel sulphides and platinum group elements ("PGEs") through drilling as announced on 27 April 2023 which includes 2.3m @ 0.56g/t Pt+Pd+Au & 0.17% Ni from DDH1-6B, and by aggregating and analysing the extensive database of historical work has now identified the highest profile conductor drill target to date.

Power Metal sees the potential for a district-scale nickel and PGE discovery at Molopo and will undertake the next diamond drill programme with this objective in focus.

North American Exploration

North Wind

The 100% Power Metal owned North Wind Lithium Project ("North Wind") is considered by the Company to be prospective for the discovery of pegmatite hosted lithium mineralisation. Lithium (Li)-caesium (Cs)-tantalum (Ta) bearing pegmatite ("LCT-pegmatite") accounts for approximately a quarter of the world's lithium production.

The exploration work programme first announced on 10 August 2023 is now complete and a total of 389 soil geochemical samples were taken. Significantly, several pegmatites were identified across North Wind, with five pegmatite samples collected - which was a key ground exploration objective. The mineralisation present within the identified pegmatites will be determined during the assay testing process and based on interpretation of this data further exploration steps will be determined.

Corporate Activity

Athabasca Uranium Corporate Activity

Power Metal announced the conditional disposal of the Reitenbach and E-12 properties into Teathers Financial Plc (soon to be renamed Uranium Energy Exploration ("UEE")). Plans for an IPO of UEE are advancing.

The Company has also received third party interest across our uranium portfolio and further commercial transactions are anticipated however shareholders should note that there can be no certainty of any such transactions being concluded.

Africa Corporate Activity

Third parties have expressed interest in both Tati and Molopo Farms Complex projects and the Company is engaged in discussions to explore complementary, joint venture and other project level partnerships.

Power Metal continues to liaise with our partner Katoro Gold plc to seek a new pathway for advancement of the Haneti Project in Tanzania where the Company holds a 35% interest.

North America Corporate Activity

Golden Metal Resources PLC ("GMET") successfully listed on the London Stock Exchange in May 2023 with Power Metal holding an interest following their IPO financing of 61.03%, worth c.£7.1 million as at the date of this report. Power Metal also holds 1,749,378 warrants to acquire new GMET ordinary shares at an exercise price of 10.75p per share and with an expiry date of 10 May 2024 and a further 1,749,378 warrants at an exercise price of 17.5p per share and with an expiry date of 10 May 2025.

Power Metal's 100% owned ION Battery Resources Limited ("ION") holds 100% of the North Wind project (transfer completed in May 2023), where lithium focused exploration is currently underway, together with 100% of the Doerksen Bay graphite project and an option to earn-in to the Authier North/Duval East lithium project.

The next corporate steps for ION are to be determined following a review of assay results from the North Wind summer exploration programme.

POWER METAL RESOURCES PLC

CHIEF EXECUTIVE OFFICER'S REVIEW (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

The Company's 30% interest in the Silver Peak project remains as previously stated and we are working with our partners on the next commercial steps for this important asset.

Australia Corporate Activity

Through its Australian operating subsidiary, Red Rock Australasia Pty Ltd, NBGC has a substantial licence footprint within the Victoria Goldfields, Australia, which is comprised of 17 granted exploration licences covering 1,867km² and 5 licence applications covering 493km². Power Metal is working with its joint venture partner Red Rock Resources plc to expedite the commercial success of this strategic Australian opportunity.

First Development Resources PLC ("FDR") holds strategic exploration projects in Western Australia and the Northern Territory and is prepared for an IPO listing which, subject to a return to normalised market conditions and final regulatory approvals, can be undertaken at short notice. In Western Australia FDR holds the Wallal Project which includes the company's primary target - the Eastern Anomaly, a magnetic bullseye target with a geophysical signature similar to Greatland Gold's Havieron discovery in the Paterson Region.

FDR has secured a c.£110k co-funding grant from the Western Australian government as part of the Exploration Incentive Scheme to be set against the costs of Wallal drilling and has received all the necessary local approvals for the drilling to be undertaken. FDR has also agreed a contract with DDH1 Drilling Ltd to undertake the Phase I diamond drilling drill programme and has prepared the access and the drill pad location in readiness for drilling. Recognising this progress, the early commencement of drilling is being considered alongside the work being undertaken to progress the IPO.

Finally, Power Metal holds a 20% interest in New Horizon Metals Pty Ltd, which holds projects in Queensland and South Australia, and is working towards a listing in the Australian capital markets.

Financial Review

Total comprehensive loss for the year to 30 September 2023 of £1.3 million (2022: loss of £137k). The increase in loss from September 2022 is in part due to the capital contribution balance recognised during the prior 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 £13.6 million at the year-end (2022: £11.7 million).

Raised £3.6 million (before issue costs) in new equity financing during the financial year, from a combination of new and existing shareholders, including the Directors.

An additional £43.8k of cash received by the Company during the year from exercises of Power Metal share warrants and £Nil cash received by the Company during the year from exercises of Power Metal share options. £1.1 million of shares were issued in relation to acquisitions in various investments and projects.

The Company ended the financial year with a cash balance of £1.10 million (2022: £1.56 million).

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.

Events subsequent to the year end

For information regarding events after the reporting date, see note 26 to the financial statements.

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.

POWER METAL RESOURCES PLC

CHIEF EXECUTIVE OFFICER'S REVIEW (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

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.

Board Changes

In March 2023, Sean Wade was appointed to the Board as Chief Executive Officer and Executive Director, replacing Paul Johnson.

In May 2023, Bill Brodie Good was appointed to the Board as Non-Executive Director.

Also disclosed in Note 26, in January 2024, Owain Morton resigned from the Board as Non-Executive Director.

Outlook

Power Metal continues to execute on its robust business model of exploration/development project generation and advancement and value crystallisation.

In addition to the multiple potential district scale exploration and development projects currently within the portfolio, the Company continues to seek new opportunities for shareholder value creation.

A number of such opportunities are currently in the pipeline and the Board remains confident that with ongoing operations and also as junior resource and commodity market conditions normalise, the Company is in an excellent position to deliver value to shareholders.

Sean Wade, Chief Executive Officer
20 February 2024

POWER METAL RESOURCES PLC

STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2023

The Directors present their strategic report on Power Metal Resources PLC (the “Company”) together with its subsidiaries (the “Group”/“Power Metal”) for the year ended 30 September 2023.

Overview of the business

The financial year to 30 September 2023 resulted in a total comprehensive loss for the year of £1.3 million (2022: loss of £137k).

Net assets at the year-end stood at £14.5 million (2022: £13.8 million). The Group’s cash position of £1.1 million as at 30 September 2023 was supplemented post-year end following a placing of £1.3 million.

Business Strategy

The overriding strategic objective of the Group 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 Group to increase the likelihood of a large-scale metal discovery.

The Group 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 5.

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.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

Financing & liquidity risk (Continued)

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 Group has working knowledge of the countries in which it holds exploration licences and has appointed experienced local operators to assist the Group 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 Group 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 has confidence that financing of the Group can continue as and when required, albeit the Board of Directors ("The Board") is keen to avoid excessive dilution and will manage the financing process with that objective in mind.

Furthermore, the Group 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 Group 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.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

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 the 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 First Development Resources 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.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023

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 The 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

POWER METAL RESOURCES PLC

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

		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

Sean Wade, Chief Executive Officer
20 February 2024

POWER METAL RESOURCES PLC

THE BOARD OF DIRECTORS FOR THE YEAR ENDED 30 SEPTEMBER 2023

Sean Wade, Chief Executive Officer

Sean is an experienced corporate executive within the natural resource sector, having held senior roles in mining companies including Berkeley Energia PLC, Pensana PLC and Asia Resource Minerals PLC. He has worked on numerous transactions in the capital markets, including IPO's, secondary capital raising and M&A in a wide variety of different jurisdictions and exchanges. His extensive network covers numerous capital providers, including institutional funds, family offices and private wealth.

Sean started his career at Cazenove & Co in 1993. In 2007 he was a founding shareholder in Liberum Capital. Since 2012, he has worked in corporate business development and investor relations. He founded Scout Advisory Limited in 2020 undertaking consultancy work with various listed and private companies in the resource exploration mining sector.

Scott Richardson Brown, 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 Power Metal 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 (resigned in January 2024)

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.

Douglas William Brodie Good, Non-Executive Director

Bill has over 30 years' experience in global exploration having cut his teeth in Australia followed by working extensively in geological and project management in francophone west and central Africa, the Middle East, central Asia and returning to Australia more recently. Bill has been an explorer combining hands-on execution of field programmes as well as planning, budgeting and management in some cases multi-project operations. His recent role with AIM listed Alien Metals Ltd as Technical Director and CEO has given him a broader insight into market trends and demands and helped broaden his experience to hone his exploration background while making a significant discovery of a DSO Iron Ore resource while there.

Bill's experience has extensively involved the design, planning and implementation of new and grass roots exploration programmes with an emphasis on in country logistics planning, government liaison, people management and project delivery on time and in budget.

Bill has worked in both the private and consulting sector therefore has an overarching view from both corners to enable more rounded planning and decision making to optimise projects performance, budgets and schedules.

POWER METAL RESOURCES PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2023

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 58.59% owned subsidiary, First Development Resources PLC ("FDR");
- its 58.59% owned indirect subsidiary, First Development Resources Pty Ltd ("FDR Pty");
- its 58.59% owned indirect subsidiary, Pardoo Resources Pty Ltd ("Pardoo");
- its 58.59% owned indirect subsidiary, RH Resources Pty Ltd ("RH Pty");
- its 58.59% owned indirect subsidiary, URE Metals Pty Ltd ("URE");
- its 100% owned subsidiary, Power Arabia Ltd ("PA Ltd"), (formerly Power Capital Investments Ltd);
- its 100% owned subsidiary, Tati Greenstone Resources Pty Ltd ("TGR");
- its 100% owned subsidiary, Power Metal Resources Botswana Pty Ltd ("PMRB");
- its 87.71% owned subsidiary, Kalahari Key Mineral Exploration Pty Ltd ("KKME");
- its 100% owned subsidiary, Power Metal Resources Canada Inc ("PMRC");
- its 100% owned indirect subsidiary, 102134984 Saskatchewan Ltd ("SASK");
- the 100% owned subsidiary, ION Battery Resources Ltd ("ION");
- its 100% owned indirect subsidiary, 102162331 Saskatchewan Ltd ("SASK2");
- its 100% owned subsidiary, African Battery Metals Ltd ("ABM").

During the year ended 30 September 2023, the Group's 83.13% owned subsidiary Golden Metal Resources PLC ("GMET") successfully listed on the AIM market of the London Stock Exchange. Power Metal's shareholding was diluted and from Initial Public Offering ("IPO") date (10 May 2023), GMET along with its 100% subsidiaries Golden Metal Resources LLC ("GMR LLC"), Pilot Metals Inc. ("PMI") and BFM Resources Inc. ("BFMR"), (together the "GMET Group") were derecognised as subsidiaries. The audited consolidated financial statements of the Group include the GMET Group until this date. See note 11 for details.

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 £1.3 million (2022: loss of £137k).

Major events after the reporting date

For information regarding events after the reporting date, see note 26 to the financial statements.

Dividends

The Directors do not recommend the payment of a dividend for the year ended 30 September 2023 (2022: £Nil).

Financial risk management

The Group's operations are exposed to a variety of financial risks, and these are detailed in note 22 to these financial statements.

Political donations

There were no political donations during the year ended 30 September 2023 (2022: £Nil).

Bribery legislation

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

Directors

The Directors of the Company who served during the year and since the reporting date are as follows:

S Wade, Chief Executive Officer (appointed 17 March 2023)

P Johnson, Chief Executive Officer (resigned 17 March 2023)

S Richardson Brown, Non-Executive Chairman

E Shaw, Non-Executive Director

O Morton, Non-Executive Director (appointed 10 October 2022, resigned 16 January 2024)

D W Brodie Good, Non-Executive Director (appointed 5 May 2023)

POWER METAL RESOURCES PLC

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

Directors' interests

The beneficial interests of the Directors holding office at the end of 30 September 2023 in the issued share capital of the Company as of 30 September 2023 were as follows:

	Number of ordinary shares of 0.1p each	Percentage of issued ordinary share capital
S Wade	14,764,705	0.710
S Richardson Brown	-	-
E Shaw	15,000,000	0.721
O Morton	-	-
B Brodie Good	1,000,000	0.048

Details of share options and warrants granted to Directors are disclosed in note 20 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 2023 £'000	Total 2022 £'000
P Johnson*	63	16	79	166
S Wade**	85	56	142	-
S Richardson Brown	40	15	55	54
E Shaw	30	11	41	40
O Morton ***	32	11	43	-
D W Brodie Good ****	12	7	19	-
Total	262	116	379	260

* Resigned from the Board on 17 March 2023

** Appointed to the Board on 17 March 2023

*** Appointed to the Board on 10 October 2022, resigned from the Board on 16 January 2024

**** Appointed to the Board on 5 May 2023

There were 7 employees other than the Directors during the year ended 30 September 2023 (2022: 7).

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 whilst 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 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 the applicable laws and regulations.

POWER METAL RESOURCES PLC

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

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

Sean Wade, Chief Executive Officer
20 February 2024

**CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

As Chairman of the Board of Directors of Power Metal Resources PLC (the “Company”) together with its subsidiaries (the “Group”/“Power Metal”), 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 the Executive Directors and Non-Executives Directors 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.

During the year under review, the following changes took place on the Company’s Board of Directors: the appointment of Owain Morton as Non-Executive Director on 10 October 2022, who subsequently resigned on 16 January 2024, the appointment of Sean Wade as Chief Executive Officer (CEO) on 17 March 2023 and the resignation of former CEO Paul Johnson on 17 March 2023, and the appointment of Douglas William Brodie Good as a Non-Executive Director on 5 May 2023.

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 6, and the key challenges in executing the Company’s strategy can be found on page 6 to 7.

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 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. All resolutions at the Company’s AGM in 2023 passed comfortably.

The Company is open to receiving feedback from key stakeholders and will take action where appropriate. The key contact for shareholder liaison is the CEO, Sean Wade, 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.

**CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

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 6 to 10.

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, Sean Wade and three Non-Executive Directors, Scott Richardson Brown, Ed Shaw, and Douglas William Brodie Good, following the resignation of Owain Morton on 16 January 2024. Scott Richardson Brown is Chairman of the Company.

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 Douglas William Brodie Good are considered to be Independent Non-Executive Directors. Scott Richardson Brown holds an interest in 5,000,000 options. Owain Morton and Douglas William Brodie Good hold an interest in 5,000,000 options respectively which were granted at the time of their appointments as Non-Executive Directors to the Company. Neither the individual Directors or the Company believe that their interests are significant in assessing their respective independence.

**CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

During the year under review the Company appointed two additional independent Non-Executive Directors to the Board. . With the resignation of Owain Morton, the Company is currently considering a number of candidates to join the Board as an independent Non-Executive Director to appropriately align Board composition with the Company's current size and stage of development. The Board believes that the Non-Executive Chairman and Non-Executive Directors offer key expertise to the Executive Director through their skill-sets, in addition to supporting and developing relationships with shareholders and key stakeholders. The Board will continue to review its composition as the Company grows.

Sean Wade worked for 140 days per year and Paul Johnson worked for 120 days per year. Scott Richardson Brown and Ed Shaw worked for not less than 21 days per year, Douglas William Brodie Good for not less than 7 and Owain Morton worked for not less than 18.

During the financial year there were 3 routine Board Meetings and 20 non-routine Board Meetings, and the attendance of each Director is outlined below:

Director	Routine Board Meetings	Non-Routine Board Meetings
Paul Johnson*	2	10
Sean Wade**	1	9
Scott Richardson Brown	3	19
Ed Shaw	3	18
Douglas William Brodie Good***	1	6
Owain Morton ****	3	15

* Resigned from the Board on 17 March 2023

** Appointed to the Board on 17 March 2023

*** Appointed to the Board on 5 May 2023

**** Appointed to the Board on 10 October 2022, resigned 16 January 2024

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

The Directors of the Board bring experience from a range of industries including the accounting and finance, engineering 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 sessions, conferences and networking events. Biographical details of the Directors can be found on page 11.

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 website disclosures.

The Company's Nominated Adviser, SP Angel Corporate Finance LLP, is consulted on all matters. During the year under review 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.

**CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

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 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.

The Company has implemented, inter alia, the following policies to help ensure the highest standards of personal and professional ethical behaviour are adhered to:

- an Anti-Bribery and Corruption Policy
- a Whistleblowing Policy
- a Social Media Policy
- a Share Dealing Policy
- an Inside Information Policy

The Strategic Report and s172(1) Statement provide further detail on the frameworks in place to promote and support ethical behaviour and the Company's values, and how these align with the Company's objectives, strategy, and business model.

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

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, a qualified chartered accountant. 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 on three occasions during the year under review.

**CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

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.

The Chair and the Board continue to monitor and evolve the Company's corporate governance structures and processes, and maintains that these will evolve over time, in line with the Company's growth and development.

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 ("AGM"), 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 2023 AGM 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, Non-Executive Chairman
20 February 2024

POWER METAL RESOURCES PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POWER METAL RESOURCES PLC FOR THE YEAR ENDED 30 SEPTEMBER 2023

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 2023 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement 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 2023 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 12 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.
- The forecasts demonstrated that the group and parent company may require additional funding during the going concern period to meet their liabilities as and when they fall due.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF POWER METAL RESOURCES PLC (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

- Stress testing the forecasted cash flows by stripping out sources of income that are not at the current time guaranteed, as well as critically reviewing committed versus non committed expenditure, in order to evaluate reasonably possible downside scenarios. We have discussed with the directors the strategies that they are pursuing to secure further funding if and when required. We note that the group have successfully raised funds from issuing equity in the past but at the date of this report there are no legally binding agreements in place to cover a funding deficit in these scenarios.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements were 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 £295,000 (2022: £242,000), based on 2% (2022: 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 £84,000 (2022: £136,000), 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% (2022: 70%) of overall materiality, and the threshold for which we communicate errors to management has been set at 5% (2022: 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 for the parent entity has been set at £290,000 (2022: £213,000) based on 2% (2022: 2%), of gross assets with a separate materiality for the statement of comprehensive income of £83,000 (2022: £103,000), based on 5% (2022: 5%) of the loss for the year adjusted for non-recurring items.

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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF POWER METAL RESOURCES PLC (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

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 and Company hold 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. The majority of exploration projects are early stage where no independently prepared resources estimates are available.	Our work in this area included: • Holding discussions 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; • 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 (Company only), as well as joint ventures, associates and equity investments as financial assets (Group & Company), are the most significant balances in the financial statements. There is a risk that the requirements of IAS 28, IFRS 9, IFRS 10 and IFRS 11 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	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;

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF POWER METAL RESOURCES PLC (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

earn-in commitments, there is a risk that the investment balances are not fully recoverable.	• 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 IAS 28 and IFRS 9 and ensuring these are complete and in accordance with the applicable standard.
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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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF POWER METAL RESOURCES PLC (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 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 company with those laws and regulations. These procedures included, but were not limited to:
 - Enquires 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 carrying value of intangible assets and investment balances gave the greatest potential for management bias.
- As in all our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

POWER METAL RESOURCES PLC

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF POWER METAL RESOURCES PLC (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

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
20 February 2024

15 Westferry Circus
Canary Wharf
London E14 4HD

POWER METAL RESOURCES PLC

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Note	2023 £'000	2022 £'000
Revenue		<u>78</u>	<u>37</u>
Gross profit		<u>78</u>	<u>37</u>
Operating expenses	6	(2,777)	(3,127)
Fair value gains through profit or loss	14	<u>1,604</u>	<u>309</u>
Loss from operating activities		<u>(1,095)</u>	<u>(2,781)</u>
Share of post-tax losses of equity accounted joint ventures	12	(219)	(167)
Loss before tax		<u>(1,314)</u>	<u>(2,948)</u>
Taxation	9	<u>-</u>	<u>-</u>
Loss for the year from continuing operations		<u>(1,314)</u>	<u>(2,948)</u>
Other comprehensive (expense)/income			
Items that will or may be reclassified to profit or loss:			
Exchange translation		6	18
Items that will not be reclassified to profit or loss:			
Capital contribution		-	2,793
Total other comprehensive (expense)/income		<u>6</u>	<u>2,811</u>
Total comprehensive loss for the year		<u><u>(1,308)</u></u>	<u><u>(137)</u></u>
Loss for the period attributable to:			
Owners of the parent		(1,096)	(2,256)
Non-controlling interests		<u>(218)</u>	<u>(692)</u>
		<u>(1,314)</u>	<u>(2,948)</u>
Total comprehensive (loss)/income attributable to:			
Owners of the parent		(1,083)	82
Non-controlling interests		<u>(225)</u>	<u>(219)</u>
		<u>(1,308)</u>	<u>(137)</u>
Earnings per share from continuing operations attributable to the ordinary equity holder of the parent:			
Basic and diluted loss per share (pence)	19	<u>(0.06)</u>	<u>(0.15)</u>

The notes on pages 37 to 68 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023**

		2023	2022
	Note	£'000	£'000
Assets			
Intangible assets	10	4,947	7,138
Investments in associates and joint ventures	12	290	402
Financial assets at fair value through profit or loss	14	1,161	1,620
Property, plant and equipment		8	33
Non-current assets		6,406	9,193
Financial assets at fair value through profit or loss	14	7,188	2,384
Trade and other receivables	15	481	346
Cash and cash equivalents	16	1,098	1,560
Assets classified as held for sale	13	191	1,124
Current assets		8,958	5,414
Total assets		15,364	14,607
Equity			
Share capital	18	8,531	8,065
Share premium	18	27,497	23,312
Capital redemption reserve		5	5
Capital contribution reserve		-	2,322
Share based payment reserve	20	1,712	1,638
Exchange reserve		103	90
Accumulated losses		(24,276)	(23,740)
Total		13,572	11,692
Non-controlling interests	17	907	2,065
Total equity		14,479	13,757
Liabilities			
Trade and other payables	21	885	850
Current liabilities		885	850
Total liabilities		885	850
Total equity and liabilities		15,364	14,607

The financial statements of Power Metal Resources PLC, company number 07800337, were approved by the Board of Directors and authorised for issue on 20 February 2024. They were signed on its behalf by:

Sean Wade
Chief Executive Officer

POWER METAL RESOURCES PLC

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	(21,486)	6,274	(306)	5,968
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 step disposal of subsidiaries	-	-	-	-	-	-	-	-	2,590	2,590

The notes on pages 37 to 68 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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	(23,740)	11,692	2,065	13,757

The following describes the nature and purpose of each reserve:

Share Capital: Amount subscribed for share capital at nominal value.

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.

Share based payment reserve: Amounts recognised for the fair value of share options and warrants granted.

Exchange Reserve: Foreign exchange differences in re-translation.

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

Non-controlling interests: Cumulative net profits/(losses) and exchange differences in relation to non-controlling interests.

Retained deficit: Cumulative net profits/(losses) recognised in the financial statements.

The notes on pages 37 to 68 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	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 2022	8,065	23,312	5	2,322	1,638	90	(23,740)	11,692	2,065	13,757
Loss for the period	-	-	-	-	-	-	(1,096)	(1,096)	(218)	(1,314)
Other comprehensive income	-	-	-	-	-	13	-	13	(7)	6
Total comprehensive income / (expense) for the period	-	-	-	-	-	13	(1,096)	(1,083)	(225)	(1,308)
Issue of ordinary shares	466	4,405	-	-	-	-	-	4,871	-	4,871
Costs of share issues	-	(220)	-	-	-	-	-	(220)	-	(220)
Share-based payments	-	-	-	-	74	-	-	74	-	74
Non-controlling interest adjustment on step acquisition of subsidiaries	-	-	-	-	-	-	-	-	99	99

The notes on pages 37 to 68 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

Non-controlling
interest

adjustment on
step disposal of
subsidiaries

Non-controlling
interest

adjustment on
disposal of
subsidiaries

**Total
transactions
with owners**

**Balance at 30
September
2023**

-	-	-	-	-	-	-	22	22	(22)	-
-	-	-	(2,322)	-	-	-	538	(1,784)	(1,010)	(2,794)
466	4,185	-	(2,322)	74	-	-	560	2,963	(933)	2,030
8,531	27,497	5	-	1,712	103	(24,276)	13,572	907	14,479	

The following describes the nature and purpose of each reserve:

Share Capital: Amount subscribed for share capital at nominal value.

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.

Share based payment reserve: Amounts recognised for the fair value of share options and warrants granted.

Exchange Reserve: Foreign exchange differences in re-translation.

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

Non-controlling interests: Cumulative net profits/(losses) and exchange differences in relation to non-controlling interests.

Retained deficit: Cumulative net profits/(losses) recognised in the financial statements

The notes on pages 37 to 68 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	2023	2022
	£'000	£'000
Cash flows used in operating activities		
Loss for the year from continuing activities	(1,314)	(2,948)
Adjustments for:		
Fair value adjustments	(1,604)	(309)
Share of post-tax losses of equity accounted joint ventures	219	167
Expenses settled in shares	129	-
Disposals of financial assets	(175)	245
Depreciation	5	-
Foreign exchange differences	(33)	101
Share-based payment expense	30	11
	<u>(2,743)</u>	<u>(2,733)</u>
Changes in working capital:		
Increase in trade and other receivables	(169)	(250)
Increase in trade and other payables	797	477
Net cash used in operating activities	<u>(2,115)</u>	<u>(2,506)</u>
Cash flows from investing activities		
Purchase of financial assets at fair value through profit or loss	-	(426)
Investments in financial assets through P&L	(291)	-
Investment in joint ventures	-	(188)
Investments in associates	(316)	-
Investments in intangibles	(797)	(1,530)
Cash relating to deconsolidated subsidiary	(410)	-
Purchase of property, plant, and equipment	(8)	(32)
Net cash outflows from investing activities	<u>(1,822)</u>	<u>(2,176)</u>
Cash flows from financing activities		
Proceeds from issue of share capital	3,616	3,211
Shares issued to non-controlling interests by subsidiaries	79	1,875
Issue costs	(220)	(125)
Net cash inflows from financing activities	<u>3,475</u>	<u>4,961</u>
(Decrease)/increase in cash and cash equivalents	(462)	279
Cash and cash equivalents at beginning of year	1,560	1,281
Cash and cash equivalents at 30 September	<u>1,098</u>	<u>1,560</u>

Significant non-cash transactions during the year

During the year, the Group acquired intangible assets, either directly or indirectly via subsidiary undertakings and investments in subsidiaries, totalling £1,146k via the issue of ordinary shares.

Power Metal disposed of its investment in Kanye Resources Pty Ltd during the year, which was previously held for sale. In consideration, the Company received shares and warrants in Kavango Resources PLC to the value of £1,114k.

On 10 May 2023, Golden Metal Resources PLC (“GMET”) listed on the AIM market of the London Stock Exchange, resulting in a dilution of POW’s shareholding leading to a disposal of the subsidiary investment during the year. On the IPO date, Power Metal disposed of the subsidiary investment and recognised a financial asset, including an uplift in fair value.

POWER METAL RESOURCES PLC

**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023**

	Note	2023 £'000	2022 £'000
Assets			
Investments in subsidiaries	11	2,371	2,632
Investments in joint ventures	12	811	496
Investments in associates		-	209
Financial assets at fair value through profit or loss	14	1,157	1,485
Property, plant and equipment		1	2
Non-current assets		4,340	4,824
Financial assets at fair value through profit or loss	14	7,188	2,384
Trade and other receivables	15	2,994	1,384
Cash and cash equivalents	16	1,058	1,032
Assets classified as held for sale	13	-	1,045
Current assets		11,240	5,845
Total assets		15,580	10,669
Equity			
Share capital	18	8,531	8,065
Share premium	18	27,497	23,312
Capital redemption reserve		5	5
Share based payment reserve	20	1,712	1,638
Accumulated losses		(22,852)	(22,868)
Total Equity		14,893	10,152
Liabilities			
Trade and other payables	21	687	517
Current liabilities		687	517
Total liabilities		687	517
Total equity and liabilities		15,580	10,669

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 profit for the financial year dealt with in the financial statements of the parent Company was £16,000 (2022: loss of £1,364,000).

The financial statements of Power Metal Resources PLC, company number 07800337, were approved by the Board of Directors and authorised for issue on 20 February 2024. They were signed on its behalf by:

Sean Wade
Chief Executive Officer

POWER METAL RESOURCES PLC

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

	Share Capital £'000	Share premium £'000	Capital Redemption Reserve £'000	Share based payment reserve £'000	Retained deficit £'000	Total equity £'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.

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.

Share based payment reserve: Amounts recognised for the fair value of share options and warrants granted.

Retained deficit: Cumulative net profits/(losses) recognised in the financial statements.

The notes on pages 37 to 68 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Share Capital £'000	Share premium £'000	Capital Redemption Reserve £'000	Share based payment reserve £'000	Retained deficit £'000	Total equity £'000
Balance at 1 October 2022	8,065	23,312	5	1,638	(22,868)	10,152
Profit for the period	-	-	-	-	16	16
Total comprehensive income for the period	-	-	-	-	16	16
Issue of ordinary shares	466	4,405	-	-	-	4,871
Cost of share issues	-	(220)	-	-	-	(220)
Share-based payments	-	-	-	74	-	74
Total transactions with owners	466	4,185	-	74	-	4,725
Balance at 30 September 2023	8,531	27,497	5	1,712	(22,852)	14,893

The following describes the nature and purpose of each reserve:

Share Capital: Amount subscribed for share capital at nominal value.

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.

Share based payment reserve: Amounts recognised for the fair value of share options and warrants granted.

Retained deficit: Cumulative net profits/(losses) recognised in the financial statements.

The notes on pages 37 to 68 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

**COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	2023 £'000	2022 £'000
Cash flows from operating activities		
Gain/(loss) for the year from continuing activities	16	(1,364)
Adjustments for:		
Depreciation	1	-
Fair value adjustment	(1,604)	(309)
Expenses settled in shares	109	-
(Profit) / loss on disposal of subsidiary	(265)	1,033
Share based payment expense	39	101
Expected credit losses	98	(756)
	<u>(1,606)</u>	<u>(1,295)</u>
Changes in working capital:		
Increase in trade and other receivables	(1,326)	(1,192)
Increase in trade and other payables	170	263
Net cash used in operating activities	<u>(2,762)</u>	<u>(2,224)</u>
Cash flows from investing activities		
Investment in joint ventures	(316)	(188)
Investment in associates	-	(209)
Investment in subsidiaries	-	(484)
Investment in financial assets	(292)	(200)
Net cash outflows from investing activities	<u>(608)</u>	<u>(1,081)</u>
Cash flows from financing activities		
Proceeds from issue of share capital	3,616	3,211
Issue costs	(220)	(125)
Net cash inflows from financing activities	<u>3,396</u>	<u>3,086</u>
Increase/(decrease) in cash and cash equivalents	26	(219)
Cash and cash equivalents at beginning of year	1,032	1,251
Cash and cash equivalents at 30 September	<u>1,058</u>	<u>1,032</u>

Significant non-cash transactions during the year

During the year, the Group acquired intangible assets, either directly or indirectly via subsidiary undertakings and investments in subsidiaries, totalling £1,146k via the issue of ordinary shares.

Power Metal Resources PLC (the “Company”) disposed of its investment in Kanye Resources Pty Ltd during the year, which was previously held for sale. In consideration, the Company received shares and warrants in Kavango Resources PLC to the value of £1,114k.

On 10 May 2023, Golden Metal Resources PLC (“GMET”) listed on the AIM market of the London Stock Exchange, resulting in a dilution of the Company’s shareholding leading to a disposal of the subsidiary investment during the year. On the IPO date, the Company purchased a number of GMET shares, the value of which netted against the intercompany loan balance, included in the above.

POWER METAL RESOURCES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

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 Group as at and for the year ended 30 September 2023 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 (Note 26), 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 whilst 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 also 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 ("IFRS") 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 2022

There were no new standards, amendments or interpretations effective for the first time for periods beginning on or after 1 October 2022 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 for the period beginning 1 January 2023 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 2024
- 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

The notes on pages 37 to 68 are an integral part of these financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

3. Basis of preparation (continued)

- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transactions – applicable for annual periods beginning on or after 1 January 2023
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback – effective date 1 January 2024
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Noncurrent – Deferral of Effective Date – effective date 1 January 2024
- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – effective date optional.

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 Group’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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

3. Basis of preparation (continued)

Non-current assets held for sale

- Note 13

As at 30 September 2023, the Group classified two intangible assets, E-12 and Reitenbach, as non-current assets held for sale, following an announcement by the Company stating their conditional sale to Teathers Financial PLC. The transaction is conditional on Teathers Financial PLC's Admission on the London capital markets. Based on these terms, the criteria within IFRS 5 (listed below) were considered to be met at 30 September 2023.

- 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 15

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.

Valuation of share-based payments

- Note 20

Accounting for some equity-settled share-based payment awards required the use of valuation models to estimate the future share price performance of the Company. These models require the Directors to make assumptions regarding the share price volatility, risk free rate and expected life of awards in order to determine the fair values of the awards at grant date.

Acquisition of Kalahari Key Mineral Exploration Pty Ltd

- Note 11

In November 2022, the Company acquired a further 58.7% interest in Kalahari Key Mineral Exploration Pty Ltd ("KKME") detailed in note 10. The acquisition was not in scope of IFRS 3 Business Combination as the assets acquired and liabilities assumed were not deemed to meet the definition of a 'business' as defined in the standard and therefore the acquisition has been accounted for as an asset purchase. KKME has been included in the consolidated financial statements from that date onwards by full consolidation.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023

4. Significant accounting policies (continued)

Business combinations

On acquisition, the assets and liabilities of a subsidiary are measured at their fair value on 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 of 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.

Equity method of accounting

Under the equity method of accounting, interests in associates are initially recognised at cost. The Group's share of associates 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 is equal to 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023

4. Significant accounting policies (continued)

(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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

4. Significant accounting policies (continued)

(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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

4. Significant accounting policies (continued)

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:

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

4. Significant accounting policies (continued)

- 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 statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

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.

2023	Australia	Botswana	Canada	Tanzania	UK	US	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Intangible assets	1,692	2,660	595	-	-	-	4,947
Investments in Joint Ventures	290	-	-	-	-	-	290
Financial Assets at fair value through profit or loss	283	-	471	234	109	64	1,161
Property, plant & Equipment	2	5	-	-	1	-	8
Total	2,267	2,665	1,066	234	110	64	6,406

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
Property, plant & Equipment	-	-	-	-	33	-	33
Total	1,817	1,247	763	234	192	4,940	9,193

6. Operating expenses

Operating expenses include:	2023	2022
	£'000	£'000
Staff costs (note 7)	957	960
Foreign exchange loss	62	11
Share based payment expense	31	70
(Gain)/Loss on disposal	(175)	180
Auditor's remuneration for audit of the Group and Company financial statements	36	29

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

7. Staff costs

	Group 2023 £'000	Company 2023 £'000	Group 2022 £'000	Company 2022 £'000
Directors' salary and fees (note 8)	378	378	260	260
Social security contributions	93	92	89	86
Staff salaries	447	419	535	460
Pensions	8	8	6	6
Share based payments	31	31	70	70
Total	957	928	960	882

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

	Group 2023	Company 2023	Group 2022	Company 2022
Directors and staff	20	12	8	10
Total	20	12	8	10

8. Directors' emoluments

2023	Executive £'000	Non- executive £'000	Total £'000
Wages and salaries	214	164	378
Social security contributions	35	21	56
Share-based payments	10	11	21
Total	259	196	455

2022	Executive £'000	Non- executive £'000	Total £'000
Wages and salaries	166	94	260
Social security contributions	14	7	21
Share-based payments	-	2	2
Total	180	103	283

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

	2023 £'000	2022 £'000
Emoluments for qualifying services	259	166

9. Taxation

Reconciliation of tax (credit)/expense	2023 £'000	2022 £'000
Losses from operations	(1,314)	(2,948)
Tax using the Company's effective domestic tax rate of 21.5% (2022: 19%)	(283)	(560)
Effects of:		
Disallowable expenditure	233	50
Current losses with no recognisable deferred tax asset	50	510
	-	-

The notes on pages 37 to 68 are an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023

9. Taxation (continued)

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 £6,578,021 (2022: £5,282,021). A deferred tax asset has not been recognised in respect of such losses due to uncertainty of future profit streams.

From 1 April 2023 the UK Government increased the corporation tax rates to 25% on profits above £250,000. Companies with profits of £50,000 or less will be taxed at 19% and companies with profits between £50,000 and £250,000 will pay tax at 25% that is reduced by marginal relief on a sliding scale.

10. Intangible assets

Group

	Prospecting and exploration rights £'000
Cost	
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
As at 30 September 2022	8,264
Reclassification from financial assets	878
Reclassification to assets held for sale	(60)
Reclassification from associate	209
Additions	2,067
Disposal	(5,035)
Subsidiary sale of shares	(79)
Effect of foreign exchange	(171)
Balance at 30 September 2023	6,073
Impairment	
As at 30 September 2021	1,126
Balance at 30 September 2022	1,126
As at 30 September 2022	1,126
Charge	-
Balance at 30 September 2023	1,126
Net book value	
At 30 September 2022	7,138
At 30 September 2023	4,947

During the year, the Group's direct interest in the Garfield, Stonewall, Golconda Summit & Pilot Mountain Projects was disposed of, see note 11 for further details. The Group acquired additional intangible assets in Molopo Farm and North Wind, see below:

POWER METAL RESOURCES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

10. Intangible assets (continued)

	2023 £'000	2022 £'000
Intangible assets		
Athabasca Uranium Project	349	175
Authier North Project	74	16
Canadian Graphite Project	137	99
Tati Gold-Nickel Project	384	359
Garfield, Stonewall, Golconda Summit & Pilot Mountain Projects	-	4,865
Wallal, Braeside West, Selta & Ripon Hill Projects	1,692	1,624
Molopo Farm Project	2,276	-
North Wind Project	35	-
Total	4,947	7,138

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 2023, the Group held 17 properties covering 1012km² in the Athabasca Region of Saskatchewan, Canada. This is the largest ground footprint in the Athabasca Region held by a UK listed company.

The conditional disposal of two properties held at the Athabasca project were announced previously; Reitenbach, in August 2022 and E-12 in November 2022. Work is still 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 ("UEE"). The two properties were moved to assets held for sale in the statement of financial position as at 30 September 2022. Since then, considerable progress has been made on the structure of the transaction and the advancement of the assets, a key component of which has been the successful completion of a pre-IPO financing which was announced on 13 December 2023.

Authier North Project

In July 2023, Power Metal announced the early completion of its earn-in to a 100% interest in Authier North. 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.

Canadian Graphite Project

In January 2023, Power Metal announced the acquisition of the 4,222-hectare Doerksen Bay Graphite Project located in Saskatchewan, Canada. Power Metal transferred its interest into newly formed 100% subsidiary ION Battery Resources Limited ("ION"). The project gives exposure to the exciting graphite space, a key component in new age battery technology. The Project is centred around five Saskatchewan Mineral Deposit Index graphite occurrences including the Ben, Ben North, Bear Bones, Brabant Lake and Doerksen Bay showings.

Tati Gold-Nickel Project

In 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. Further 2023 geochemical soil sampling assay results confirmed two significant gold-in-soil geochemical anomalies and continuity within the 8km gold trend at Tati. Six unique additional target areas have been identified for detailed soil sampling which is expected to include a total of c. 450 individual soil samples for follow on accredited laboratory gold assay testing. Further sampling at this target area will be focussed on infill as well as step-out sampling to better understand the size and orientation of this priority zone.

Garfield, Stonewall, Golconda Summit and Pilot Mountain Projects

On 10 May 2023, Golden Metal Resources PLC ("GMET") listed on the AIM market of the London Stock Exchange, relating in a dilution of POW's shareholding leading to a disposal of the subsidiary investment during the year. POW's interests in the projects were therefore disposed of, and the investment in GMET was subsequently recognised as a financial asset.

POWER METAL RESOURCES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

10. Intangible assets (continued)

Wallal Project, Ripon Hills, Braeside Project and Selta Project

First Development Resources Pty Ltd (“FDR Pty”), an 100% subsidiary of First Development Resources PLC (“FDR”), holding 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 a number of 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.

Pardoo Resources Pty Ltd (“Pardoo”) and RH Resources Pty Ltd (“RH Pty”), both 100% subsidiaries of FDR, hold the fully licenced Ripon Hills and Braeside West Projects which 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 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.

URE Metals Pty Ltd (“URE”) a 100% subsidiary of FDR PLC, holds the Selta Project. The Selta Project in the Northern Territory is located in an area considered highly prospective for uranium and Rare Earth Element 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 Bore REE deposits.

Molopo Farms Complex Project

In November 2022, Power Metal acquired an additional 58.7% equity stake in private company Kalahari Key Mineral Exploration Pty Limited (“KKME”), taking the Company’s holding to 87.71%. KKME is a Botswana registered exploration company with a 100% interest in the 1,723km² Molopo Farms Complex Project (“MFC”).

At the MFC, Power Metal is targeting a district-scale nickel and platinum group element. On 6 October 2023 the Company announced that its recently completed geophysical inversions led to the identification of the highest priority conductor to date at the Project within target area T1-14. The Company has further advanced plans to drill test the target at T1-14 with follow up analysis determining up to two areas to optimally test this conductor.

North Wind Project

The North Wind Lithium project was originally staked by Power Canada Inc. in November 2022, the project transferred to ION, both companies are 100% subsidiaries of Power Metal. The project is targeting a significant lithium discovery, the Group is currently awaiting assay results from 2023 field exploration.

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

11. Investments in subsidiaries

Company	Investment in subsidiary undertakings £'000
As at 30 September 2021	4,813
Additions	2,632
Balance at 30 September 2022	7,445
As at 30 September 2022	7,445
Additions	923
Disposals	(1,733)
Reclassification	549
Balance at 30 September 2023	7,184
Impairment	
As at 30 September 2021	4,813
Balance at 30 September 2022	4,813
As at 30 September 2022	4,813
Charge	-
Balance at 30 September 2023	4,813
Net book value	
At 30 September 2022	2,632
At 30 September 2023	2,371

	2023 £'000	2022 £'000
Non-current investments		
Investment in Golden Metal Resources PLC	-	1,733
Investment in First Development Resources PLC	899	899
Investment in Kalahari Key Mineral Exploration Company (Pty) Ltd	1,472	-
Total investment in subsidiaries	2,371	2,632

On 10 May 2023, Golden Metal Resources PLC (“GMET”) successfully listed on the AIM market of the London Stock Exchange (“Admission”). On this date, Power Metal derecognised GMET as a subsidiary and transferred its interest in GMET to financial assets. On IPO, the Power Metal purchased a number of GMET shares, the value of which netted against the intercompany loan balance, included in the above. GMET has been included within the Group as a subsidiary from 1 October 2022 to 10 May 2023. All assets and liabilities of the entity, along with the non-controlling interest, were derecognised on this date.

On 18 November 2022, Power Metal acquired a further 58.7% equity stake in Kalahari Key Mineral Exploration Company (Pty) Ltd, Following completion and restructuring of Kalahari which took place in November 2022, Power Metal holds 87.71% of Kalahari Key.

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
First Development Resources PLC	Mining and exploration	United Kingdom	58.59%	201 Temple Chambers, 3-7 Temple Avenue, London, United Kingdom, EC4Y 0D

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

11. Investments in subsidiaries (continued)

First Development Resources Pty Ltd	Mining and exploration	Australia	58.59% indirectly	First Floor, 160 Stirling Highway Nedlands WA 6009
Pardoo Resources Pty Ltd	Mining and exploration	Australia	58.59% indirectly	First Floor, 160 Stirling Highway Nedlands WA 6009
RH Resources Pty Ltd	Mining and exploration	Australia	58.59% indirectly	First Floor, 160 Stirling Highway Nedlands WA 6009
URE Metals Pty Ltd	Mining and exploration	Australia	58.59% indirectly	First Floor, 160 Stirling Highway Nedlands WA 6009
African Battery Metals Ltd	Mining and exploration	United Kingdom	100%	201 Temple Chambers, 3-7 Temple Avenue, London, United Kingdom, EC4Y 0DT
Kalahari Key Mineral Exploration Pty Ltd	Mining and exploration	Botswana	87.71%	Plot 50788, Phakalane, Botswana
Power Arabia 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
ION Battery Resources Ltd	Mining and exploration	United Kingdom	100%	201 Temple Chambers, 3-7 Temple Avenue, London, United Kingdom, EC4Y 0DT
10216233 Saskatchewan Ltd	Mining and exploration	Canada	100%	507 6th Avenue East Vancouver, British Columbia Canada, V5T 1K9
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 27 th Avenue E, Vancouver, British Columbia, Canada, V5V 2L8

POWER METAL RESOURCES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

11. Investments in subsidiaries (continued)

For the year ended 30 September 2023, Power Metal Resources Canada Inc incurred a loss of £210,000 (2022: £62,000), First Development Resources PLC incurred a loss of £559,000 (2022: £401,000), and Kalahari Key Mineral Exploration Pty Ltd incurred a loss of £20,000. Golden Metal Resources PLC incurred a loss of £165,000 for the period 1 October 2022 to 10 May 2023 (2022: £783,000). There were no other material losses in the subsidiaries.

12. Investments in joint ventures

Group

	2023 £'000	2022 £'000
Opening balance	193	166
Additions	316	194
Share of losses	(219)	(167)
Closing balance	<u>290</u>	<u>193</u>

Company

	2023 £'000	2022 £'000
Opening balance	495	301
Additions	316	194
Closing balance	<u>811</u>	<u>495</u>

Red Rock Australasia Pty Ltd/New Ballarat Gold Corporation PLC

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. As part of a group reorganisation in December 2021, 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. No operational transactions are currently recorded in this entity.

During the year, Power Metal contributed £316,000 (2022: £194,000) to costs incurred by RRAL in line with the joint venture agreement. At the year ended 30 September 2023, RRAL had incurred a loss of approximately AUD \$815,000 (2022: AUD \$600,000). Power Metal included its share of the loss in the financial statements for the year ended 30 September 2023. This amounted to £219,000 (2022: £167,000). Summarised financial information for RRAL is listed below.

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

12. Investments in joint ventures (continued)

	2023	2022
	£'000	£'000
Current Assets		
Cash and Cash Equivalents	1	7
Other Receivables	4	6
Total Current Assets	5	13
Non-Current Assets		
Mineral Tenements	540	378
Total Non-Current Assets	540	378
Total Assets	545	391
Current Liabilities		
Payroll taxes	6	6
Other creditors	30	50
Total Current Liabilities	36	56
Non-Current Liabilities		
Loan – Power Metal Resources PLC	742	477
Loan – Red Rock Resources PLC	923	647
Total Non-Current Liabilities	1,665	1,124
Total Liabilities	1,701	789

13. Assets classified as held for sale

In November 2022, Power Metal disposed of its interest in Kanye Resources Pty Ltd. The Joint Operation was transferred to assets held for sale at the year ended 30 September 2022 and a gain on disposal of £117k recognised in the year ended 30 September 2023.

As noted above in Note 12, in August 2022, a property purchase agreement was signed with Teathers Financial PLC (“Teathers”) and Power Metal. 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. 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. Both acquisitions are dependent on Teathers successfully listing on the London capital markets.

In relation to the above properties, intangible assets totalling £144k, and expenses amounting to £104k relating to the projects have been transferred to assets held for sale.

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	Company	Group	Company
	2023	2023	2023	2022
	£'000	£'000	£'000	£'000
Kanye	-	-	1,045	1,045
E-12	13	-	6	-
Reitenbach	178	-	73	-
Assets held for sale	191	-	1,124	1,045

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

14. Financial assets at fair value through profit or loss

Group			2023	2022
	Listed	Unlisted	Total	Total
	£'000	£'000	£'000	£'000
Non-current				
Opening balance	383	1,237	1,620	3,527
Additions	319	481	800	425
Fair value adjustment – equity investment	3,042	-	3,042	(618)
Fair value adjustment – derivative assets	(53)	-	(53)	-
Reclassification to current financial assets	(5,094)	-	(5,094)	(1,161)
Reclassification to investment in associate	-	-	-	(209)
Reclassification to intangible assets	1,603	(328)	1,275	(75)
Reclassification to receivables	-	-	-	(61)
Reclassification to investment in subsidiary	-	(420)	(420)	-
Disposals	(9)	-	(9)	(208)
Closing balance	191	970	1,161	1,620
	Listed	Unlisted	2023	2022
	£'000	£'000	Total	Total
	£'000	£'000	£'000	£'000
Current				
Opening balance	2,230	154	2,384	179
Additions	1,131	-	1,131	-
Fair value adjustment – equity investment	(1,361)	-	(1,361)	1,147
Fair value adjustment – derivative assets	(47)	-	(47)	(220)
Reclassification from current financial assets	5,094	-	5,094	1,162
Reclassification from assets held for sale	-	-	-	153
Disposals	(13)	-	(13)	(37)
Closing balance	7,034	154	7,188	2,384
Company			2023	2022
	Listed	Unlisted	Total	Total
	£'000	£'000	£'000	£'000
Non-current				
Opening balance	383	1,102	1,485	3,333
Additions	319	481	800	200
Fair value adjustment – equity investment	3,042	-	3,042	(618)
Fair value adjustment – derivative assets	(54)	-	(54)	-
Reclassification to current financial assets	(5,094)	-	(5,094)	(1,161)
Reclassification (to) / from intangibles	1,733	(328)	1,405	-
Reclassification to trade and other receivables	-	-	-	(61)
Reclassification to investment in subsidiary	-	(420)	(420)	-
Disposals	(7)	-	(7)	(208)
Closing balance	322	835	1,157	1,485
	Listed	Unlisted	2023	2022
	£'000	£'000	Total	Total
	£'000	£'000	£'000	£'000
Current				
Opening balance	2,230	154	2,384	179
Additions	1,131	-	1,131	-
Fair value adjustment – equity investment	(1,361)	-	(1,361)	1,147
Fair value adjustment – derivative assets	(47)	-	(47)	(220)
Reclassification from non-current financial	5,094	-	5,094	1,162
Reclassification from assets held for sale	-	-	-	153
Disposals	(13)	-	(13)	(37)
Closing balance	7,034	154	7,188	2,384

The notes on pages 37 to 68 are an integral part of these financial statements.

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

15. Trade and other receivables

Group	2023	2022
	£'000	£'000
Accounts receivable	31	123
Other receivables	366	149
Prepayments	84	74
Trade and other receivables	481	346

Company	2023	2022
	£'000	£'000
Receivables due from group undertakings	2,757	1,202
Receivables due from joint venture partners	78	2
Accounts receivable	-	69
Other receivables	75	37
Prepayments	84	74
Trade and other receivables	2,994	1,384

16. Cash and cash equivalents

Group	2023	2022
	£'000	£'000
Bank balances	1,098	1,560
Cash and cash equivalents	1,098	1,560

Company	2023	2022
	£'000	£'000
Bank balances	1,058	1,032
Cash and cash equivalents	1,058	1,032

17. Non-controlling interest

At 30 September 2023, the Group has material non-controlling interests ("NCIs") arising from its subsidiaries First Development Resources PLC ("FDR") and Kalahari Key Mineral Exploration Pty Ltd ("KKME"). These NCIs can be summarised as follows;

	2023	2022
	£'000	£'000
Balance at 1 January	2,065	(306)
Total comprehensive loss allocated to NCI	(225)	(219)
Effect of disposal of GMET	(1,010)	-
Effect of step disposal of FDR	(22)	-
Effect of step acquisition of KKME (2022: GMET & FDR)	99	2,590
Total	907	2,065

	2023	2022
	£'000	£'000
Power Metal Resources SA	(306)	(306)
Golden Metal Resources PLC	-	1,011
First Development Resources PLC	1,116	1,360
Kalahari Key Mineral Exploration Company (Pty) Ltd	97	-
Total	907	2,065

Golden Metal Resources PLC ("GMET") was an 83.13 per cent owned subsidiary of the Company that had material NCI. As noted above in Note 11, during the year GMET was derecognised as a subsidiary and the NCI was derecognised.

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

17. Non-controlling interest (continued)

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

	2023	2022
	£'000	£'000
Administrative expenses	(164)	(3,191)
Loss after tax	(164)	(3,191)
Loss allocated to NCI	(32)	(538)
Other comprehensive income allocated to NCI	-	471
Total comprehensive loss allocated to NCI	(32)	(67)
Current assets	6,396	6,201
Current liabilities	(814)	(207)
Net assets	5,582	5,994
Non-controlling interest (0.00%/16.87%)	-	1,011

First Development Resources PLC is a 58.59 per cent owned subsidiary of the Company that has material NCI.

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

	2023	2022
	£'000	£'000
Administrative expenses	(558)	(401)
(Loss) after tax	(558)	(401)
(Loss) allocated to NCI	(215)	(152)
Other comprehensive income allocated to NCI	(6)	-
Total comprehensive (loss) allocated to NCI	(221)	(152)
Current assets	3,611	3,726
Current liabilities	(164)	(136)
Net assets	3,447	3,590
Non-controlling interest (41.50%/37.88%)	1,116	1,360

Kalahari Key Mineral Exploration Pty Ltd (“KKME”) is an 87.71 per cent owned subsidiary of the Company that has a material NCI. In November 2022, Power Metal acquired an additional 58.7% equity stake in private company KKME, taking the Company’s holding to 87.71%.

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

17. Non-controlling interest (continued)

Summarised financial information reflecting 100 per cent of the KKME relevant figures is set out below:

	2023	2022
	£'000	£'000
Administrative expenses	(19)	-
(Loss) after tax	(19)	-
(Loss) allocated to NCI	(2)	-
Other comprehensive income allocated to NCI	-	-
Total comprehensive (loss) allocated to NCI	(2)	-
Current assets	831	-
Current liabilities	(25)	-
Net assets	806	-
Non-controlling interest (12.00%/0.00%)	97	-

18. Share capital

	Number of ordinary shares	
	2023	2022
Ordinary shares in issue at 1 October	1,614,654,921	1,254,808,787
Issued for cash	383,673,949	137,142,857
Issued in settlement for acquisitions	60,093,043	222,703,277
Issued in lieu of expenses	21,684,343	-
In issue at 30 September – fully paid (par value 0.1p)	2,080,106,256	1,614,654,921

	Number of deferred shares	
	2023	2022
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	
	2023	2022
	£'000	£'000
Balance at beginning of year	8,065	7,705
Share issues	466	360
Balance at 30 September	8,531	8,065

	Share Premium	
	2023	2022
	£'000	£'000
Balance at beginning of year	23,312	18,437
Share issues	4,405	4,999
Expenses relating to share issues	(220)	(124)
Balance at 30 September	27,497	23,312

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.

The notes on pages 37 to 68 are an integral part of these financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

18. Share capital (continued)

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 November 2022, the Company acquired an additional 58.7% interest in Kalahari Key Mineral Exploration Pty Limited. The consideration of £807,348 was payable through the issue of 46,134,171 new ordinary shares of 0.1p each in the Company at a price of 1.75p per new ordinary share and warrants over 46,134,171 new Ordinary Shares at a 3.5p exercise price.

In January 2023, the Company acquired 100% of the Canadian Graphite Project for £37,500. Consideration was payable through the issue of 2,500,000 Power Metal new ordinary shares of 0.1p each at an issue price of 1.5p per share.

In January 2023, the Company raised £900,000 before expenses through the issue of 64,285,714 new ordinary shares of 0.1p each ("Financing Shares") at an issue price of 1.4p per share. Each Financing Share has an attaching warrant to subscribe for one new ordinary share of 0.1p each in the Company at an exercise price of 2.0p per share with a 24-month term from 30 January 2023 creating 64,285,714 financing warrants.

In March 2023, the Company issued 11,458,872 ordinary shares at an issue price of 2.25p for settlement of the drill contract with Mindea Exploration & Drilling Services (Pty) at the Molopo Farms Complex Project.

In May 2023, the Company raised £2.175m before expenses through the issue of 319,388,235 new ordinary shares of 0.1p each ("Placing Shares") at an issue price of 0.85p per share. Each Placing Share has an attaching warrant to subscribe for one new ordinary share of 0.1p each in the Company at an exercise price of 2.0p per share with a 5-year term expiring 9 May 2028.

In May 2023, the Company received notice to exercise warrants over 6,250,000 new ordinary shares of 0.1p each at an exercise price of 0.7p per warrant share, raising an additional £43,750 for the Company.

In July 2023, the Company issued 9,208,951 ordinary shares at an issue price of 0.71p per share in lieu of fees incurred with advisors. 3,541,904 shares were issued to SP Angel Corporate Finance LLP, the Company's nominated adviser and joint broker, in lieu of fees to the value of £25,000. The remaining 5,667,047 shares were issued to another corporate adviser in lieu of fees for a total value of £40,000.

In July 2023, the Company negotiated early completion of its Authier North Lithium Project Earn-In, acquiring 100% interest in the Project. Consideration of CAD\$75,000 (£43,941) was settled through the issue of 6,225,392 new ordinary shares of 0.1p at an issue price of 0.71p.

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

19. Earnings per share

Basic and diluted loss per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

Group	2023	2022
Loss attributable to equity holders of the parent	(1,096,881)	(2,257,872)
Weighted average number of ordinary shares in issue	1,842,111,876	1,457,507,624
Basic and diluted loss per ordinary share (pence)	(0.06)	(0.15)

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.

20. Share options and warrants

Reconciliation of outstanding share options:

2023	Number of options	Weighted average exercise price (£'s)
Outstanding at 1 October 2022	104,211,429	0.03
Granted during the year	36,000,000	0.03
Lapsed	(49,711,429)	0.03
Outstanding at 30 September 2023	90,500,000	0.03
Exercisable at 30 September 2023	85,500,000	0.03

The weighted average contractual life of the options outstanding at the reporting date is 164 days.

Exercise prices of all share options outstanding at the end of the 2023 financial year was £0.033:

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	0.03

Directors Options

Included within the options issued in the year ended 30 September 2023 were 22,500,000 options issued to Directors (2022: 10,000,000).

2023	Exercise price (£'s)	Number of Options
Sean Wade	0.033	12,500,000
Owain Morton	0.033	5,000,000
Bill Brodie Good	0.033	5,000,000
		<u>22,500,000</u>

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

20. Share options and warrants (continued)

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

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	4.514%, 3.183%, 3.648% & 3.718%
Expected volatility	70%
Expected dividend yield	0%
Life of the option	Between 2 and 3 years
Share price at measurement date	£0.0148, £0.0143, £0.0108 & £0.0083

The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the last year.

Reconciliation of outstanding warrants

2023	Number of warrants	Weighted average exercise price (£'s)
Outstanding at 1 October 2022	212,884,342	0.19
Granted during the year	541,722,268	0.02
Lapsed during the year	(159,190,474)	0.01
Exercised during the year	(6,250,000)	0.02
Outstanding and exercisable at 30 September 2023	589,166,136	0.03

The weighted average contractual life of the warrants outstanding is 2 years 358 days.

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 and exercisable at 30 September 2022	212,884,342	0.19

Directors Warrants

No warrants were issued to Directors in the year ended 30 September 2023 (2022: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	4.514%, 3.648% & 3.718%
Expected volatility	70%
Expected dividend yield	0%
Life of the option	Between 2 and 3 years
Share price at measurement date	£0.0148, £0.0108 & £0.0083

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023

20. Share options and warrants (continued)

£30,728 (2022: £70,119) 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 £43,867 (2022: £35,283) has been included in non-current assets as it relates to the acquisition of certain financial assets.

21. Trade and other payables

Group	2023	2022
	£'000	£'000
Trade payables	343	686
Other Payables	35	-
Other taxation and social security	54	-
Accrued expenses	453	164
Trade and other payables	<u>885</u>	<u>850</u>
Company	2023	2022
	£'000	£'000
Trade payables	236	329
Other Payables	35	-
Other taxation and social security	56	-
Accrued expenses	360	164
Payable to group undertakings	-	24
Trade and other payables	<u>687</u>	<u>517</u>

The Group's and Company's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 22.

22. Financial instruments

Financial risk management

Overview

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

- credit risk
- liquidity risk
- market risk
- currency 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.

POWER METAL RESOURCES PLC

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

22. Financial instruments (continued)

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 14 Financial Assets at Fair Value through Profit or Loss for further detail.

**Group
2023**

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets at fair value through profit or loss				
Financial assets (fair value through the profit or loss)	7,224	-	1,124	8,348
	<u>7,224</u>	<u>-</u>	<u>1,124</u>	<u>8,348</u>

**Company
2023**

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial Assets at fair value through profit or loss				
Financial assets (fair value through the profit or loss)	7,355	-	989	8,344
	<u>7,355</u>	<u>-</u>	<u>989</u>	<u>8,344</u>

**Group
2022**

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'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
	<u>2,614</u>	<u>-</u>	<u>1,390</u>	<u>4,004</u>

**Company
2022**

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'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
	<u>2,614</u>	<u>-</u>	<u>1,255</u>	<u>3,869</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023

22. Financial instruments (continued)

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	
	2023	2022
	£'000	£'000
Trade and other receivables	418	272
Cash and cash equivalents	1,098	1,560
	<u>1,516</u>	<u>1,832</u>

Company	Carrying amount	
	2023	2022
	£'000	£'000
Trade and other receivables	2,910	1,310
Cash and cash equivalents	1,058	1,032
	<u>3,968</u>	<u>2,342</u>

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 2023

	Carrying amount	2 months or less	2-12 months	More than 1 year
	£'000	£'000	£'000	£'000
Non-derivative financial liabilities				
Trade and other payables	831	831	-	-
	<u>831</u>	<u>831</u>	<u>-</u>	<u>-</u>

30 September 2022

	Carrying amount	2 months or less	2-12 months	More than 1 year
	£'000	£'000	£'000	£'000
Non-derivative financial liabilities				
Trade and other payables	757	757	-	-
	<u>757</u>	<u>757</u>	<u>-</u>	<u>-</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023

22. Financial instruments (continued)

Company

30 September 2023

	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	631	631	-	-
	631	631	-	-

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	-	-

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	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Net foreign currency financial				
USD	(2)	48	(2)	48
CAD	34	13	34	13
AUD	174	5	3	5
BWP	46	52	1	52
Total net exposure	252	118	36	118

Sensitivity analysis

A 10 per cent strengthening of sterling against the respective currencies at 30 September 2023 would have increased/(decreased) equity and profit or loss by the amounts shown below:

	Profit and loss		Equity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
USD	-	(5)	-	(5)
CAD	(3)	(1)	(3)	(1)
AUD	(17)	-	(17)	-
BWP	(5)	(5)	(5)	(5)
Total net exposure	(25)	(11)	(25)	(11)

POWER METAL RESOURCES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

22. Financial instruments (continued)

Company	Profit and loss		Equity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
USD	-	(5)	-	(5)
CAD	(3)	(1)	(3)	(1)
AUD	-	-	-	-
BWP	-	(5)	-	(5)
Total net exposure	(3)	(11)	(3)	(11)

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 2023 for the Group totalled £14,479,000 (2022: £13,755,000) and for the Company totalled £14,893,000 (2022: £10,152,000).

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.

23. Contingent liabilities and assets

During the year, the Company issued a letter of support to First Development Resources PLC, its subsidiary, 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 2023. It is noted in the letter that on successful IPO of First Development Resources PLC, support will cease. As at the date of these financial statements, it is likely this support will be required, however, the Company is unable to make a reliable estimate of the value of the liability.

As at 30 September 2023, the Group identified one contingent asset. This related to First Development Resources PLC, who committed to paying the Company £87,000 for administrative support and executive management services. The commitment only becomes payable to the Company in the event of First Development Resources PLC achieving a corporate transaction, being a disposal of an asset or completion of its planned IPO and listing. The contingent asset has not been recorded in the Consolidated Statement of Financial Position.

24. Related parties

In addition to matters reported in note 8, the following related party transactions took place during the year ended 30 September 2023:

Paul Johnson, who served as CEO of the Company until 17 March 2023, is also Director of Value Generation Limited ("VGL"), a management consultancy business. The total fees invoiced to the Company by VGL for the year ended 30 September 2023 were £1,616 (2022: £31,800) 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 VGL on behalf of POW.

Douglas Brodie Good, who served as a Director of the Company during the year, is also a Director of KBG Consultants Limited ("KBG"), a management consultancy business. The total fees invoiced to the Company by KBG for the year ended 30 September 2023 were £40,000 (2022: £Nil) of which £17,000 was outstanding at year end (2022: £Nil). All fees related to consultancy.

POWER METAL RESOURCES PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023

24. Related parties (continued)

In August 2021, an advance of £100,000 was made by Power Metal to Red Rock Resources PLC for joint venture costs in respect of the set-up of New Ballarat Gold Corporation PLC and its planned listing. The loan is repayable on demand and at 30 September 2023, £82,500 was outstanding (2022: £100,000).

During the year, the Company advanced funds to New Ballarat Gold Corporation PLC, totalling £30,000. The loan is repayable on demand and at 30 September 2023, £30,000 was outstanding (2022: £Nil).

During the year, the Company wrote off the loan payable by CBH Resources of £35,000 (2022: £Nil). Therefore, at 30 September 2023 £Nil was outstanding (2022: £35,000). Any cumulative expected credit losses were written off during the year.

During the year, the Company wrote off the loan owed to Regent Resources Interests Corporation of £24,000 (2022: £Nil). Therefore, on 30 September 2023 £Nil was outstanding (2022: £24,000). Any cumulative expected credit losses were written off during the year.

During the year, the Company received 2,374,319 ordinary shares in Golden Metal Resources PLC ("GMET"), as part of its IPO. GMET was a subsidiary as at 30 September 2022. The total value of these shares amounted to £202,000 and consideration was offset against the outstanding loan balance due to Power Metal. After the IPO, Power Metal's shareholding was diluted to c.61% and it is deemed that the Company no longer controlled Golden Metal Resources PLC, due to a relationship agreement in place. The total amount due to Power Metal on 30 September 2023 was £5,000 (2022: £16,000). The amount is repayable on demand. A cumulative expected credit loss of £420 was recognised at the year-end in respect of the receivable (2022: £1,200).

During the year, the Company advanced funds to Wilan Resources Pty Ltd ("Wilan") (previously named Power Metal Resources Australia Pty Ltd), totalling £7,500 (2022: £45,000). Wilan, previously a subsidiary, was sold to NHM Holdings Pty Ltd during the year, a company in which Power Metal holds a small shareholding. It was agreed the loan between Power Metal and Wilan would remain in place. The loan is repayable on demand and on 30 September 2023, £53,500 was outstanding (2022: £46,000).

During the year, the Company advanced funds to its subsidiary, Power Metal Resources Canada Inc, totalling £387,000 (2022: £261,000). The loan is repayable on demand and on 30 September 2023, £703,000 was outstanding (2022: £316,000). An expected credit loss of £38,000 was recognised at the year-end in respect of the intercompany receivable (2022: £23,000).

During the year, the Company advanced funds to its subsidiary, Tati Greenstone Resources Pty Ltd, totalling £74,000 (2022: £234,000). The loan is repayable on demand and on 30 September 2023, £422,000 was outstanding (2022: £348,000). An expected credit loss of £6,000 was recognised at the year-end in respect of the intercompany receivable (2022: £28,000).

During the year, the Company advanced funds to its subsidiary, Power Metal Resources Botswana Pty Ltd totalling £24,000 (2022: £8,000). The loan is repayable on demand and on 30 September 2023, £32,000 was outstanding (2022: £8,000). An expected credit loss of £2,000 was recognised at the year-end in respect of the intercompany receivable (2022: £1,000).

During the year, the Company advanced funds to its subsidiary, First Development Resources PLC, totalling £61,000 (2022: £201,000). The loan is repayable on demand and on 30 September 2023, £96,000 was outstanding (2022: £36,000). The loan is repayable on demand, and an expected credit loss of £5,000 was recognised at the year-end in respect of the intercompany receivable (2022: £2,000).

During the year, the Company advanced funds to its subsidiary, Power Arabia Limited (formally Power Capital Investments Ltd), totalling £Nil (2022: £Nil). The loan is repayable on demand and on 30 September 2023, £5,000 was outstanding (2022: £5,000). An expected credit loss of £Nil was recognised at the year-end in respect of the intercompany receivable (2022: £Nil).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

24. Related parties (continued)

During the year, the Company advanced funds to its subsidiary, ION Battery Resources Limited, a company incorporated in the year, totalling £122,000 (2022: £Nil). ION Battery Resources Limited also acquired an exploration property with a total value of £115,000, via intragroup transfer from Power Metal Resources Canada, a wholly owned subsidiary of the Company. The loan is repayable on demand and on 30 September 2023, £238,000 was outstanding (2022: £Nil). An expected credit loss of £15,000 was recognised at the year-end in respect of the intercompany receivable (2022: £Nil).

During the year the Company acquired control of Kalahari Key Mineral Exploration Pty Ltd, previously an associate. £328,000 of costs incurred in excess of the earn in option were transferred to a loan with the subsidiary. The Company also advanced £388,000 funds to the subsidiary after the acquisition. The loan is repayable on demand and on 30 September 2023, £716,000 was outstanding (2022: £Nil). An expected credit loss of £57,000 was recognised at the year-end in respect of the intercompany receivable (2022: £Nil).

25. 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 required to remain in good standing which are funded directly by Power Metal or through its subsidiaries.

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 attached, 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 attached. 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.

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.

26. Subsequent events

On 3 October 2023, the Company issued 1,293,103 new ordinary shares of 0.1 pence, at a price of 0.725 pence per share ("Fee Shares") to SP Angel Corporate Finance LLP, the Company's nominated adviser and joint broker, in lieu of fees incurred to the value of £9,375. A further 2,068,965 Fee Shares were issued to a professional services provider in lieu of fees incurred to the value of £15,000.

On 6 November 2023, Power Metal announced the disposal of its entire holding of 69,500,000 shares of Kavango Resources Plc ("Kavango"), at a price of 0.8p per share, raising cash of £556,000 for the Company. Power Metal retained its 60,000,000 warrants to subscribe for new Kavango shares with 30,000,000 warrants at an exercise price of 4.25p and 30,000,000 warrants at an exercise price of 5.5p, both with an expiry date of 8 January 2025. In addition, Power Metal holds a 1% net smelter return royalty ("NSR") in respect of the project licence footprint in the Kalahari Copper Belt and Dita Camp projects previously held in joint venture with Kavango.

On 16 January 2024, Owain Morton, Non-Executive Director, stepped down from the board with immediate effect.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

26. Subsequent events (continued)

On 31 January 2024, Power Metal announced the issuance of 130,000,000 new ordinary shares of 0.1 pence each at an issue price of 1.0 pence per ordinary share, representing a premium of approximately 3.09 per cent. The share issue resulted in a total raise of £1.3 million.

27. Ultimate controlling party

The Directors do not believe that there is an ultimate controlling party of the Group.